

SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

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 FORM S-3  
 REGISTRATION STATEMENT  
 under  
 THE SECURITIES ACT OF 1933

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 CPS AUTO GRANTOR TRUSTS  
 (Issuer of the Certificates)

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 CONSUMER PORTFOLIO SERVICES, INC.  
 (Originator of the Trust described herein)  
 (Exact name of registrant as specified in its charter)

California 33-0459135  
 (State or Other Jurisdiction of (IRS Employer  
 Incorporation or Organization) Identification Number)

2 Ada, Suite 100  
 Irvine, California 92718  
 (714) 753-6800  
 (Address, including zip code, and telephone number, including area code,  
 of registrant's principal executive offices)  
 Charles E. Bradley, Jr.  
 Consumer Portfolio Services, Inc.  
 2 Ada, Suite 100  
 Irvine, California 92718  
 (714) 753-6800  
 (Name, address, including zip code, and telephone number,  
 including area code, of agent for service)

Copy to:

Laura A. DeFelice, Esq.  
 MAYER, BROWN & PLATT  
 1675 Broadway  
 New York, New York 10019  
 (212) 506-2500

Approximate date of commencement of proposed sale to the public:

From time to time on or after the effective date of this registration statement, as determined by market conditions.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per certificate*	Proposed maximum aggregate offering price*	Amount of registration fee
Asset Backed Certificates, Class A	\$1,000,000	100%	\$1,000,000	\$344.83
Asset Backed Certificates,				

\* Estimated solely for the purpose of calculating the registration fee.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

#### INTRODUCTORY NOTE

This Registration Statement contains (i) a form of Prospectus relating to the offering of Series of Asset Backed Certificates by various CPS Auto Grantor trusts created from time to time by Consumer Portfolio Services, Inc. and (ii) a form of Prospectus Supplement relating to the offering by CPS Auto Grantor Trust 199[ ]-[ ] of the particular Series of Asset Backed Certificates described therein. The form of Prospectus Supplement relates only to the securities described therein and is a form that may be used, among others, by Consumer Portfolio Services, Inc. to offer Asset Backed Certificates under this Registration Statement.

FORM OF PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED [ ], 199[ ]

\$( [ ] )

CPS Auto Grantor Trust 199[ ]-[ ]

\$( [ ] ) [ ]% Asset-Backed Certificates, Class A  
\$( [ ] ) [ ]% Asset-Backed Certificates, Class B

CPS Receivables Corp.  
(Seller)

Consumer Portfolio Services, Inc.  
(Servicer)

The Asset-Backed Certificates will consist of two classes of certificates, Class A (the "Class A Certificates") and Class B (the "Class B Certificates") and, collectively, the "Certificates"), evidencing beneficial ownership interests in a trust (the "Trust") to be formed pursuant to a Pooling and Servicing Agreement among CPS Receivables Corp., as Seller (the "Seller"), Consumer Portfolio Services, Inc., as Servicer (individually, "CPS", and in its capacity as the Servicer, the "Servicer"), and [ ], as Trustee and Standby Servicer (the "Trustee" and "Standby Servicer", respectively). The Class A Certificates will evidence, in the aggregate, beneficial ownership of an undivided [ ] percent ([ ]%) interest in the Trust Assets, other than interest received by the Trust in excess of the Class A Pass-Through Rate of [ ]% per annum, and the Class B Certificates will evidence, in the aggregate, beneficial ownership of an undivided [ ] percent ([ ]%) interest in the Trust Assets, other than interest received by the Trust in excess of the Class B Pass-Through Rate of [ ]% per annum. The rights of the Class B Certificateholders to receive distributions with respect to the Receivables are subordinated to the rights of the holders of the Class A Certificates [and the Credit Enhancer] to the extent described herein.

The Underwriters have agreed to purchase from the Seller the Class A Certificates and the Class B Certificates at [ ]% and [ ]%, respectively, of the principal amount thereof, subject to the terms and conditions set forth in the Underwriting Agreement referred to herein under "Underwriting". The aggregate proceeds to the Seller, before deducting expenses payable by the Seller estimated at \$[ ], will be \$[ ] for the Class A Certificates plus accrued interest at the Class A Pass-Through Rate from [ ], 199[ ] and \$[ ] for the Class B Certificates plus accrued interest at the Class B Pass-Through Rate from [ ], 199[ ].

The Underwriters propose to offer the Securities from time to time in negotiated transactions or otherwise, at prices determined at the time of sale. For further information with respect to the plan of distribution and any discounts, commissions or profits that may be deemed underwriting discounts or commissions, see "Underwriting" herein.

The Trust Assets will include a pool of retail installment sale contracts and all rights thereunder (collectively, the "Receivables"), certain monies due or received thereunder after [ ], 199[ ], security interests in the new and used automobiles, light trucks, vans and minivans securing the Receivables, certain bank accounts and the proceeds thereof, [Credit Enhancement] with respect to the Class A Certificates, and the right of CPS to receive certain insurance proceeds and certain other property, as more fully described herein. The Receivables will be purchased by the Seller from CPS on or prior to the date of the issuance of the Certificates.

FOR A DISCUSSION OF CERTAIN FACTORS RELATING TO THE TRANSACTION, SEE "RISK FACTORS" AT PAGE S-15 HEREIN AND PAGE [ ] IN THE ACCOMPANYING PROSPECTUS. [Credit Enhancement (the "Credit Enhancement") with respect to the Class A Certificates will be provided by [Credit Enhancer] on each Distribution Date.

THE CERTIFICATES REPRESENT INTERESTS IN THE TRUST AND DO NOT REPRESENT INTEREST IN OR OBLIGATIONS OF THE SELLER, THE SERVICER OR ANY AFFILIATE THEREOF.

THE CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Certificates are offered hereby by the Underwriters when, as and if issued by the Seller, delivered to and accepted by the Underwriters and subject to its right to reject orders in whole or in part. It is expected that delivery of the Certificates will be made on or about [ ], 199[ ] only through The Depository Trust Company.

[Underwriters]

The date of this Prospectus Supplement is [ ], 199[ ].

(cover continued from previous page)

AVAILABLE INFORMATION

CPS has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement (together with all amendments and exhibits thereto, referred to herein as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") with respect to the Certificates offered pursuant to this Prospectus Supplement. For further information, reference is made to the Registration Statement which may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549; and at the Commission's regional office at 500 West Madison, 14th Floor, Chicago, Illinois 60661 and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies of the Registration Statement may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The Servicer, on behalf of the Trust, will also file or cause to be filed with the commission such periodic reports as may be required under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations of the Commission thereunder.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

All documents subsequently filed by CPS with the Registration Statement, either on its own behalf or on behalf of the Trust, relating to the Certificates, with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this Prospectus Supplement and prior to the termination of the offering of the Certificates offered hereby, shall be deemed to be incorporated by reference in this Prospectus Supplement and to be a part of this Prospectus Supplement from the date of the filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or replaces such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

CPS will provide without charge to each person to whom this Prospectus Supplement is delivered, on the written or oral request of such person, a copy of any or all of the documents referred to above that have been or may be incorporated by reference in this Prospectus Supplement (not including exhibits to the information that is incorporated by reference unless such exhibits are specifically incorporated by reference into the information that this Prospectus Supplement incorporates). Written requests for such copies should be directed to: Consumer Portfolio Services, Inc., 2 Ada, Suite 100, Irvine, California 92718, Attention: [ ]. Telephone requests for such copies should be directed to Consumer Portfolio Services, Inc. at (714) 753-6800.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET.

SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

REPORTS TO CERTIFICATEHOLDERS

Unless and until Definitive Certificates are issued periodic reports containing information concerning the Receivables will be prepared by the Servicer and sent on behalf of the Trust only to Cede & Co. ("Cede"), as nominee of The Depository Trust Company ("DTC") and registered holder of the Certificates. Such reports will not constitute financial statements prepared in accordance with generally accepted accounting principles. The Servicer will file with the Commission such periodic reports as are required under the Exchange Act, and the rules and regulations thereunder and as are otherwise agreed to by the Commission. Copies of such periodic reports may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates.

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SUMMARY

This Summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus Supplement and in the accompanying Prospectus. Certain capitalized terms used in the Summary are defined elsewhere in this Prospectus Supplement. An Index of Terms appears at the end of this Prospectus Supplement.

Trust..... CPS Auto Grantor Trust 199[ ]-[ ] (the "Trust") to be formed pursuant to the Pooling and Servicing Agreement, dated as of [ ], 199[ ] among the Seller, the Servicer and the Trustee and Standby Servicer (the "Agreement").

Seller..... CPS Receivables Corp. (the "Seller"). See "The Seller and CPS" in this Prospectus Supplement.

Servicer..... Consumer Portfolio Services, Inc. ("CPS" or, in its capacity as the servicer, the "Servicer"). See "CPS's Automobile Contract Portfolio" and "The Seller and CPS" in this Prospectus Supplement.

Trustee..... [name and address].

[Credit Enhancer]..... [Credit Enhancer Information].

Closing Date..... On or about [ ], 199[ ].

Description of the Securities Offered..... The Certificates consist of two classes, entitled [ ]% Asset-Backed Certificates, Class A (the "Class A Certificates") and [ ]% Asset- Backed Certificates, Class B (the "Class B Certificates" and, together with the Class A Certificates, the "Certificates"). Each Certificate will evidence beneficial ownership of an undivided interest in the Trust. The Class A Certificates will evidence, in the aggregate, beneficial ownership of an undivided interest in the Trust Assets equal to the Class A Percentage of the Trust Assets, but not including any interest received by the Trust in excess of the Class A Pass-Through Rate. The Class B Certificates will evidence, in the aggregate, beneficial ownership of an undivided interest in the Trust Assets equal to the Class B Percentage of the Trust Assets, but not including any interest received by the Trust in excess of the Class B Pass-Through Rate.

The "Class A Percentage" as of any date of determination will be [ ]%. The "Class B Percentage" as of any date of determination will be [ ]%.

The Certificates will be offered for purchase in denominations of \$1,000 and in integral multiples thereof.

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Trust Assets..... The property of the Trust (the "Trust Assets") will include (i) a pool of retail installment sale contracts (collectively, the "Receivables") secured by the new and used automobiles, light trucks, vans and minivans financed thereby (the "Financed Vehicles"), (ii) with respect to Rule of 78's Receivables, all payments due thereon after [ ], 199[ ] (the "Cutoff Date"), and, with respect to Simple Interest Receivables, all payments received thereunder after the Cutoff Date, (iii) security interests in the Financed Vehicles, (iv) certain bank accounts and the proceeds thereof, (v) the right of the Seller to receive proceeds from claims under, or refunds of unearned premiums from, certain insurance policies and extended service contracts, (vi) all right, title and interest of the Seller in and to the Purchase Agreement (the "Purchase Agreement") between the Seller and CPS, (vii) [Credit Enhancement] issued by the [Credit Enhancer] with respect to the Class A Certificates, and (viii) certain other property, as more fully described herein. See "Formation of the Trust" in this Prospectus Supplement and "The Trust Assets" in the Prospectus. The Receivables will be purchased by the Seller from CPS pursuant to the Purchase Agreement on or prior to the Closing Date. The Receivables arise from loans originated by automobile dealers for assignment to CPS pursuant to CPS's auto loan programs.

The Receivables..... As of the Cutoff Date, the aggregate outstanding principal balance of the Receivables was \$[ ] (the "Original Pool Balance"). The Receivables consist of retail installment sale contracts secured by new and used automobiles, light trucks, vans and minivans including, with respect to Rule of 78's Receivables, the rights to all payments due with respect to such Receivables after the Cutoff Date, and, with respect to Simple Interest Receivables, the rights to all payments received with respect to such Receivables after the Cutoff Date. As of the Cutoff Date, approximately [ ]% of the aggregate principal balance of the Receivables represented financing of used vehicles. The Receivables arise from loans originated by automobile dealers for assignment to CPS pursuant to CPS's auto loan programs. The auto loan programs target automobile purchasers with marginal credit ratings who are generally unable to obtain credit from banks or other low-risk lenders. See "CPS's Automobile Contract Portfolio -General" in this Prospectus Supplement and "Risk Factors-Nature of Obligors" in the Prospectus. The Receivables have been selected from the contracts owned by CPS based on the criteria specified in the Agreement and described herein.

Each Receivable is a Rule of 78's Receivable or a Simple Interest Receivable. As of the Cutoff Date, the weighted average annual percentage rate (the "APR") of the Receivables was approximately [ ]%, the weighted average remaining term to maturity of the Receivables was approximately [ ] months and the weighted

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average original term to maturity of the  
Receivables was approximately [ ] months. As  
of the Cutoff Date, no Receivable had a  
scheduled maturity later than [ ].

Class A Certificate Balance..... The "Class A Certificate Balance" will equal,  
initially, the Class A Percentage of the  
Original Pool Balance as of the close of  
business on the Cutoff Date, and thereafter  
will equal the initial Class A Certificate  
Balance reduced by all principal  
distributions on the Class A Certificates.

Class A Pass-Through Rate..... Interest will accrue on the Class A  
Certificate Balance at a rate of [ ]% per  
annum, calculated on the basis of a 360-day  
year consisting of twelve 30-day months (the  
"Class A Pass-Through Rate").

Class B Certificate Balance..... The "Class B Certificate Balance" will equal,  
initially, the Class B Percentage of the  
Original Pool Balance as of the close of  
business on the Cutoff Date, and thereafter  
will equal the initial Class B Certificate  
Balance reduced by all principal  
distributions on the Class B Certificates.

Class B Pass-Through Rate..... Interest will accrue on the principal balance  
of the Class B Certificates outstanding from  
time to time at a rate of [ ]% per annum,  
calculated on the basis of a 360-day year  
consisting of twelve 30-day months (the  
"Class B Pass-Through Rate").

Interest..... On the 15th of each month (or the next  
following Business Day) beginning [ ], 199[ ]  
(each, a "Distribution Date"), the Trustee  
will, to the extent there are funds available  
from the sources described herein,  
pass-through and (i) distribute pro rata to  
the holders of record of the Class A  
Certificates (the "Class A  
Certificateholders") as of the related Record  
Date thirty (30) days' of interest at the  
Class A Pass-Through Rate on the Class A  
Certificate Balance as of the close of  
business on the last day of the related  
Collection Period and (ii) distribute pro  
rata to the holders of record of the Class B  
Certificates (the "Class B  
Certificateholders") as of the related Record  
Date thirty (30) days' of interest at the  
Class B Pass-Through Rate on the Class B  
Certificate Balance as of the close of  
business on the last day of the related  
Collection Period; provided, however, that on  
the first Distribution Date, the  
Certificateholders will be entitled to  
interest at the Class A Pass-Through Rate or  
the Class B Pass-Through Rate, as applicable,  
on the initial Class A Certificate Balance or  
the initial Class B Certificate Balance, as  
applicable, from and including the Closing  
Date through and including [ ]. The final  
scheduled Distribution Date on the  
Certificates will be the [ ] Distribution  
Date (the "Final Scheduled Distribution  
Date").

Principal..... On each Distribution Date, the Trustee will,  
to the extent that there are funds available  
from the sources described herein, distribute  
to



(a) the Class A Certificateholders as of the related Record Date an amount equal to the Class A Percentage of the Principal Distributable Amount and (b) the Class B Certificateholders as of the related Record Date an amount equal to the Class B Percentage of the Principal Distributable Amount. The "Principal Distributable Amount" for a Distribution Date shall equal the sum of (a) the principal portion of all Scheduled Payments received during the preceding Collection Period on Rule of 78's Receivables and all payments of principal received on Simple Interest Receivables during the preceding Collection Period; (b) the principal portion of all prepayments in full (including prepayments in full resulting from collections with respect to a Receivable received during the preceding Collection Period plus any amounts applied from the Payahead Account with respect to such Receivable) (without duplication of amounts included in (a) above and (d) below); (c) the portion of the Purchase Amount allocable to principal of each Receivable that was repurchased by CPS or purchased by the Servicer as of the last day of the related Collection Period (without duplication of the amounts referred to in (a) and (b) above); (d) the Principal Balance of each Receivable that first became a Liquidated Receivable during the preceding Collection Period (without duplication of the amounts included in (a) and (b) above); and (e) the aggregate amount of Cram Down Losses that shall have occurred during the preceding Collection Period (without duplication of amounts included in (a) through (d) above). In addition, on the Final Scheduled Distribution Date, to the extent amounts are available therefor, the principal required to be distributed to the Class A Certificateholders will equal the then outstanding Class A Certificate Balance and the principal required to be distributed to the Class B Certificateholders will equal the then outstanding Class B Certificate Balance.

A "Collection Period" with respect to a Distribution Date will be the calendar month preceding the month in which such Distribution Date occurs; provided however, that with respect to the first Distribution Date, the "Collection Period" will be the period from and excluding the Cutoff Date to and including [ ], 199[ ].

Priority of Payments..... On each Distribution Date, the Trustee shall make the following distributions in the following order of priority:

[(i) to the Servicer, the Servicing Fee and all unpaid Servicing Fees; provided, however, that as long as CPS is the Servicer and [ ], is the Standby Servicer, the Trustee will first pay to the Standby Servicer out of the Servicing Fee otherwise payable to CPS an amount equal to the Standby Fee;

- (ii) in the event the Standby Servicer becomes the successor Servicer, to the Standby Servicer, reasonable transition expenses (up to a maximum of \$[ ]) incurred in acting as successor Servicer;
- (iii) to the Trustee, the Trustee Fee (as defined herein) and other reasonable expenses;
- (iv) to the Collateral Agent, all fees and expenses payable to the Collateral Agent with respect to such Distribution Date;
- (v) to the Class A Certificateholders, the Class A Interest Distributable Amount (as defined herein) and any Class A Interest Carryover Shortfall (as defined herein);
- (vi) to the Class B Certificateholders, the Class B Interest Distributable Amount (defined herein) and any Class B Interest Carryover Shortfall (defined herein);
- (vii) to the Class A Certificateholders, the Class A Principal Distributable Amount (defined herein) and any Class A Principal Carryover Shortfall (defined herein);
- (viii) to the [Credit Enhancer], any amounts due to the [Credit Enhancer] under the terms of the Agreement and under the [Enhancement Agreement] (defined herein);
- (ix) to any successor Servicer, reasonable transition expenses (up to a maximum of \$[ ]) incurred in acting as successor Servicer;
- (x) to the Class B Certificateholders, the Class B Principal Distributable Amount (defined herein) and any Class B Principal Carryover Shortfall (defined herein); and
- (xi) to the Collateral Agent, for deposit into the Spread Account, the remaining Total Distribution Amount, if any. See "The Certificates -- Distributions on Certificates - Priority of Distribution Amounts" in this Prospectus Supplement.]

[Spread Account..... The Seller has agreed to cause the Spread Account to be established with the Collateral Agent for the benefit of the [Credit Enhancer] and the Trustee on behalf of the Class A Certificateholders. Any portion of the Total Distribution Amount remaining on any Distribution Date after payment of all fees and expenses due on such date to the Servicer, the Standby Servicer, the Trustee, the Collateral Agent, the [Credit Enhancer], any successor Servicer and all principal and interest payments due to the Certificateholders on such Distribution Date, will be deposited in the Spread Account and held by the Collateral Agent for the benefit of the Trustee, on behalf of the Class A Certificateholders, and the [Credit Enhancer]. The Collateral Agent [will] [will not] hold for the benefit of the Class B Certificateholders the amounts

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on deposit in the Spread Account on any Distribution Date, which (after all payments required to be made on such date have been made) are in excess of the requisite amount determined from time to time in accordance with certain portfolio performance tests agreed upon by the [Credit Enhancer] and the Seller as a condition to the issuance of the [Credit Enhancement] (such requisite amount, the "Requisite Amount"). If on any Distribution Date, the Total Distribution Amount is insufficient (taking into account the application of the Total Distribution Amount to the payment of the Class B Interest Distributable Amount and any Class B Interest Carryover Shortfall) to pay all distributions required to be made on such day pursuant to priorities (i), (ii), (iii), (iv), (v), (vii), (viii) and (ix) referred to above in "Priority of Payments", amounts on deposit in the Spread Account will be applied to pay the amounts due on such Distribution Date pursuant to such priorities (i), (ii), (iii), (iv), (v), (vii), (viii) and (ix). See "The Certificates -- Distributions on Certificates -- The Spread Account" in this Prospectus Supplement.]

[Other Spread Account Arrangement]

Subordination..... Distributions of interest on the Class B Certificates will be subordinated in priority of payment to interest due on the Class A Certificates. Distributions of principal on the Class B Certificates will be subordinated in priority of payment to interest and principal due on the Class A Certificates. Accordingly, the Class A Certificates will receive the benefit of amounts otherwise due on the Class B Certificates as credit enhancement. Funds representing the interest of the Class B Certificateholders in the Trust Assets will be applied first to the payment of any amounts due to the Class A Certificateholders on account of the Class A Interest Distributable Amount and any Class A Interest Carryover Shortfall before any portion thereof is paid to the Class B Certificateholders and funds otherwise due to pay principal of the Class B Certificates will be applied first to the payment of the Class A Principal Distributable Amount and any Class A Principal Carryover Shortfall before any portion thereof is paid to the Class B Certificateholders.

Distribution and Record Dates..... A "Distribution Date" will be the 15th day of each month (or if such 15th day is not a business day, the next following business day) commencing [ ], 199[ ]. The record date applicable to each Distribution Date (each, a "Record Date") will be the 10th day of the calendar month in which such Distribution Date occurs.

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Repurchases and  
Purchases of

Certain Receivables..... CPS has made certain representations and warranties relating to the Receivables to the Seller in the Purchase Agreement, and the Seller has made such representations and warranties for the benefit of the Trust and the [Credit Enhancer] in the Agreement. The Trustee, as acknowledged assignee of the repurchase obligations of CPS under the Purchase Agreement, will be entitled to require CPS to repurchase any Receivable if such Receivable is materially adversely affected by a breach of any representation or warranty made by CPS with respect to the Receivable and such breach has not been cured following discovery by the Seller or CPS or notice to the Seller and CPS.

The Servicer will be obligated to repurchase any Receivable if, among other things, it extends the date for final payment by the Obligor of such Receivable beyond the last day of the penultimate Collection Period preceding the Final Scheduled Distribution Date or fails to maintain a perfected security interest in the Financed Vehicle. See "Description of the Certificates - Servicing Procedures" in this Prospectus Supplement and "Description of the Pooling and Servicing Agreements-- Servicing Procedures" in the Prospectus.

The [Credit Enhancement]..... [Describe credit enhancement]

Servicing..... The Servicer will be responsible for servicing, managing and making collections on the Receivables. On or prior to the next billing period after the Cutoff Date, the Servicer will notify each Obligor to make payments with respect to the Receivables after the Cutoff Date directly to a post office box in the name of the Trustee for the benefit of the Certificateholders and the [Credit Enhancer] (the "Post Office Box"). On each Business Day, Cash Flex, L.P., as the lock-box processor (the "Lock-Box Processor"), will transfer any such payments received in the Post Office Box to a segregated lock-box account at Bank of America (the "Lock-Box Bank"), in the name of the Trustee for the benefit of the Certificateholders and the [Credit Enhancer] (the "Lock-Box Account"). Within two Business Days of receipt of funds into the Lock-Box Account, the Servicer is required to direct the Lock-Box Bank to effect a transfer of funds from the Lock-Box Account to one or more accounts established with the Trustee. See "The Certificates -- Accounts", and "-- Payments on Receivables" in this Prospectus Supplement.

Standby Servicer..... [ ].

[If an Event of Default occurs and remains unremedied, (1) provided no [Enhancement Default] has occurred and is continuing, then the [Credit Enhancer] in its sole and absolute

discretion, or (2) if an [Enhancement Default] shall have occurred and be continuing, then the Trustee or the holders of Class A Certificates evidencing not less than 25% of the Class A Certificate Balance, may terminate the rights and obligations of the Servicer under the Agreement.] If such event occurs when CPS is the Servicer, or, if CPS resigns as Servicer or is terminated as Servicer by the [Credit Enhancer], [ ] (in such capacity, the "Standby Servicer"), has agreed to serve as successor Servicer under the Agreement pursuant to a Servicing Assumption Agreement dated as of [ ], 199[ ] among CPS, the Standby Servicer and the Trustee (the "Servicing Assumption Agreement"). The Standby Servicer will receive a portion of the Servicing Fee (the "Standby Fee") for agreeing to stand by as successor Servicer and for performing other functions. If the Standby Servicer or any other entity serving at the time as Standby Servicer becomes the successor Servicer, it will receive compensation at a Servicing Fee Rate not to exceed [ ]% per annum. See "Standby Servicer" in this Prospectus Supplement.

Servicing Fee..... The Servicer will be entitled to receive a Servicing Fee on each Distribution Date equal to the product of one-twelfth times [ ]% (the "Servicing Fee Rate") of the Pool Balance as of the close of business on the last day of the second preceding Collection Period; provided, however, that with respect to the first Distribution Date the Servicer will be entitled to receive a Servicing Fee equal to the product of one-twelfth times [ ]% of the Pool Balance as of the close of business on the Cutoff Date. As additional servicing compensation, the Servicer will also be entitled to certain late fees, prepayment charges and other administrative fees or similar charges. For so long as CPS is Servicer, a portion of the Servicing Fee, equal to the Standby Fee, will be payable to the Standby Servicer.

Optional Purchase..... The Servicer may at its option purchase all the Receivables as of the last day of any month on or after which the aggregate principal balance of the Receivables is equal to 10% or less of the Original Pool Balance, at a purchase price equal to the aggregate principal balance of the Receivables, plus accrued interest at the respective APRs; provided that the Servicer's right to exercise such option will be subject to the prior approval of the [Credit Enhancer], but only if, after giving effect thereto, a claim under the [Credit Enhancement] would occur or any amount owing to the [Credit Enhancer] or the holders of the Class A Certificates would remain unpaid.

Certain Legal Aspects of the Receivables; Purchase Obligations..... In connection with the sale of the Receivables, security interests in the Financed Vehicles securing the Receivables will be assigned by CPS to the Seller pursuant to the Purchase Agreement and by the

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Seller to the Trustee pursuant to the Agreement. Due to the administrative burden and expense, the certificates of title to the Financed Vehicles will not be amended or re-issued to reflect the assignment thereof to the Trustee. In the absence of such an amendment, the Trustee may not have a perfected security interest in the Financed Vehicles securing the Receivables in some states. The Seller will be obligated to purchase any Receivable sold to the Trust as to which there did not exist on the Closing Date a perfected security interest in the name of the Seller in the Financed Vehicle, and the Servicer will be obligated to purchase any Receivable sold to the Trust as to which it failed to maintain a perfected security interest in the name of CPS in the Financed Vehicle securing such Receivable (which perfected security interest has been assigned to, and is for the benefit of, the Trustee) if, in either case, such breach materially and adversely affects the interest of the Trust, the Trustee or the [Credit Enhancer] in such Receivable and if such failure or breach is not cured by the last day of the second (or, if CPS or the Servicer, as the case may be, elects, the first) month following the discovery by or notice to CPS or the Servicer, as the case may be, of such breach. To the extent the security interest of CPS is perfected, the Trustee will have a prior claim over subsequent purchasers of such Financed Vehicle and holders of subsequently perfected security interests. However, as against liens for repairs of a Financed Vehicle or for unpaid storage charges or for taxes unpaid by an Obligor under a Receivable, or through fraud, forgery or negligence or error, CPS, and therefore the Trust could lose its prior perfected security interest in a Financed Vehicle. Neither CPS nor the Servicer will have any obligation to purchase a Receivable as to which a lien for repairs of a Financed Vehicle or for taxes unpaid by an Obligor under a Receivable result in losing the priority of the security interest in such Financed Vehicle after the Closing Date. See "Risk Factors -- Certain Legal Aspects" in this Prospectus Supplement.

Book-Entry  
Certificates..... The Certificates initially will be represented by certificates registered in the name of Cede & Co. ("Cede") as the nominee of The Depository Trust Company ("DTC"), and will only be available in the form of book-entries on the records of DTC and participating members thereof. Certificates representing the Certificates will be issued in definitive form only under the limited circumstances described herein. All references herein to "holders" or "Certificateholders" shall reflect the rights of beneficial owners of the Certificates ("Certificate Owners") as they may indirectly exercise such rights through DTC and participating members thereof, except as otherwise specified herein. See "Risk Factors" and "The Certificates-- Registration of Certificates" in this Prospectus Supplement and "[Description of the Securities-- Book-Entry Registration]" in the Prospectus.

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Tax Status..... In the opinion of special tax counsel to the Seller, the Trust will be classified for federal income tax purposes as a grantor trust and not as an association taxable as a corporation. Certificateholders must report their respective allocable shares of income earned on Trust Assets (other than any amounts treated as "stripped coupons") and, subject to certain limitations applicable to individuals, estates and trusts, may deduct their respective allocable shares of reasonable servicing and other expenses. See "Certain Federal Income Tax Consequences" in this Prospectus Supplement. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "Service") with respect to any of the federal income tax consequences discussed herein, and no assurance can be given that the Service will not take contrary positions. See "Certain Federal Income Tax Consequences" in this Prospectus Supplement.

ERISA Considerations..... As described herein, the Class A Certificates may be purchased by employee benefit plans that are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Any benefit plan fiduciary considering the purchase of Class A Certificates should, among other things, consult with its counsel in determining whether all required conditions have been satisfied.

The Class B Certificates may not be sold or transferred to any employee benefit plan under Section 3(3) of ERISA which is subject to Title I of ERISA or comparable provisions of state law, or Section 4975 of the Internal Revenue Code of 1986, as amended ("Code"), or any fund, account or other entity deemed to hold assets of any such plan. Such plans, funds, accounts or other entities will herein be referred to collectively as "Employee Plans".

The foregoing restriction on Employee Plans, however, for purposes of this offering will not apply to prevent the initial sale of the Class B Certificates to an insurance company, insurance service, or insurance organization that is qualified to do business in a state (an "Insurer") and that purchases Class B Certificates with funds held in one or more of its general accounts, provided that certain conditions are met. None of the Servicer, the Seller, the Trustee, the [Credit Enhancer], nor any of their respective affiliates makes any representations or express any opinion as to whether an Insurer constitutes an Employee Plan.

Fiduciaries of Employee Plans are required to discharge their duties, including, without limitation, their duty to invest "plan assets", in accordance with the fiduciary standards of ERISA. In addition, a fiduciary may not engage or cause the Employee Plan to engage in a "prohibited transaction" under Section 406 of ERISA and Section 4975 of the Code. If an Insurer is determined to be an Employee Plan under ERISA or to be a fiduciary with respect to Employee Plan assets, the purchase of Class B

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Certificates with "plan assets" would be subject to these fiduciary requirements. Insurers contemplating purchasing Class B Certificates should consult their counsel before making a purchase. See "ERISA Considerations" in this Prospectus Supplement.

Rating of the Certificates..... It is a condition of issuance that the Class A Certificates be rated [investment grade by at least one nationally recognized rating agency.] A security rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn at any time by the assigning Rating Agency.



## RISK FACTORS

Prospective Certificateholders should consider the following factors, as well as those matters discussed in "Risk Factors" in the Prospectus, in connection with the purchase of the Certificates:

### Subordination of Class B Certificates

Distributions of interest on the Class B Certificates will be subordinated in priority of payment to interest due on the Class A Certificates. Distributions of principal on the Class B Certificates will be subordinated in priority of payment to interest and principal due on the Class A Certificates. Accordingly, the Class A Certificates will, if necessary, receive the benefit of amounts otherwise due on the Class B Certificates as credit enhancement. Funds representing the interest of the Class B Certificateholders in the Trust Assets will be applied first to the payment of any amounts due to the Class A Certificateholders on account of the Class A Interest Distributable Amount and any Class A Interest Carryover Shortfall before any portion thereof is paid to the Class B Certificateholders and funds otherwise due to pay principal of the Class B Certificates will be applied first to the payment of the Class A Principal Distributable Amount and any Class A Principal Carryover Shortfall before any portion thereof is paid to the Class B Certificateholders. See "The Certificates -- Distributions on Certificates" in this Prospectus Supplement.

### Nature of Obligors; Servicing

CPS purchases loans originated for assignment to CPS through automobile dealers. CPS services its dealers through a network of independent marketing representatives. CPS's customers are generally considered to have marginal credit and fall into one of two categories: customers with moderate income, limited assets and other income characteristics which cause difficulty in borrowing from banks, captive finance companies of automakers or other traditional sources of auto loan financing; and customers with a derogatory credit record including a history of irregular employment, previous bankruptcy filings, repossessions of property, charged-off loans and garnishment of wages. The payment experience on Receivables of Obligors with marginal credit is likely to be different than that on receivables of traditional auto financing sources and is likely to be more sensitive to changes in the economic climate in the areas in which such Obligors reside.

The servicing of receivables of customers with marginal credit requires special skill and diligence. The Servicer believes that its credit loss and delinquency experience reflects in part its trained staff and collection procedures. If an Event of Default occurs and CPS is removed as Servicer, or, if CPS resigns or is terminated by the [Credit Enhancer] as Servicer, the Standby Servicer has agreed to assume the obligations of successor Servicer under the Agreement. See "The Certificates -- Rights Upon Event of Default" in this Prospectus Supplement. There can be no assurance, however, that collections with respect to the Receivables will not be adversely affected by any change in Servicer. See "Standby Servicer" in this Prospectus Supplement.

The Agreement provides that the rights and obligations of the Servicer terminate after 90 days unless renewed by the [Credit Enhancer] for successive 90-day periods. The [Credit Enhancer] will agree to grant continuous renewals so long as (i) no Event of Default under the Agreement has occurred and (ii) no event of default under the insurance and indemnity agreement among CPS, the Seller and the [Credit Enhancer] (the "[Enhancement Agreement]") has occurred.

### Geographic Concentration

As of the Cutoff Date, [ ]% of the Receivables by Principal Balance had Obligors residing in the State of California. Economic conditions in the State of California may affect the delinquency,

loan loss and repossession experience of the Trust with respect to the Receivables. See "The Receivables Pool" in this Prospectus Supplement.

#### Ratings of the Certificates

It is a condition to the issuance of the Certificates that [they be rated investment grade by a nationally recognized rating agency]. A rating is not a recommendation to purchase, hold or sell the Certificates, inasmuch as such rating does not comment as to market price or suitability for a particular investor. The Rating Agencies do not evaluate, and the ratings do not address, the possibility that Certificateholders may receive a lower than anticipated yield. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a Rating Agency if in its judgment circumstances in the future so warrant. [The ratings of the Class A Certificates are based primarily on the rating of the [Credit Enhancer]. Upon an [Enhancement Default] the rating on the Class A Certificates may be lowered or withdrawn entirely.] In the event that any rating initially assigned to the Class A Certificates were subsequently lowered or withdrawn for any reason, including by reason of a downgrading of the [Credit Enhancer], no person or entity will be obligated to provide any additional credit enhancement with respect to the Class A Certificates. Any reduction or withdrawal of a rating may have an adverse effect on the liquidity and market price of the Class A Certificates.

#### Limited Assets

The Trust does not have, nor is it permitted or expected to have, any significant assets or sources of funds other than the Receivables and amounts on deposit in certain accounts held by the Trustee on behalf of the Certificateholders. The Certificates represent interests solely in the Trust and the Certificates will not be insured or guaranteed by the Seller, the Servicer, the Trustee or any other person or entity [except as described herein].

Distributions of interest and principal on the Class A Certificates will be dependent primarily upon collections on the Receivables and amounts paid pursuant to the [Credit Enhancement]. The Class B Certificateholders will not receive any distributions of interest or principal with respect to a Monthly Period until the full amount of interest and principal on the Class A Certificates relating to such Monthly Period and any related Class A Interest and Principal Carryover Shortfall has been funded. See "The Certificates -- Distributions on Certificates" in this Prospectus Supplement.

#### Delinquency and Loan Loss Experience

CPS began purchasing Contracts from Dealers in October 1991. Although CPS has calculated and presented herein its net loss experience with respect to its servicing portfolio, there can be no assurance that the information presented will reflect actual experience with respect to the Receivables. In addition, there can be no assurance that the future delinquency or loan loss experience of the Trust with respect to the Receivables will be better or worse than that set forth herein with respect to CPS's servicing portfolio. See "CPS's Automobile Contract Portfolio -- Delinquency and Loss Experience" in this Prospectus Supplement.

#### FORMATION OF THE TRUST

The Seller and CPS will establish the Trust by selling and assigning the Receivables and the other Trust Assets [(other than the Credit Enhancement)] to the Trustee in exchange for the Certificates. Prior to such sale and assignment, the Trust will have no assets or obligations or any operating history. The Trust will not engage in any business. The Trust will hold the Receivables, issue the Certificates and distribute payments on the Certificates.

The Servicer will initially service the Receivables pursuant to the Agreement and will be compensated for acting as the Servicer. See "The Certificates - Servicing Compensation" in this Prospectus Supplement. The Trustee will be appointed custodian for the Receivables and the certificates of title relating to the Financed Vehicles, and the Receivables and such certificates of title will be delivered to and held in physical custody by the Trustee. However, the Receivables will not be marked or stamped to indicate that they have been sold to the Trust, and the certificates of title of the Financed Vehicles will not be endorsed or otherwise amended to identify the Trust as the new secured party. In the absence of amendments to the certificates of title, the Trustee may not have perfected security interests in the Financed Vehicles securing the Receivables originated in some states. See "Certain Legal Aspects of the Receivables" in the Prospectus.

The Trust will not acquire any assets other than the Trust Assets, and it is not anticipated that the Trust will have any need for additional capital resources. Because the Trust will have no operating history upon its establishment and will not engage in any business other than acquiring and holding the Trust Assets, issuing the Certificates and distributing payments on the Certificates, no historical or pro forma financial statements or ratios of earnings to fixed charges with respect to the Trust have been included herein.

The Seller also will take such steps as are necessary for the [Credit Enhancer] to issue the [Credit Enhancement] to the Trustee for the benefit of the Class A Certificateholders. In the event of an [Enhancement Default], the Class A Certificateholders must rely on amounts, if any, available in the Spread Account, the amount otherwise due on the Class B Certificates, the Obligors on the Receivables, and the proceeds from the repossession and sale of Financed Vehicles which secure defaulted Receivables. In such event, certain factors, such as the Trustee's not having perfected security interests in some of the Financed Vehicles, may affect the Trust's ability to realize on the collateral securing the Receivables and thus may reduce the proceeds to be distributed to Class A Certificateholders on a current basis. See "Certain Legal Aspects of the Receivables" in the Prospectus.

#### THE TRUST ASSETS

Each Certificate will represent a fractional undivided interest in the Trust, other than interest received by the Trust in excess of the Class A Pass-Through Rate or the Class B Pass-Through Rate, as applicable. The Trust Assets include retail installment sale contracts between dealers (the "Dealers") in new and used automobiles, light trucks, vans and minivans and retail purchasers (the "Obligors") and, with respect to Rule of 78's Receivables, certain monies due thereunder after the Cutoff Date, and, with respect to Simple Interest Receivables, certain monies received thereunder after the Cutoff Date. The Receivables were originated by the Dealers for assignment to CPS. Pursuant to agreements between the Dealers and CPS ("Dealer Agreements"), the Receivables were purchased by CPS and, prior to the Closing Date, evidenced financing made available by CPS to the Obligors. The Trust Assets also include (i) such amounts as from time to time may be held in one or more trust accounts established and maintained by the Trustee pursuant to the Agreement, as described below; see "The Certificates - Accounts"; (ii) the rights of the Seller under the Purchase

Agreement; (iii) security interests in the Financed Vehicles; (iv) the rights of the Seller to receive any proceeds with respect to the Receivables from claims on physical damage, credit life and credit accident and health insurance policies covering the Financed Vehicles or the Obligors, as the case may be; (v) the rights of the Seller to refunds for the costs of extended service contracts and to refunds of unearned premiums with respect to credit life and credit accident and health insurance policies covering the Financed Vehicles or Obligors, as the case may be; and (vi) any and all proceeds of the foregoing. The Trust Assets also will include the [Credit Enhancement] for the benefit of the Class A Certificateholders. The Payahead Account will be maintained with the Trustee for the benefit of the Obligors, but will not be part of the Trust.

#### CPS'S AUTOMOBILE CONTRACT PORTFOLIO

##### General

CPS was incorporated in the State of California on March 8, 1991. CPS and its subsidiaries engage primarily in the business of purchasing, selling and servicing retail automobile installment sales contracts ("Contracts") originated by Dealers located primarily in California, Florida, Pennsylvania, Texas, Illinois and Nevada. CPS specializes in Contracts with borrowers ("Sub-Prime Borrowers") who generally would not be expected to qualify for traditional financing such as that provided by commercial banks or automobile manufacturers' captive finance companies. Sub-Prime Borrowers generally have limited credit history, lower than average income or past credit problems.

On May 31, 1991, CPS acquired 100% of the stock of G&A Financial Services, Inc., a consumer loan servicing company, whose assets consisted primarily of servicing contracts with respect to loan portfolios owned by third parties. G&A Financial Services, Inc. has subsequently been dissolved. On September 1, 1991, CPS was engaged to act as a servicer for loan portfolios aggregating \$16.5 million by two companies who had purchased such portfolios from the Resolution Trust Corp. As of December 31, 1994, CPS had terminated all such third-party servicing arrangements. On October 1, 1991, CPS began its program of purchasing Contracts from Dealers and selling them to institutional investors. Through March 31, 1996, CPS had purchased \$450.2 million of Contracts from Dealers and sold \$391.6 million of Contracts to institutional investors. CPS continues to service all of the Contracts it has purchased, including those it has re-sold.

CPS has relationships and is party to Dealer Agreements with over 1,200 dealerships located in 32 states of the United States. CPS purchases Contracts from Dealers at a discount ranging from 0% to 10% of the total amount financed under the Contracts. In addition, CPS generally charges Dealers an acquisition fee to defray the direct administrative costs associated with the processing of Contracts that are ultimately purchased by CPS. A Dealer Agreement does not obligate a Dealer to submit Contracts for purchase by CPS, nor does it obligate CPS to purchase Contracts offered by the Dealers.

CPS purchases Contracts from Dealers with the intent to resell them. Prior to the issuance of the Certificates, Contracts have been sold to institutional investors either as bulk sales or as private placements of securities collateralized by the Contracts. Purchasers of the Contracts receive a pass-through rate of interest set at the time of the sale, and CPS receives a base servicing fee for its duties relating to the accounting for and collection of the Contracts. In addition, CPS is entitled to certain excess servicing fees that represent collections on the Contracts in excess of those required to pay principal and interest due to the investor and the base servicing fee to CPS. Generally, CPS sells the Contracts to such institutional investors at face value and without recourse except that the representations and warranties made to CPS by the Dealers are similarly made to the investors by CPS. CPS has some credit risk with respect to the excess servicing fees it receives in connection

with the sale of Contracts to investors and its continued servicing function since the receipt by CPS of such excess servicing fees is dependent upon the credit performance of the Contracts.

The principal executive offices of CPS are located at 2 Ada, Suite 100, Irvine, California 92718. CPS's telephone number is (714) 753-6800.

#### Underwriting

CPS markets its services to Dealers under three programs: the CPS standard program (the "Standard Program"), the CPS Alpha Program (the "Alpha Program") and the CPS Delta Program (the "Delta Program"). CPS applies underwriting standards in purchasing loans on new and used vehicles from Dealers based upon the particular program under which the loan was submitted for purchase. The Alpha Program guidelines are designed to accommodate applicants who meet all the requirements of the Standard Program and exceed such requirements in respect of job stability, residence stability, income level or the nature of the credit history. The Delta Program guidelines are designed to accommodate applicants who may not meet all of the requirements of the Standard Program but who are deemed by CPS to be generally as creditworthy as Standard Program applicants. CPS uses the degree of the applicant's creditworthiness and the collateral value of the financed vehicle as the basic criteria in determining whether to purchase an installment sales contract from a Dealer. Each credit application provides current information regarding the applicant's employment and residence history, bank account information, debts, credit references, and other factors that bear on an applicant's creditworthiness. Upon receiving from the Dealer the completed application of a prospective purchaser and a one-page Dealer summary of the proposed financing, generally by facsimile copy, CPS obtains a credit report compiling credit information on the applicant from three credit bureaus. The credit report summarizes the applicant's credit history and paying habits, including such information as open accounts, delinquent payments, bankruptcy, repossessions, lawsuits and judgments. At this point a CPS loan officer will review the credit application, Dealer summary and credit report and will either conditionally approve or reject the application. Such conditional approval or rejection by the loan officer usually occurs within one business day of receipt of the credit application. The loan officer determines the conditions to his or her approval of a credit application based on many factors such as the applicant's residential situation, downpayment, and collateral value with regard to the loan, employment history, monthly income level, household debt ratio and the applicant's credit history. Based on the stipulations of the loan officer, the Dealer and the applicant compile a more complete application package which is forwarded to CPS and reviewed by a processor for deficiencies. As part of this review, references are checked, direct calls are made to the applicant and employment income and residence verification is done. Upon the completion of his or her review, the processor forwards the application package to an underwriter for further review. The underwriter will confirm the satisfaction of any remaining deficiencies in the application package. Finally, before the loan is funded, the application package is checked for deficiencies again by a loan review officer. CPS conditionally approves approximately 50% of the credit applications it receives and ultimately purchases approximately 20% of the received applications.

Generally, the amount funded by CPS will not exceed, in the case of new cars, 110% of the dealer invoice plus taxes, license fees, insurance and the cost of the service contract, and in the case of used cars, 110% of the value quoted in industry-accepted used car guides (such as the Kelley Wholesale Blue Book) plus the same additions as are allowed for new cars. The maximum amount that will be financed on any vehicle generally will not exceed \$25,000. The maximum term of the Contract depends primarily on the age of the vehicle and its mileage. Vehicles having in excess of 80,000 miles will not be financed.

The minimum downpayment required on the purchase of a vehicle is generally 10% to 15% of the purchase price. The downpayment may be made in cash, and/or with a trade-in car and, if

available, a proven manufacturer's rebate. The cash and trade-in value must equal at least 50% of the minimum downpayment required, with the proven manufacturer's rebate constituting the remainder of the downpayment. CPS believes that the relatively high downpayment requirement will result in higher collateral values as a percentage of the amount financed and the selection of buyers with stronger commitment to the vehicle.

Prior to purchasing any Contract, CPS verifies that the Obligor has arranged for casualty insurance by reviewing documentary evidence of the policy or by contacting the insurance company or agent. The policy must indicate that CPS is the lien holder and loss payee. The insurance company's name and policy expiration date are recorded in CPS' computerized system for ongoing monitoring.

As loss payee, CPS receives all correspondence relevant to renewals or cancellations on the policy. Information from all such correspondence is updated to the computerized records. In the event that a policy reaches its expiration date without a renewal, or if CPS receives a notice that the policy has been cancelled prior to its expiration date, a letter is generated to advise the borrower of its obligation to continue to provide insurance. If no action is taken by the borrower to insure the vehicle, two successive and more forceful letters are generated, after which the collection department will contact the borrower telephonically to further counsel the borrower, including possibly advising them that CPS has the right to repossess the vehicle if the borrower refuses to obtain insurance. Although it has the right, CPS rarely repossesses vehicles in such circumstances. In addition, CPS does not force place a policy and add the premium to the borrower's outstanding obligation, although it also has the right to do so. Rather in such circumstances the account is flagged as not having insurance and continuing efforts are made to get the Obligor to comply with the insurance requirement in the Contract. CPS believes that handling non-compliance with insurance requirements in this manner ultimately results in better portfolio performance because it believes that the increased monthly payment obligation of the borrower which would result from force placing insurance and adding the premium to the borrower's outstanding obligation would increase the likelihood of delinquency or default by such borrower on future monthly payments.

#### Servicing and Collections

CPS's servicing activities, both with respect to portfolios of Contracts sold by it to investors and with respect to portfolios of loans owned or originated by third parties, consist of collecting, accounting for and posting of all payments received with respect to such Contracts or loans, responding to borrower inquiries, taking steps to maintain the security interest granted in the Financed Vehicle or other collateral, investigating delinquencies, communicating with the borrower, repossessing and liquidating collateral when necessary, and generally monitoring each Contract or loan and related collateral. CPS maintains sophisticated data processing and management information systems to support its Contract and loan servicing activities.

Upon the sale of a portfolio of Contracts to an investor, or upon the engagement of CPS by a loan portfolio owner for CPS's services, CPS mails to borrowers monthly billing statements directing them to mail payments on the Contracts or loans to a lock-box account which is unique for each investor or portfolio owner. CPS engages an independent lock-box processing agent to retrieve and process payments received in the lock-box account. This results in a daily deposit to the investor or portfolio owner's account of the day's lock-box account receipts and a simultaneous electronic data transfer to CPS of the borrower payment data for posting to CPS's computerized records. Pursuant to the various servicing agreements with each investor or portfolio owner, CPS is required to deliver monthly reports reflecting all transaction activity with respect to the Contracts or loans.

If an account becomes six days past due, CPS's collection staff typically attempts to contact the borrower with the aid of a high-penetration auto-dialing computer. A collection officer tries to establish contact with the customer and obtain a promise by the customer to make the overdue payment within seven days. If payment is not received by the end of such seven-day period, the customer is called again through the auto dialer system and the collection officer attempts to elicit a second promise to make the overdue payment within seven days. If a second promise to make the overdue payment is not satisfied, the account automatically is referred to a supervisor for further action. In most cases, if payment is not received by the tenth day after the due date, a late fee of approximately 5% of the delinquent payment is imposed. If the customer cannot be reached by a collection officer, a letter is automatically generated and the customer's references are contacted. Field agents (who are independent contractors) often make calls on customers who are unreachable or whose payment is thirty days or more delinquent. A decision to repossess the vehicle is generally made after 30 to 45 days of delinquency or three unfulfilled promises to make the overdue payment. Other than granting such limited extensions as are described under the heading "The Certificates -- Servicing Procedures", CPS does not modify or rewrite delinquent Contracts.

#### Delinquency and Loss Experience

Set forth on the following page is certain information concerning the experience of CPS pertaining to retail new and used automobile, light truck, van and minivan receivables, including those previously sold, which CPS continues to service. Loans were first originated under the Delta Program in August 1994 and under the Alpha Program in April 1995. CPS has found that the delinquency and net credit loss and repossession experience with respect to the Delta Program is comparable to that under its Standard Program. CPS has not yet experienced any losses under the Alpha Program, but expects that the delinquency and net credit loss and repossession experience with respect to the Alpha Program will be lower than that experienced under the Standard Program. There can be no assurance, however, that the delinquency and net credit loss and repossession experience on the Receivables will continue to be comparable to CPS's experience shown in the following tables.

Consumer Portfolio Services, Inc.  
Delinquency Experience

	December 31, 1992		December 31, 1993	
	Number of Loans -----	Amount -----	Number of Loans -----	Amount -----
Portfolio(1)	1,480	22,494,000	4,224	60,725,000
Period of Delinquency(2)				
31-60	11	165,000	54	806,000
61-90	3	39,000	11	182,000
91+	5	70,000	10	167,000
Total Delinquencies	19	274,000	75	1,155,000
Amount in Repossession(3)	15	206,000	44	595,000
Total Delinquencies and Amount in Repossession(4)	34	480,000	119	1,750,000
Delinquencies as a Percent of the Portfolio	1.28%	1.22%	1.78%	1.90%
Repo Inventory as a Percent of the Portfolio	1.01%	0.92%	1.04%	0.98%
Total Delinquencies and Amount in Repossession as a Percent of Portfolio	2.30%	2.13%	2.82%	2.88%



	December 31, 1994		December 31, 1995	
	Number of Loans -----	Amount -----	Number of Loans -----	Amount -----
Portfolio(1)	14,235	203,879,000	27,113	355,965,000
Period of Delinquency(2)				
31-60	243	3,539,000	909	11,520,000
61-90	68	1,091,000	203	2,654,000
91+	56	876,000	272	3,899,000
Total Delinquencies	367	5,506,000	1,384	18,073,000
Amount in Repossession(3)	271	3,759,000	834	10,151,000
Total Delinquencies and Amount in Repossession(4)	638	9,265,000	2,218	28,224,000
Delinquencies as a Percent of the Portfolio	2.58%	2.70%	5.10%	5.08%
Repo Inventory as a Percent of the Portfolio	1.90%	1.84%	3.08%	2.85%
Total Delinquencies and Amount in Repossession as a Percent of Portfolio	4.48%	4.54%	8.18%	7.93%

(1) All amounts and percentages are based on the full amount remaining to be repaid on each Contract, including, for Rule of 78s Contracts, any unearned finance charges. The information in the table represents all Contracts originated by CPS including sold Contracts CPS continues to service.

(2) CPS considers a Contract delinquent when an obligor fails to make at least 90% of a contractually due payment by the due date. The period of delinquency is based on the number of days payments are contractually past due.

(3) Amount in Repossession represents Financed Vehicles which have been repossessed but not yet liquidated.

(4) Amounts shown do not include Contracts which are less than 31 days delinquent.

Consumer Portfolio Services, Inc.  
Net Credit Loss/Repossession Experience

	Year Ended December 31, 1992 -----	Year Ended December 31, 1993 -----	Year Ended December 31, 1994 -----	Year Ended December 31, 1995 -----
Average Amount Outstanding During the Period (1)	\$ 8,446,675	\$ 29,440,272	\$ 98,916,991	\$ 221,926,489
Average Number of Loans Outstanding During the Period	805	2,762	9,171	20,809
Number of Repossessions	39	177	669	2,018
Gross Charge-Offs (2)	\$ 164,782	\$ 954,704	\$ 3,166,408	\$ 11,658,461
Recoveries (3)	\$ 9,563	\$ 60,963	\$ 347,519	\$ 1,028,378
Net Losses	\$ 155,219	\$ 893,741	\$ 2,818,889	\$ 10,630,083
Repossessions as a Percentage of Average Number of Loans Outstanding	4.84%	6.41%	7.29%	9.70%
Net Losses as a Percentage of Average Amount Outstanding	1.84%	3.04%	2.85%	4.79%

(1) All amounts and percentages are based on the principal amount scheduled to be paid on each Contract. The information in the table represents all Contracts originated by CPS including sold Contracts which CPS continues to service.

(2) Amount charged off includes the remaining principal balance, after the application of the net proceeds from the liquidation of the vehicle, excluding accrued and unpaid interest.

(3) Recoveries are reflected in the period in which they are realized and may pertain to charge offs from prior periods.

THE RECEIVABLES POOL

The Receivables Pool existing as of the Cutoff Date consists of Receivables selected from CPS's Portfolio by several criteria, including the following: each Receivable was originated, based on the billing address of the Obligor, in the United States, has an original term of not more than [ ] months, provides for level monthly payments which fully amortize the amount financed over the original term (except for the last payment, which may be different from the level payment for various reasons, including late or early payments during the term of the Contract), has a remaining maturity of [ ] months or less as of the Cutoff Date, has an outstanding principal balance of not more than \$[ ], is not more than 30 days past due as of the Cutoff Date and has an APR of not less than [ ]%. On the Cutoff Date, as of the date of each Obligor's application for the loan from which the related Receivable arises, each Obligor (i) did not have any material past due credit obligations or any repossessions or garnishments of property within one year prior to the date of application, unless such amounts have been repaid or discharged through bankruptcy, (ii) was not the subject of any bankruptcy or insolvency proceeding that is not discharged, and (iii) had not been the subject of more than one bankruptcy proceeding. As of the Cutoff Date, the latest scheduled maturity of any Receivable is not later than [ ], 200[ ].

As of the Cutoff Date, approximately [ ]% of the aggregate principal balance of the Receivables Pool, constituting [ ]% of the number of Contracts, represents financing of used vehicles; the remainder of the Receivables Pool represents financing of new vehicles. Approximately [ ]% of the aggregate principal balance of the Receivables were originated under the Delta Program and approximately [ ]% of the aggregate principal balance of the Receivables were originated under the Alpha Program; the remainder of the Receivables represent financing under the Standard Program. The composition, geographic distribution, distribution by APR, and distribution by remaining term of the Receivables as of the Cutoff Date are set forth in the following tables.

Composition of the Receivables as of the Cutoff Date

Weighted Average APR of Receivables -----	Aggregate Principal Balance -----	Number of Receivables in Pool -----	Average Principal Balance -----	Weighted Average Remaining Term -----	Weighted Average Original Term -----
[ ]%	\$[ ]	[ ]	\$[ ]	[ ] mos.	[ ] mos.

Geographic Distribution of the Receivables as of the Cutoff Date

State (1)	Number of Receivables	Percent of Number of Receivables	Aggregate Principal Balance	Percent of Aggregate Principal Balance
-----	-----	-----	-----	-----
All Others (2)	-----	-----	-----	-----
TOTAL		100.00% (3) =====		100.00% (3) =====

(1) Based on billing address of Obligor.

(2) No other state represents a percent of the Aggregate Principal Balance as of the Cutoff Date in excess of one percent.

(3) Percentages may not add up to 100% because of rounding.

Distribution of the Receivables by APR as of the Cutoff Date

APR Range	Number of Receivables	Percent of Number of Receivables	Aggregate Principal Balance	Percent of Aggregate Principal Balance
-----	-----	-----	-----	-----
15.00% to 15.99%				
16.00% to 16.99%				
17.00% to 17.99%				
18.00% to 18.99%				
19.00% to 19.99%				
20.00% to 20.99%				
21.00% to 21.99%				
22.00% to 22.99%				
23.00% to 23.99%				
24.00% to 24.99%				
25.00% to 25.99%				
26.00% and over	-----	-----	-----	-----
TOTAL		100.00% (1) =====		100.00% (1) =====

(1) Percentages may not add up to 100% because of rounding.

Distribution of Receivables by Remaining Term to  
Scheduled Maturity as of the Cutoff Date

Remaining Term to Scheduled Maturity -----	Number of Receivables -----	Percent of Number of Receivables -----	Aggregate Principal Balance -----	Percent of Aggregate Principal Balance -----
16-20 months				
21-25 months				
26-30 months				
31-35 months				
36-40 months				
41-45 months				
46-50 months				
51-55 months				
56-60 months	-----	-----	-----	-----
TOTAL		100.00% (1) =====		100.00% (1) =====

-----

(1) Percentages may not add up to 100% because of rounding.

Distribution of Receivables by Model Year of Financed Vehicle as of the Cutoff Date

Model Year	Number of Receivables	Percent of Number of Receivables	Aggregate Principal Balance	Percent of Aggregate Principal Balance
1987				
1988				
1989				
1990				
1991				
1992				
1993				
1994				
1995				
1996				
TOTAL		100.00% (1) =====		100.00% (1) =====

(1) Percentages may not add up to 100% because of rounding.

Distribution of Receivables by Original Principal Balance as of the Cutoff Date

Range of Original Principal Balances	Number of Receivables	Percent of Number of Receivables	Aggregate Principal Balance	Percent of Aggregate Principal Balance
\$0 - 4,999				
5,000 - 9,999				
10,000 - 14,999				
15,000 - 19,999				
20,000 - 24,999				
25,000 and above				
TOTAL		100.00% (1) =====		100.00% (1) =====

(1) Percentages may not add up to 100% because of rounding.



As of the Cutoff Date, approximately [ ]% of the Receivables in the Receivables Pool provide for allocation of payments according to the "sum of periodic balances" or "sum of monthly payments" method, similar to the "Rule of 78's" ("Rule of 78's Receivables") and, approximately [ ]% of the Receivables in the Receivables Pool in the Trust provide for allocation of payments according to the "simple interest" method ("Simple Interest Receivables"). A Simple Interest Receivable provides for the amortization of the amount financed under the Receivable over a series of fixed level monthly payments. Each monthly payment consists of an installment of interest which is calculated on the basis of the outstanding principal balance of the Receivable multiplied by the stated APR and further multiplied by the period elapsed (as a fraction of a calendar year) since the preceding payment of interest was made. As payments are received under a Simple Interest Receivable, the amount received is applied first to interest accrued to the date of payment and the balance is applied to reduce the unpaid principal balance. Accordingly, if an Obligor pays a fixed monthly installment before its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made will be less than it would have been had the payment been made as scheduled, and the portion of the payment applied to reduce the unpaid principal balance will be correspondingly greater. Conversely, if an Obligor pays a fixed monthly installment after its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made will be greater than it would have been had the payment been made as scheduled, and the portion of the payment applied to reduce the unpaid principal balance will be correspondingly less. In either case, the Obligor pays a fixed monthly installment until the final scheduled payment date, at which time the amount of the final installment is increased or decreased as necessary to repay the then outstanding principal balance.

In the event of the prepayment in full (voluntarily or by acceleration) of a Rule of 78's Receivable, under the terms of the contract, a "refund" or "rebate" will be made to the Obligor of the portion of the total amount of payments then due and payable under the contract allocable to "unearned" add-on interest, calculated in accordance with a method equivalent to the Rule of 78's. If a Simple Interest Receivable is prepaid, rather than receive a rebate, the Obligor is required to pay interest only to the date of prepayment. The amount of a rebate under a Rule of 78's Receivable generally will be less than the remaining scheduled payments of interest that would have been due under a Simple Interest Receivable for which all payments were made on schedule.

The Trust will account for the Rule of 78's Receivables as if such Receivables provided for amortization of the loan over a series of fixed level payment monthly installments ("Actuarial Receivables"). Amounts received upon prepayment in full of a Rule of 78's Receivable in excess of the then outstanding Principal Balance of such Receivable and accrued interest thereon (calculated pursuant to the actuarial method) will not be passed through to Certificateholders but will be paid to the Servicer as additional servicing compensation.

#### YIELD CONSIDERATIONS

On each Distribution Date, interest on the Receivables will be passed through to the Certificateholders to the extent of thirty (30) days' interest at the Class A Pass-Through Rate applied to the Class A Certificate Balance on the last day of the preceding Collection Period and to the Class B Certificateholders to the extent of thirty (30) days' interest at the Class B Pass-Through Rate applied to the Class B Certificate Balance on the last day of the preceding Collection Period; provided, however, that on the first Distribution Date, Certificateholders will be entitled to interest at the Class A Pass-Through Rate or the Class B Pass-Through Rate, as applicable, on the original Class A Certificate Balance or Class B Certificate Balance, as applicable, from the Closing Date through and including [ ], 199[ ]. In the event of prepayments on Receivables, Certificateholders will nonetheless be entitled to receive interest for the full month on the Certificates.

All of the Receivables are prepayable at any time. (For this purpose "prepayments" include prepayments in full, liquidations due to default, as well as receipts of proceeds from physical damage, credit life and credit accident and health insurance policies and certain other Receivables repurchased for administrative reasons.) The rate of prepayments on the Receivables may be influenced by a variety of economic, social, and other factors, including the fact that an Obligor generally may not sell or transfer the Financed Vehicle securing a Receivable without the consent of CPS. In addition, the rate of prepayments on the Receivables may be affected by the nature of the Obligors and the Financed Vehicles and servicing decisions. See "Risk Factors - Nature of Obligors; Servicing" in this Prospectus Supplement. Any reinvestment risks resulting from a faster or slower incidence of prepayment of Receivables will be borne entirely by the Certificateholders. See also "The Certificates - Termination" in this Prospectus Supplement regarding the Servicer's option to purchase the Receivables when the aggregate principal balance thereof is less than or equal to 10% of the aggregate principal balance as of the Cutoff Date.

#### POOL FACTORS AND OTHER INFORMATION

The "Pool Balance" at any time represents the aggregate principal balance of the Receivables at the end of the preceding Collection Period, after giving effect to all payments (other than Payaheads) received from Obligors, all payments and Purchase Amounts remitted by CPS or the Servicer, as the case may be, all for such Collection Period, all losses realized on Receivables liquidated during such Collection Period and any Cram Down Losses with respect to such Receivables. The Pool Balance is computed by allocating payments to principal and to interest, with respect to Rule of 78's Receivables, using the constant yield or actuarial method, and with respect to Simple Interest Receivables, using the simple interest method. The "Class A Pool Factor" is a seven-digit decimal which the Servicer will compute each month indicating the Class A Certificate Balance as a fraction of the initial Class A Certificate Balance. The "Class B Pool Factor" is a seven-digit decimal which the Servicer will compute each month indicating the Class B Certificate Balance as a fraction of the initial Class B Certificate Balance. The Class A Pool Factor and the Class B Pool Factor will be 1.0000000 as of the Closing Date; thereafter, the Class A Pool Factor and the Class B Pool Factor will decline to reflect reductions in the Class A Certificate Balance or Class B Certificate Balance, as applicable. An individual Certificateholder's share of the Class A Certificate Balance or Class B Certificate Balance, as applicable, is the product of (i) the original denomination of the Certificateholder's Certificate and (ii) the Class A Pool Factor or the Class B Pool Factor, as applicable. The Class A Pool Factor and the Class B Pool Factor will be made available on or about the eighth business day of each month.

Pursuant to the Agreement, the Certificateholders will receive monthly reports concerning the payments received on the Receivables, the Pool Balance, the Class A Pool Factor, the Class B Pool Factor and various other items of information. Certificateholders of record during any calendar year will be furnished information for tax reporting purposes not later than the latest date permitted by law. See "The Certificates Statements to Certificateholders".

#### USE OF PROCEEDS

The net proceeds to be received by the Seller from the sale of the Certificates will be applied to the purchase of the Receivables from CPS. CPS will apply the net proceeds received from the Seller to purchase new Contracts or to repay debt incurred to purchase the Contracts.

## THE SELLER AND CPS

The Seller is a wholly-owned subsidiary of CPS. The Seller was incorporated in the State of California in June of 1994. The Seller was organized for the limited purpose of purchasing automobile installment sale contracts from CPS and transferring such receivables to third parties and any activities incidental to and necessary or convenient for the accomplishment of such purposes. The principal executive offices of the Seller are located at 2 Ada, Suite 100, Irvine, California 92718; telephone (714) 753-6800. For further information regarding the Seller and CPS See "The Seller and CPS" in the Prospectus.

## STANDBY SERVICER

If CPS is terminated or resigns as Servicer, [ ] (in such capacity, the "Standby Servicer") will serve as successor Servicer. The Standby Servicer will receive a fee on each Distribution Date for agreeing to stand by as successor Servicer and for performing certain other functions. Such fee will be payable to the Standby Servicer from the Servicing Fee payable to CPS. If the Standby Servicer, or any other entity serving at the time as Standby Servicer, becomes the successor Servicer, it will receive compensation at a Servicing Fee Rate not to exceed [ ]% per annum.

## DESCRIPTION OF THE CERTIFICATES

### General

Each of the Class A Certificates and the Class B Certificates initially will be represented by certificates registered in the name of Cede & Co. ("Cede") as the nominee of The Depository Trust Company ("DTC"), and will only be available in the form of book-entries on the records of DTC and participating members thereof in denominations of \$1,000. All references to "holders" or "Certificateholders," and to authorized denominations, when used with respect to the Certificates, shall reflect the rights of beneficial owners of the Certificates ("Certificate Owners"), and limitations thereof, as they may be indirectly exercised through DTC and its participating members, except as otherwise specified herein. See "--Registration of Certificates" below.

In general, it is intended that the Class A Certificateholders receive, on each Distribution Date, a distribution equal to the Class A Distributable Amount and that the Class B Certificateholders receive, on each Distribution Date, a distribution equal to the Class B Distributable Amount, as applicable. See "-Distributions on Certificates" below.

Distributions of interest on the Class B Certificates will be subordinated in priority of payment to interest due on the Class A Certificates. Distributions of principal of the Class B Certificates will be subordinated in priority of payment to interest and principal due on the Class A Certificates. Accordingly, the Class A Certificates will receive, if necessary, the benefit of amounts otherwise owing to the Class B Certificateholders as credit enhancement. Funds representing the interest of the Class B Certificateholders in the Trust Assets will be applied first to the payment of any amounts due to the Class A Certificateholders on account of the Class A Interest Distributable Amount and any Class A Interest Carryover Shortfall before any portion thereof is paid to the Class B Certificateholders and funds otherwise due to pay principal of the Class B Certificates will be applied first to the payment of the Class A Principal Distributable Amount and any Class A Principal Carryover Shortfall before any portion thereof is paid to the Class B Certificateholders.

### Registration of Certificates

Each of the Class A Certificates and the Class B Certificates will initially be registered in the name of Cede & Co. ("Cede"), the nominee of DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC accepts securities for deposit from its participating organizations ("Participants") and facilitates the clearance and settlement of securities transactions between Participants in such securities through electronic book-entry changes in accounts of Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks and trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly. See "Description of the Securities - -- Book-Entry Registration" in the Prospectus.

#### Sale and Assignment of Receivables

On or prior to the Closing Date, CPS will sell and assign to the Seller, without recourse, except as provided in the Purchase Agreement, its entire interest in the Receivables, together with its security interests in the Financed Vehicles, pursuant to the Purchase Agreement and CPS will sell and assign to the Trust, without recourse. At the time of issuance of the Certificates, the Seller will sell and assign to the Trust, without recourse except as provided in the Agreement, its entire interest in the Receivables, together with its security interests in the Financed Vehicles. Each Receivable will be identified in a schedule appearing as an exhibit to the Agreement. The Trustee will concurrently with such sale and assignment, execute, authenticate, and deliver the Certificates to the Seller in exchange for the Receivables. The Seller will sell the Certificates to the Underwriters. See "Underwriting" in this Prospectus Supplement.

In the Purchase Agreement, CPS will represent and warrant to the Seller, among other things, that (i) the information provided with respect to the Receivables is correct in all material respects; (ii) at the date of issuance of the Certificates, physical damage insurance covering each Financed Vehicle is in effect in accordance with CPS's normal requirements; (iii) at the date of issuance of the Certificates, the Receivables are free and clear of all security interests, liens, charges, and encumbrances and no offsets, defenses, or counterclaims against Dealers have been asserted or threatened; (iv) at the date of issuance of the Certificates, each of the Receivables is or will be secured by a first-priority perfected security interest in the Financed Vehicle in favor of CPS; and (v) each Receivable, at the time it was originated, complied and, at the date of issuance of the Certificates, complies in all material respects with applicable federal and state laws, including, without limitation, consumer credit, truth in lending, equal credit opportunity and disclosure laws. As of the last day of the second (or, if CPS elects, the first) month following the discovery by or notice to the Seller and CPS of a breach of any representation or warranty that materially and adversely affects a Receivable, unless the breach is cured, CPS will purchase such Receivable from the Trust for the Purchase Amount. The "Purchase Amount" equals the unpaid principal balance owed by the Obligor plus interest thereon at the respective APR to the last day of the month of repurchase. The repurchase obligation will constitute the sole remedy available to the Certificateholders, the [Credit Enhancer] or the Trustee for any such uncured breach.

On or prior to the Closing Date, the Contracts will be delivered to the Trustee as custodian, and the Trustee thereafter will maintain physical possession of the Receivables except as may be necessary for the servicing thereof by the Servicer. The Receivables will not be stamped to show the ownership thereof by the Trust. However, CPS's accounting records and computer systems will reflect the sale and assignment of the Receivables to the Seller, and Uniform Commercial Code ("UCC") financing statements reflecting such sales and assignments will be filed. See "Formation of the Trust" in this Prospectus Supplement and "Certain Legal Aspects of the Receivables" in the Prospectus.

## Accounts

A segregated lock-box account will be established and maintained with Bank of America in the name of the Trustee for the benefit of the Certificateholders and the [Credit Enhancer], into which all payments made by Obligor on or with respect to the Receivables must be deposited by the Lock-Box Processor (the "Lock-Box Account"). See "--- Payments on Receivables" below. The Trustee will also establish and maintain initially with itself one or more accounts, in the name of the Trustee on behalf of the Certificateholders and the [Credit Enhancer], into which all amounts previously deposited in the Lock-Box Account will be transferred within two Business Days of the receipt of funds therein (the "Collection Account"). Upon receipt, the Servicer will deposit all amounts received by it in respect of the Receivables in the Lock-Box Account or the Collection Account. The Trustee will also establish and maintain initially with itself one or more accounts, in the name of the Trustee on behalf of the Certificateholders and the [Credit Enhancer], from which all distributions with respect to the Certificates and payments to the [Credit Enhancer] will be made (the "Certificate Account"). In addition, the Trustee will establish and maintain initially with itself one or more accounts, in the name of the Trustee on behalf of the Obligor, in which early payments with respect to Rule of 78's Receivables by or on behalf of the Obligor which do not constitute current scheduled payments, late fees or full repayments will be deposited until such time as the payment falls due or until such funds are applied to shortfalls in the scheduled payments with respect to Rule of 78's Receivables (the "Payahead Account"). Until such time as payments are transferred from the Payahead Account to the Certificate Account, they will not constitute collected interest or collected principal, and will not be available for distribution to the Certificateholders. The Collection Account, Certificate Account and Payahead Account will be maintained with the Trustee so long as the Trustee's deposits have a rating acceptable to the [Credit Enhancer] and the Rating Agencies. If the deposits of the Trustee or its corporate parent no longer have such acceptable rating, the Trustee shall cause such Accounts to be moved to a bank acceptable to the [Credit Enhancer]. In addition, the Trustee may transfer the Payahead Account at any time to any depository bank or trust company which is acceptable to the [Credit Enhancer].

The Collateral Agent will establish the Spread Account as a segregated trust account at its office or at another depository institution or trust company.

## Servicing Compensation

The Servicer will be entitled to receive the Servicing Fee on each Distribution Date, equal to the product of one-twelfth of the Servicing Fee Rate and the Pool Balance as of the close of business on the last day of the second preceding Collection Period; provided, however, that with respect to the first Distribution Date, the Servicing Fee will equal the product of one-twelfth of the Servicing Fee Rate and the Pool Balance as of the Cutoff Date (the "Servicing Fee"). So long as CPS is Servicer, a portion of the Servicing Fee, equal to the Standby Fee, will be payable to the Standby Servicer for agreeing to stand by as successor Servicer and for performing certain other functions. If the Standby Servicer, or any other entity serving at the time as Standby Servicer, becomes the successor Servicer, it will receive compensation at a Servicing Fee Rate not to exceed [ ]% per annum. See "Standby Servicer" in this Prospectus Supplement. The Servicer will also collect and retain, as additional servicing compensation, any late fees, prepayment charges and other administrative fees or similar charges allowed by applicable law with respect to the Receivables, and will be entitled to reimbursement from the Trust for certain liabilities. Payments by or on behalf of Obligor will be allocated to scheduled payments, late fees and other charges and principal and interest in accordance with the Servicer's normal practices and procedures. The Servicing Fee will be paid out of collections from the Receivables, prior to distributions to Certificateholders.

The Servicing Fee and additional servicing compensation will compensate the Servicer for performing the functions of a third party servicer of automotive receivables as an agent for their beneficial owner, including collecting and posting all payments, responding to inquiries of Obligor on the

Receivables, investigating delinquencies, sending payment coupons to Obligor, reporting tax information to Obligor, paying costs of disposition of defaults and policing the collateral. The Servicing Fee also will compensate the Servicer for administering the Receivables, including accounting for collections and furnishing monthly and annual statements to the Trustee and the [Credit Enhancer] with respect to distributions and generating federal income tax information. The Servicing Fee also will reimburse the Servicer for certain taxes, accounting fees, outside auditor fees, data processing costs and other costs incurred in connection with administering the Receivables.

#### Distributions on Certificates

No later than [ ] a.m., [ ] time, on each Determination Date, the Servicer will inform the Trustee of the amount of aggregate collections on the Receivables, and the aggregate Purchase Amount of Receivables to be repurchased by CPS or to be purchased by the Servicer, in each case, with respect to the related Collection Period.

On or before each Distribution Date, the Trustee will cause to be transferred from the Payahead Account to the Certificate Account the amounts then on deposit in the Payahead Account that constitute scheduled payments due during the related Collection Period or that may be applied to full prepayments on the Rule of 78's Receivables.

The Servicer will determine prior to such Determination Date the Total Distribution Amount, the Class A Interest Distributable Amount, the Class B Interest Distributable Amount, the Class A Principal Distributable Amount, the Class B Principal Distributable Amount, the Class A Distributable Amount and the Class B Distributable Amount.

The "Determination Date" applicable to any Distribution Date will be the earlier of (i) the seventh business day of the month of such Distribution Date and (ii) the fifth business day preceding such Distribution Date.

Determination of Total Distribution Amount. The "Total Distribution Amount" for a Distribution Date (being the funds available for distribution to the Certificateholders with respect to such Distribution Date in accordance with the priorities described below) will be the sum of the following amounts with respect to the preceding Collection Period: (i) all collections on Receivables (including amounts withdrawn from the Payahead Account but excluding amounts deposited into the Payahead Account); (ii) all proceeds received during the Collection Period with respect to Receivables that became Liquidated Receivables during the Collection Period in accordance with the Servicer's customary servicing procedures, net of the reasonable expenses incurred by the Servicer in connection with such liquidation and any amounts required by law to be remitted to the Obligor on such Liquidated Receivable ("Liquidation Proceeds") in accordance with the Servicer's customary servicing procedures; (iii) proceeds from Recoveries with respect to Liquidated Receivables; and (iv) the Purchase Amount of each Receivable that was repurchased by CPS or purchased by the Servicer as of the last day of the related Collection Period.

"Liquidated Receivable" means a 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 an Obligor has failed to make more than 90% of a scheduled payment of more than ten dollars for 120 or more days 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.

"Purchase Amount" means, with respect to a Receivable, the amount, as of the close of business on the last day of Collection Period, required to prepay in full such Receivable under the terms thereof including interest to the end of the month of purchase.

"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) in the case of a Rule of 78's Receivable, that portion of all Scheduled Payments received on or prior to such day allocable to principal using the actuarial or constant yield method; (ii) in the case of a Simple Interest Receivable, that portion of all Scheduled Payments actually received on or prior to such day allocable to principal using the Simple Interest Method; (iii) any payment of the Purchase Amount with respect to the Receivable allocable to principal; (iv) any Cram Down Loss in respect of such Receivable; and (v) any prepayment in full or any partial prepayment applied to reduce the Principal Balance of the Receivable.

"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.

"Scheduled Payment" means, for any Collection Period for any Receivable, the amount indicated in such Receivable as required to be paid by the Obligor in such Collection Period (without giving effect to deferments of payments granted to Obligors by the Servicer pursuant to the Agreement or any rescheduling of payments in any insolvency or similar proceedings).

Calculation of Distribution Amounts. The Class A Certificateholders will be entitled to receive, to the extent funds are available therefor, the "Class A Distributable Amount" with respect to each Distribution Date. The "Class A Distributable Amount" with respect to a Distribution Date will be an amount equal to the sum of:

(i) the "Class A Principal Distributable Amount", consisting of the Class A Percentage of the following:

(a) the principal portion of all Scheduled Payments received during the preceding Collection Period on Rule of 78's Receivables and all payments of principal received on Simple Interest Receivables during such Collection Period (including amounts withdrawn from the Payahead Account but excluding amounts deposited into the Payahead Account);

(b) the principal portion of all prepayments in full received during the preceding Collection Period, including amounts withdrawn from the Payahead Account with respect to such Distribution Date but excluding amounts deposited in the Payahead Account (except to the extent included in clauses (a) or (d));

(c) the principal balance of each Receivable that was repurchased by CPS or purchased by the Servicer in each case as of the last day of the preceding Collection Period and at the option of the [Credit Enhancer], the Principal Balance of each Receivable that was required to be but was not so purchased or repurchased (except to the extent included in (a) and (b) above);

(d) the principal balance of each Liquidated Receivable which became such during the preceding Collection Period (except to the extent included in (a) and (b) above); and

(e) the aggregate amount of Cram Down Losses that occurred during the preceding Collection Period (a "Cram Down Loss" means with respect to a Receivable, if a court of appropriate jurisdiction in an insolvency proceeding has issued an order reducing the amount owed on a Receivable or otherwise modifying or restructuring the Scheduled Payments to be made on a Receivable, an amount equal to such reduction in Principal Balance of such Receivable or the net present value (using as the discount rate the lower of

the contract rate or the rate of interest specified by the court in such order) of the Scheduled Payments as so modified; a Cram Down Loss shall be deemed to have occurred on the date of issuance of such order) (the amounts set forth in (a) through (e), the "Principal Distributable Amount"); plus

(ii) the "Class A Interest Distributable Amount", consisting of thirty (30) days' interest at the Class A Pass-Through Rate on the Class A Certificate Balance as of the close of business on the last day of the related Collection Period; provided, however, that on the first Distribution Date, the Class A Interest Distributable Amount will include interest from and including the Closing Date through and including [ ], 199[ ].

The Class B Certificateholders will be entitled to receive, to the extent funds are available therefor, the "Class B Distributable Amount" with respect to each Distribution Date. The "Class B Distributable Amount" with respect to a Distribution Date will be an amount equal to the sum of:

(i) the "Class B Principal Distributable Amount", consisting of the Class B Percentage of the Principal Distributable Amount; plus

(ii) the "Class B Interest Distributable Amount", consisting of thirty (30) days' interest at the Class B Pass-Through Rate on the Class B Certificate Balance as of the close of business on the last day of the related Collection Period; provided, however, that on the first Distribution Date, the Class B Interest Distributable Amount will include interest from and including the Closing Date through and including [ ], 199[ ].

On the Final Scheduled Distribution Date, the Class A Principal Distributable Amount and the Class B Principal Distributable Amount will equal the then outstanding Class A Certificate Balance and Class B Certificate Balance, respectively.

Priority of Distribution Amounts. On each Determination Date, the Servicer will calculate the amount to be distributed to the Certificateholders.

On each Distribution Date, the Trustee (based on the Servicer's determination made on the related Determination Date) shall make the following distributions in the following order of priority:

[(i) to the Servicer, from the Total Distribution Amount, the Servicing Fee and all unpaid Servicing Fees from prior Collection Periods; provided, however, that as long as CPS is the Servicer and [ ], is the Standby Servicer, the Trustee will first pay to the Standby Servicer out of the Servicing Fee otherwise payable to CPS an amount equal to the Standby Fee;

(ii) in the event the Standby Servicer becomes the successor Servicer, to the Standby Servicer, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clause (i) above), to the extent not previously paid by the predecessor Servicer pursuant to the Agreement, reasonable transition expenses (up to a maximum of \$[ ]) incurred in acting as successor Servicer;

(iii) to the Trustee, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) and (ii) above), the fees and expenses payable to the Trustee for its services pursuant to the Agreement (the "Trustee Fee") and reasonable out-of-pocket expenses of the Trustee, (including counsel fees and expenses) and all unpaid Trustee Fees and all unpaid reasonable out-of-pocket expenses (including counsel fees and expenses) from prior Collection Periods; provided, however, that unless an Event of Default shall have occurred and be continuing, expenses payable to the Trustee pursuant to this clause (iii) and



expenses payable to the collateral agent pursuant to clause (iv) below, shall be limited to \$[ ] per annum;

(iv) to the Collateral Agent, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (iii) above), all fees and expenses payable to the collateral agent with respect to such Distribution Date;

(v) to the Class A Certificateholders, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (iv) above) the Class A Interest Distributable Amount and any Class A Interest Carryover Shortfall as of the close of the preceding Distribution Date;

(vi) to the Class B Certificateholders, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (v) above) the Class B Interest Distributable Amount and any Class B Interest Carryover Shortfall as of the close of the preceding Distribution Date;

(vii) to the Class A Certificateholders, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (vi) above), the Class A Principal Distributable Amount and any Class A Principal Carryover Shortfall as of the close of the preceding Distribution Date with respect to each Distribution Date;

(viii) to the [Credit Enhancer], from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments made pursuant to clauses (i) through (vii) above), any amounts due to the [Credit Enhancer] under the terms of the Agreement and under the [Enhancement Agreement];

(ix) to any successor Servicer, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (viii) above) and any amount deposited into the Collection Account pursuant to the Agreement, to the extent not paid pursuant to clause (ii) above, reasonable transition expenses (up to a maximum of \$[ ]) incurred in acting as successor Servicer;

(x) to the Class B Certificateholders, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (ix) above) the Class B Principal Distributable Amount and any Class B Principal Carryover Shortfall as of the close of the preceding Distribution Date; and

(xi) to the Collateral Agent, for deposit in to the Spread Account, the remaining Total Distribution Amount, if any.]

The right of the Class B Certificateholders to receive distributions of interest pursuant to clause (vi) above will be subordinated to the prior payment in full of all amounts payable pursuant to clauses (i) through (v). The right of the Class B Certificateholders to receive distributions of principal pursuant to clause (x) above will be subordinated to the prior payment in full of all amounts payable pursuant to clauses (i) through (ix).

For purposes hereof, the following terms shall have the following meanings:

"Class A Interest Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class A Interest Distributable Amount for such Distribution Date, plus any outstanding Class A Interest Carryover Shortfall from the preceding Distribution Date, plus interest on such outstanding Class A

Interest Carryover Shortfall, to the extent permitted by law, at the Class A Pass-Through Rate from such preceding Distribution Date through the current Distribution Date, over the amount of interest that the holders of the Class A Certificates actually received on such current Distribution Date.

"Class A Principal Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class A Principal Distributable Amount plus any outstanding Class A Principal Carryover Shortfall from the preceding Distribution Date over the amount of principal that the holders of the Class A Certificates actually received on such current Distribution Date.

"Class B Interest Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class B Interest Distributable Amount for such Distribution Date, plus any outstanding Class B Interest Carryover Shortfall from the preceding Distribution Date, plus interest on such outstanding Class B Interest Carryover Shortfall, to the extent permitted by law, at the Class B Pass-Through Rate from such preceding Distribution Date through the current Distribution Date, over the amount of interest that the holders of the Class B Certificates actually received on such current Distribution Date.

"Class B Principal Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class B Principal Distributable Amount plus any outstanding Class B Principal Carryover Shortfall from the preceding Distribution Date over the amount of principal that the holders of the Class B Certificates actually received on such current Distribution Date.

On the third business day prior to a Distribution Date, the Trustee will determine, based on a certificate from the Servicer, whether there are amounts sufficient, after payment of amounts as set forth in the priorities of distribution in the Agreement, to distribute the Class A Distributable Amount.

[The Spread Account. The Seller has agreed to cause to be established with [ ] (in such capacity, the "Collateral Agent") an account (the "Spread Account") for the benefit of the [Credit Enhancer] and the Trustee on behalf of the Class A Certificateholders. The Collateral Agent [will] [will not] hold the Requisite Amount for the benefit of the Class B Certificateholders. Any portion of the Total Distribution Amount remaining on any Distribution Date after payment of all fees and expenses due on such date to the Servicer, the Standby Servicer, the Trustee and the Collateral Agent and all principal and interest payments due to the Certificateholders on such Distribution Date, will be deposited in the Spread Account and held by the Collateral Agent for the benefit of the [Credit Enhancer] and the Trustee on behalf of the Class A Certificateholders. If on any Distribution Date, the Total Distribution Amount is insufficient (taking into account the application of the Total Distribution Amount to the payment of the Class B Interest Distributable Amount and any Class B Interest Carryover Shortfall) to pay all distributions required to be made on such day pursuant to priorities (i), (ii), (iii), (iv), (v), (vii), (viii) and (ix) under " -- Priority of Distribution Amounts", then amounts on deposit in the Spread Account will be applied to pay the amounts due on such Distribution Date pursuant to such priorities (i), (ii), (iii), (iv), (v), (vii), (viii) and (ix).]

#### Statements to Certificateholders

On each Distribution Date, the Trustee will include with each distribution to each Certificateholder of record as of the close of business on the applicable Record Date and each rating agency that is currently rating the Certificates a statement (prepared by the Servicer) setting forth the following information with respect to the preceding Collection Period, to the extent applicable:

(i) the amount of the distribution allocable to principal of the Class A Certificates and the Class B Certificates, respectively;

(ii) the amount of the distribution allocable to interest on the Class A Certificates and the Class B Certificates, respectively;

(iii) the Pool Balance, the Class A Pool Factor and the Class B Pool Factor as of the close of business on the last day of the preceding Collection Period;

(iv) the aggregate Class A Certificate Balance as of the close of business on the last day of the preceding Collection Period, after giving effect to payments allocated to principal reported under (i) above;

(v) the aggregate Class B Certificate Balance as of the close of business on the last day of the preceding Collection Period, after giving effect to payments allocated to principal reported under (i) above;

(vi) the amount of the Servicing Fee paid to the Servicer with respect to the related Collection Period and the Class A Percentage and the Class B Percentage of the Servicing Fee (inclusive of the Standby Fee), the amount of any unpaid Servicing Fees and the change in such amount from that of the prior Distribution Date;

(vii) the amount of the Class A Interest Carryover Shortfall, if applicable, and Class A Principal Carryover Shortfall, if applicable, on such Distribution Date and the change in such amounts from those on the prior Distribution Date;

(viii) the amount of the Class B Interest Carryover Shortfall, if applicable, and Class B Principal Carryover Shortfall, if applicable, on such Distribution Date and the change in such amounts from those on the prior Distribution Date;

(ix) the amount paid to the Class A Certificateholders under the [Credit Enhancement] for such Distribution Date;

(x) the amount distributable to the [Credit Enhancer] on such Distribution Date;

(xi) the aggregate amount in the Payahead Account and the Spread Account and the change in such amount from the previous Distribution Date;

(xii) 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 payments between 31 and 59 days and 60 days or more; and

(xiii) the number and the aggregate Purchase Amount of Receivables repurchased by CPS or purchased by the Servicer.]

Each amount set forth pursuant to subclauses (i), (ii), (vi), (vii) and (viii) above shall be expressed in the aggregate and as a dollar amount per \$1,000 of original principal balance of a Certificate.

Within the prescribed period of time for tax reporting purposes after the end of each calendar year during the term of the Agreement, the Trustee will mail to each person who at any time during such calendar year shall have been a Certificateholder and received any payment on such holder's Certificates, a statement (prepared by the Servicer) containing the sum of the amounts described in (i), (ii) and (vi) above for the purposes of such Certificateholder's preparation of federal income tax returns. See "The Certificates -- Statements to Certificateholders" in this Prospectus Supplement. See "Certain Federal Income Tax Consequences" in this Prospectus Supplement.

## Evidence as to Compliance

The Agreement will provide that a firm of independent certified public accountants will furnish to the Trustee and the [Credit Enhancer] on or before July 31 of each year, beginning [ ], 199[ ], a report as to compliance by the Servicer during the preceding twelve months ended March 31 with certain standards relating to the servicing of the Receivables (or in the case of the first such certificate, the period from the Closing Date to [ ], 199[ ]).

The Agreement will also provide for delivery to the Trustee and the [Credit Enhancer], on or before July 31 of each year, commencing [ ], 199[ ] of a certificate signed by an officer of the Servicer stating that the Servicer has fulfilled its obligations under the Agreement throughout the preceding twelve months ended March 31 or, if there has been a default in the fulfillment of any such obligation, describing each such default (or in the case of the first such certificate, the period from the Cutoff Date to [ ], 199[ ]). The Servicer has agreed to give the Trustee and the [Credit Enhancer] notice of any Events of Default under the Agreement.

Copies of such statements and certificates may be obtained by Certificateholders by a request in writing addressed to the Trustee.

## Certain Matters Regarding the Servicer

The Agreement will provide that the Servicer may not resign from its obligations and duties as Servicer thereunder except upon determination that its performance of such duties is no longer permissible under applicable law and with the consent of the [Credit Enhancer]. No such resignation will become effective until a successor servicer has assumed the servicing obligations and duties under the Agreement. In the event CPS resigns as Servicer or is terminated as Servicer, the Standby Servicer has agreed pursuant to the Servicing Assumption Agreement to assume the servicing obligations and duties under the Agreement.

The Agreement will further provide that neither the Servicer nor any of its directors, officers, employees, and agents will be under any liability to the Trust or the Certificateholders for taking any action or for refraining from taking any action pursuant to the Agreement, or for errors in judgment; provided, however, that neither the Servicer nor any such person will be protected against any liability that would otherwise be imposed by reason of willful misfeasance, bad faith or negligence in the performance of duties or by reason of reckless disregard of obligations and duties thereunder. In addition, the Agreement will provide that the Servicer is under no obligation to appear in, prosecute, or defend any legal action that is not incidental to its servicing responsibilities under the Agreement and that, in its opinion, may cause it to incur any expense or liability.

Under the circumstances specified in the Agreement any entity into which the Servicer may be merged or consolidated, or any entity resulting from any merger or consolidation to which the Servicer is a party, or any entity succeeding to the business of the Servicer which corporation or other entity in each of the foregoing cases assumes the obligations of the Servicer, will be the successor of the Servicer under the Agreement.

The Servicer is retained for an initial term commencing on the Closing Date and ending on [ ], 199[ ], which term may be extended in ninety day increments by the [Credit Enhancer]. In the absence of an Event of Default under the Agreement, the [Credit Enhancer] has agreed to extend such term. See "The Certificates -- Certain Matters Regarding the Servicer" in the Prospectus.

## Events of Default

"Events of Default" under the Agreement will consist of (i) any failure by the Servicer to deliver to the Trustee for distribution to the Certificateholders any required payment, which failure continues unremedied for two Business Days, or any failure to deliver to the Trustee the annual accountants report, the annual statement as to compliance or the statement to the Certificateholders, in each case, within [ ] days of the date it is due and which shall comply with the requirements therefor; (ii) any failure by the Servicer or the Seller, as the case may be, duly to observe or perform in any material respect any other covenant or agreement in the Agreement which continues unremedied for [ ] days after the giving of written notice of such failure (1) to the Servicer or the Seller, as the case may be, by the [Credit Enhancer] or by the Trustee, or (2) to the Servicer or the Seller, as the case may be, and to the Trustee and the [Credit Enhancer] by the holders of Class A Certificates evidencing not less than [ ] of the Class A Certificate Balance or, after the Class A Certificates have been paid in full and all outstanding amounts due to the [Credit Enhancer] have been paid in full, by the holders of Class B Certificates evidencing not less than [ ] of the Class B Certificate Balance; (iii) certain events of insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings with respect to the Servicer or the Seller, or, so long as CPS is Servicer, of any of its affiliates, and certain actions by the Servicer, the Seller or, so long as CPS is Servicer, of any of its affiliates, indicating its insolvency, reorganization pursuant to bankruptcy proceedings, or inability to pay its obligations; or (iv) the occurrence of an Event of Default under the [Enhancement Agreement].

## Rights Upon Event of Default

As long as an Event of Default under the Agreement remains unremedied, (x) provided no [Enhancement Default] shall have occurred and be continuing, the [Credit Enhancer] in its sole and absolute discretion or (y) if an [Enhancement Default] shall have occurred and be continuing, then the Trustee or the holders of Class A Certificates evidencing not less than [ ] of the Class A Certificate Balance or (z) if the Class A Certificates have been paid in full and either (i) all outstanding amounts due to the [Credit Enhancer] have been paid in full or (ii) an [Enhancement Default] shall have occurred and be continuing, then either the Trustee or the holders of Class B Certificates evidencing not less than [ ] of the Class B Certificate Balance, may terminate all the rights and obligations of the Servicer under the Agreement, whereupon the Standby Servicer, or such other successor Servicer as shall be or have been appointed by the [Credit Enhancer] (or, if an [Enhancement Default] shall have occurred and be continuing, by the Trustee or the Class A or Class B Certificateholders, as described above) will succeed to all the responsibilities, duties and liabilities of the Servicer under such Agreement; provided, however, that such successor Servicer shall have no liability with respect to any obligation which was required to be performed by the predecessor Servicer prior to the date such successor Servicer becomes the Servicer or the claim of a third party (including a Certificateholder) based on any alleged action or inaction of the predecessor Servicer as Servicer.

["[Enhancement Default]" shall mean any one of the following events shall have occurred and be continuing: (i) the [Credit Enhancer] fails to make a payment required under the [Credit Enhancement] in accordance with its terms; (ii) the [Credit Enhancer] (A) files any petition or commences any case or proceeding under any provision or chapter of the United States Bankruptcy Code or any other 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 other competent court or regulatory authority enters a final and nonappealable order, judgment or decree (A) appointing a custodian, trustee, agent or receiver for the [Credit Enhancer] 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 [Credit Enhancer] (or the taking of possession of all or any material portion of the property of the [Credit Enhancer]).]

#### Waiver Of Past Defaults

With respect to the Trust, subject to the approval of [the Credit Enhancer], the holders of Certificates evidencing at least a majority of the voting rights of such then outstanding Certificates may, on behalf of all Certificateholders of the related Certificates, waive any default by the Servicer in the performance of its obligations under the Pooling and Servicing Agreement and its consequences, except a default in making any required deposits to or payments from any of the Trust Accounts in accordance with the Pooling and Servicing Agreement. No such waiver shall impair the Certificateholders' rights with respect to subsequent defaults.

#### Termination

The obligations of the Servicer, the Seller and the Trustee pursuant to the Agreement will terminate upon (i) the maturity or other liquidation of the last Receivable and the disposition of any amounts received upon liquidation of any remaining Receivables and (ii) the payment to Certificateholders of all amounts required to be paid to them pursuant to the Agreement and the expiration of any preference period related thereto.

In order to avoid excessive administrative expense, the Servicer, or its successor, is permitted at its option to purchase from the Trust [(with the consent of the [Credit Enhancer] if such purchase would result in a claim under the [Credit Enhancement] or any amount owing to the [Credit Enhancer] or on the Certificates would remain unpaid)], as of the last day of any month as of which the then outstanding Pool Balance is equal to 10% or less of the original Pool Balance, all remaining Receivables at a price equal to the aggregate of the Purchase Amounts thereof as of such last day. Exercise of such right will effect early retirement of the Certificates. The Trustee will give written notice of termination to each Certificateholder of record. The final distribution to any Certificateholder will be made only upon surrender and cancellation of such holder's Certificate at the office or agency of the Trustee specified in the notice of termination. Any funds remaining with the Trustee, after the Trustee has taken certain measures to locate a Certificateholder and such measures have failed, will be distributed to The American Red Cross.

[THE CREDIT ENHANCEMENT]

[Description of the [Credit Enhancement]].

[CREDIT ENHANCER]

[Description of Credit Enhancer]

#### ERISA CONSIDERATIONS

[Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 4975 of the Code prohibit a pension, profit sharing or other employee benefit plan subject to ERISA and an individual retirement account (collectively, "Benefit Plans") from engaging in certain transactions with persons that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to the plan. ERISA also imposes certain duties and certain prohibitions on persons who are fiduciaries of plans subject to ERISA. Generally, any person who exercises any authority or control

with respect to the management or disposition of the assets of a plan subject to ERISA is considered to be a fiduciary of such plan. A violation of these "prohibited transaction" rules may generate excise tax and other liabilities under ERISA and the Code.

Pursuant to a regulation issued by the Department of Labor concerning the definition of what constitutes the "plan assets" of a Benefit Plan, the assets and properties of certain entities in which a Benefit Plan makes an equity investment could be deemed to be assets of the Benefit Plan in certain circumstances. Accordingly, if a Benefit Plan purchases a Certificate, the Trust could be deemed to hold plan assets. If the assets of the Trust were deemed to constitute plan assets of a Benefit Plan, the Benefit Plan's investment in the Certificates might be deemed to constitute delegation under ERISA of the duty to manage plan assets by the fiduciaries making the decision on behalf of the Benefit Plan to make the investment, and transactions involving the Trust and the Trust Assets might be viewed as transactions with the Benefit Plan for the purpose of ERISA's fiduciary and prohibited transaction rules.

[The Department of Labor has granted [underwriter] an administrative exemption (Prohibited Transaction Exemption [ ], 59 Fed. Reg. 65,400 (1994)) (the "Exemption") from certain of the prohibited transaction rules of ERISA with respect to the initial purchase, the purchase in the secondary market and the holding and the subsequent resale by Benefit Plans of certificates in certain trusts with respect to which [underwriter] is the sole underwriter or placement agent or the managing or co-managing underwriter or placement agent in an underwriting syndicate or selling group and that consist of certain receivables, loans and other obligations that meet the conditions and requirements of the Exemption. The obligations covered by the Exemption include retail installment sale contracts such as the Receivables. The Exemption would apply to the acquisition, holding and resale of the Class A Certificates by a Benefit Plan only if specific conditions (certain of which are described below) are met. It is not clear whether the Exemption applies to participant directed plans as described in Section 404(c) of ERISA or plans that are subject to Section 4975 of the Code but that are not subject to Title I of ERISA, such as certain Keogh plans and certain individual retirement accounts.

Among the conditions which must be satisfied for the Exemption to apply to the acquisition by a Benefit Plan of the Class A Certificates are the following:

- (1) The acquisition of the Class A Certificates by a Benefit Plan is on terms (including the price for the Class A Certificates) that are at least as favorable to the Benefit Plan as they would be in an arm's-length transaction with an unrelated party;
- (2) The rights and interests evidenced by the Class A Certificates acquired by the Benefit Plan are not subordinated to the rights and interests evidenced by other certificates of the Trust;
- (3) The Class A Certificates acquired by the Benefit Plan have a rating at the time of such acquisition that is in one of the three highest generic rating categories from Standard & Poor's Corporation, Moody's Investors Service, Inc., Duff & Phelps Inc. or Fitch Investors Service, Inc.;
- (4) The sum of all payments made to the Underwriters in connection with the distribution of the Class A Certificates represents not more than reasonable compensation for placement of the Class A Certificates. The sum of all payments made to and retained by the Seller pursuant to the sale of the Receivables to the Trust represents not more than the fair market value of such Receivables. The sum of all payments made to and retained by the Servicer represents not more than reasonable compensation for the Servicer's services under the Agreement and reimbursement of the Servicer's reasonable expenses in connection therewith;
- (5) The Trustee is not an "affiliate" (as defined in the Exemption) of the Seller, the Underwriters, the Servicer, the [Credit Enhancer] or any "obligor" (as defined in the Exemption)

with respect to Receivables included in the Trust constituting more than 5% of the aggregate unamortized principal balance of the assets in the Trust (including the Trustee, the "Restricted Group");

(6) The Benefit Plan investing in the Class A Certificates is an "accredited investor" as defined in Rule 501(a)(1) of Regulation D under the Securities Act; and

(7) The Trust satisfies the following requirements:

(a) the corpus of the Trust consists solely of assets of the type which have been included in other investment pools,

(b) certificates in such other investment pools have been rated in one of the three highest generic rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., Duff & Phelps Inc. or Fitch Investors Service, Inc. for at least one year prior to the Benefit Plan's acquisition of Class A Certificates, and

(c) certificates evidencing interests in such other investment pools have been purchased by investors other than Benefit Plans for at least one year prior to any Benefit Plan's acquisition of Class A Certificates.

The Exemption does not provide an exemption from ERISA Sections 406(a)(1)(E), 406(a)(2) or 407 for the purchase or holding of Class A Certificates to any person who has discretionary authority or renders investment advice to Benefit Plans sponsored by any member of the Restricted Group or any affiliate of such person.]

Exemptive relief from the self-dealing/conflict of interest prohibited transaction rules of ERISA is available to an obligor acting as a fiduciary with respect to the investment of a Benefit Plan's assets in the Class A Certificates (or such person's affiliate) only if, among other requirements (i) such fiduciary (or its affiliate) is an obligor with respect to 5% percent or less of the fair market value of the Trust Assets, (ii) a Benefit Plan's investment in Class A Certificates does not exceed 25% of all of the Class A Certificates outstanding at the time of the acquisition, (iii) immediately after the acquisition, no more than 25% of the assets of the Benefit Plan are invested in certificates representing an interest in trusts (including the Trust) containing assets sold or serviced by the same entity, and (iv) in the case of the acquisition of the Class A Certificates in connection with their initial issuance, at least 50% of the Class A Certificates are acquired by persons independent of the Restricted Group and at least 50% of the aggregate interest in the Trust is acquired by persons independent of the Restricted Group.

The Exemption also applies to transactions in connection with the servicing, management and operation of the Trust, provided that, in addition to the general requirements described above, (a) such transactions are carried out in accordance with the terms of a binding pooling and servicing agreement and (b) the pooling and servicing agreement is provided to, or described in all material respects in the prospectus or private placement memorandum provided to, investing Benefit Plans before their purchase of certificates issued by the Trust. The Agreement is a pooling and servicing agreement as defined in the Exemption. All transactions relating to the servicing, management, and operations of the Trust will be carried out in accordance with the Agreement. See "The Certificates" in this Prospectus Supplement.

Any Benefit Plan fiduciary considering the purchase of Class A Certificates should consult with its counsel with respect to the applicability of the Exemption and other issues and determine on its own whether all conditions have been satisfied and whether the Certificates are an appropriate investment for a Benefit Plan under ERISA and the Code. By its purchase of a Class A Certificate, each Benefit Plan purchaser shall be deemed to represent and warrant that it is an "accredited investor" as defined in Rule 501(a)(1) of Regulation D under the Securities Act, in accordance with condition (6) above.



The Class B Certificates may not be sold or transferred to a Benefit Plan, a trustee of any Benefit Plan, or an entity, account or other pooled investment fund the underlying assets of which include or are deemed to include a Benefit Plan's assets by reason of a Benefit Plan's investment in the entity, account or other pooled investment fund.

Generally, for purposes of ERISA, an insurance company, insurance service, or insurance organization qualified to do business in a state (referred to herein as an "Insurer") is not a Benefit Plan; therefore, the foregoing restriction for sale or transfer to a Benefit Plan generally would not be applicable to an Insurer. However, under *John Hancock Mutual Life Insurance Co. v. Harris Bank and Trust*, 114 S.Ct. 517 (1993), certain assets held in an Insurer's general account may be treated as Benefit Plan assets and thus the use of such "plan assets" to purchase the Class B Certificates may be subject to the fiduciary requirements of ERISA.

The Seller and the Servicer do not intend to preclude Insurers that are otherwise qualified investors from purchasing the Class B Certificates; therefore, for purposes of this offering, the restriction for sale or transfer to a Benefit Plan will not be applied to prevent the transfer of Class B Certificates to an Insurer if such Insurer purchases such Class B Certificates with funds held in one or more of its general accounts, provided that the Insurer confirms that Section III of Prohibited Transaction Class Exemption 95-60 (the "Class Exemption") applies to the Insurer's acquisition and holding of such Class B Certificates. Neither the Servicer, the Seller, the Trustee, the [Credit Enhancer], any Underwriter nor any of their respective affiliates makes any representation or expresses any opinion as to whether an Insurer constitutes a Benefit Plan or will be treated as managing Benefit Plan assets.]

UNDERWRITING

Under the terms and subject to the conditions contained in the Underwriting Agreement, CPS and the Seller have agreed to cause the Trust to sell to [Underwriters] (the "Underwriters") and each Underwriter has agreed to purchase the principal amount of Class A Certificates and Class B Certificates set forth opposite its name below.

Underwriters -----	Class A Certificates Principal Amount -----	Class B Certificates Principal Amount -----
[Underwriter]	\$ [            ]	\$ [            ]
[Underwriter]	[            ] -----	[            ] -----
Total	\$ [            ] =====	\$ =====

CPS and the Seller have been advised by the Underwriters that they propose to offer Class A Certificates and Class B Certificates from time to time for sale in negotiated transactions or otherwise, at prices determined at the time of sale. The Underwriters may effect such transactions by selling each of the Class A Certificates and Class B Certificates to or through dealers and such dealers may receive compensation in the form of underwriting discounts, concessions or commissions from the Underwriters and any purchasers of Class A Certificates or Class B Certificates for whom they may act as agents. The Underwriters and any dealers that participate with the Underwriters in the distribution of each of the Class A Certificates and Class B Certificates may be deemed to be underwriters, and any discounts or commissions received by them and any profit on the resale of Class A Certificates or Class B Certificates by them may be deemed to be underwriting discounts or commissions, under the Securities Act of 1933, as amended.

Each of the Class A Certificates and Class B Certificates are a new issue of securities with no established trading market. The Underwriters have advised CPS and the Seller that they intend to act as market makers for each of the Class A Certificates and Class B Certificates. However, the Underwriters are not obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of any trading market for the Class A Certificates or Class B Certificates.

CPS and the Seller have agreed to indemnify the Underwriters against certain liabilities, including civil liabilities under the Securities Act, or contribute to payments which the Underwriters may be required to make in respect thereof.

#### LEGAL OPINIONS

Certain legal matters relating to the Certificates will be passed upon for the Seller, the Servicer and the Underwriters by Mayer, Brown & Platt, New York, New York. Certain legal matters related to the [Credit Enhancement] will be passed upon for the [Credit Enhancer] by [ ].

INDEX OF TERMS

Set forth below is a list of the defined terms used in this Prospectus Supplement and the pages on which the definitions of such terms may be found herein.

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CPS Auto Grantor Trusts  
Auto Receivables Backed Certificates Issuable in Series  
CPS Receivables Corp.  
Seller  
Consumer Portfolio Services  
Sponsor and Servicer

This Prospectus describes certain Auto Receivables Backed Certificates (the "Certificates") that may be sold from time to time in one or more series (each, a "Series"), in amounts, at prices and on terms to be determined at the time of sale and to be set forth in a supplement to this Prospectus (each, a "Prospectus Supplement"). Each Series of Certificates may include one or more classes of Certificates, which will be issued by a trust to be formed by the Seller for the purpose of issuing one or more Series of such Certificates (each, a "Trust").

Each class of Certificates of any Series will evidence beneficial ownership in a segregated pool of assets (the "Trust Assets"), as described herein and in the related Prospectus Supplement. The Trust Assets may consist of any combination of retail installment sales contracts between manufacturers, dealers or certain other originators and retail purchasers secured by new and used automobiles, light trucks, vans and minivans financed thereby, or participation interests therein, together with all monies received relating thereto (the "Contracts"). The Trust Assets may also include a security interest in the underlying new and used automobiles, light trucks, vans and minivans and property relating thereto, together with the proceeds thereof (the "Financed Vehicles" and, together with the Contracts, the "Receivables"). If and to the extent specified in the related Prospectus Supplement, credit enhancement with respect to the Trust Assets or any class of Certificates may include any one or more of the following: a financial guaranty insurance policy (a "Policy") issued by an insurer specified in the related Prospectus Supplement, a reserve account, a spread account, letters of credit, credit or liquidity facilities, third party payments or other support, cash deposits or other arrangements. In addition to or in lieu of the foregoing, credit enhancement may be provided by means of subordination, cross-support among the Receivables or over-collateralization. See "Description of the Pooling and Servicing Agreements--Credit and Cash Flow Enhancement". Except to the extent the Prospectus Supplement for a Series provides for a pre-funding period, the Receivables in the Trust Assets for a Series will have been originated or acquired by CPS on or prior to the date of issuance of the related Certificates, as described herein and in the related Prospectus Supplement. The Receivables included in a Trust will be serviced by a servicer (the "Servicer") described in the related Prospectus Supplement.

Each Series of Certificates may include one or more classes (each, a "class"). The rights of one or more classes of Certificates of any Series may be senior or subordinate to the rights of one or more of the other classes of Certificates. A Series may include two or more classes of Certificates which may differ as to the timing, order or priority of payment, pass-through rate or amount of distributions of principal or interest or both. Information regarding each class of Certificates of a Series, together with certain characteristics of the related Receivables, will be set forth in the related Prospectus Supplement. The rate of payment in respect of principal of the Certificates of any class will depend on the priority of payment of such class and the rate and timing of payments (including prepayments, defaults, liquidations or repurchases of Receivables) on the related Receivables. A rate of payment lower or higher than that anticipated may affect the weighted average life of each class of Certificates in the manner described herein and in the related Prospectus Supplement. See "Description of the Certificates".

PROSPECTIVE INVESTORS SHOULD CONSIDER THE FACTORS SET FORTH UNDER "RISK FACTORS" BEGINNING ON [PAGE 13] HEREIN AND IN THE RELATED PROSPECTUS SUPPLEMENT. THE CERTIFICATES OF A GIVEN SERIES REPRESENT BENEFICIAL INTERESTS IN THE RELATED TRUST ONLY AND DO NOT REPRESENT INTERESTS IN OR OBLIGATIONS OF CPS, ANY SELLER, ANY SERVICER OR ANY OF THEIR RESPECTIVE AFFILIATES. NEITHER THE CERTIFICATES NOR THE UNDERLYING RECEIVABLES WILL BE GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY CPS, ANY SELLER, ANY SERVICER, ANY TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES, EXCEPT AS SET FORTH IN THE RELATED PROSPECTUS SUPPLEMENT. THESE CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Offers of the Certificates may be made through one or more different methods, including offerings through underwriters as more fully described under "Method of Distribution" herein and in the related Prospectus Supplement. Prior to issuance, there will have been no market for the Certificates of any Series, and there can be no assurance that a secondary market for the Certificates will develop, or if it does develop, that it will continue.

Retain this Prospectus for future reference. This Prospectus may not be used to consummate sales of Certificates unless accompanied by a Prospectus Supplement.

The date of this Prospectus is [\_\_\_\_\_], 1996.

#### PROSPECTUS SUPPLEMENT

The Prospectus Supplement relating to a Series of Certificates to be offered hereunder, among other things, will set forth with respect to such Series of Certificates: (i) a description of the class or classes of such Certificates, (ii) the "Pass-Through Rate" or other applicable rate (or the manner of determining such rate) and authorized denominations of each class of such Certificates; (iii) certain information concerning the Receivables and insurance policies, cash accounts, letters of credit, financial guaranty insurance policies, third party guarantees or other forms of credit enhancement, if any, relating to one or more pools of Receivables or all or part of the related Certificates; (iv) the specified interest, if any, of each class of Certificates in, and manner and priority of, the distributions from the Trust Assets; (v) information as to the nature and extent of subordination with respect to such Series of Certificates, if any; (vi) the payment date to Certificateholders; (vii) information regarding the Servicer(s) for the related Receivables; (viii) the circumstances, if any, under which the Trust may be subject to early termination; (ix) information regarding tax considerations; and (x) additional information with respect to the method of distribution of such Certificates.

#### AVAILABLE INFORMATION

The Sponsor has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement (together with all amendments and exhibits thereto, referred to herein as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Certificates offered pursuant to this Prospectus. For further information, reference is made to the Registration Statement which may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549; and at the Commission's regional offices at 500 West Madison, 14th Floor, Chicago, Illinois 60661 and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies of the Registration Statement may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates.

No person has been authorized to give any information or to make any representation other than those contained in this Prospectus and any Prospectus Supplement with respect hereto and, if given or made, such information or representations must not be relied upon. This Prospectus and any Prospectus Supplement with respect hereto do not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Certificates offered hereby and thereby, nor an offer of the Certificates to any person in any state or other jurisdiction in which such offer would be unlawful. The delivery of this Prospectus at any time does not imply that information herein is correct as of any time subsequent to its date.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

All documents subsequently filed by the Sponsor with respect to the Registration Statement, either on its own behalf or on behalf of a Trust, relating to any Series of Certificates referred to in the accompanying Prospectus Supplement, with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of this Prospectus and prior to the termination of any offering of the Certificates issued by the Trust, shall be deemed to be incorporated by reference in this Prospectus and to be a part of this Prospectus from the date of the filing of such documents. Any statement contained herein or in a document

incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein (or in the accompanying Prospectus Supplement) or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or replaces such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

#### REPORTS TO CERTIFICATEHOLDERS

So long as the Certificates of a Series are in book-entry form, monthly and annual reports concerning the Certificates and the related Trust will be sent by the Trustee to Cede & Co., as the nominee of DTC and as registered holder of such Certificates pursuant to the related Pooling and Servicing Agreement. DTC will supply such reports to Certificateholders in accordance with its procedures. To the extent required by the Securities Exchange Act of 1934, as amended, the Trust will provide financial information to the Certificateholders which has been examined and reported upon, with an opinion expressed by, an independent public accountant; to the extent not so required, such financial information will be unaudited. Each Trust will be formed to own the Receivables related to the Certificates to be issued by such Trust, to issue the related Certificates and to acquire Subsequent Receivables, if available. No Trust will have any assets or obligations prior to issuance of the Certificates or will engage in any activities other than those described herein. Accordingly, no financial statements with respect to the related Trust will be included in any Prospectus Supplement.

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SUMMARY OF TERMS

The following summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus and by reference to the information with respect to the Certificates of any Series contained in the related Prospectus Supplement to be prepared and delivered in connection with the offering of such Certificates. Certain capitalized terms used in the summary are defined elsewhere in this Prospectus on the pages indicated in the "Index of Terms".

Issuer.....	With respect to any Series of Certificates, a Trust formed pursuant to a pooling and servicing agreement (a "Pooling and Servicing Agreement") among the Seller, the Servicer and the Trustee for such Trust.
Seller.....	CPS Receivables Corp. or another special-purpose subsidiary of CPS (each, a "Seller"). See "The Seller and CPS".
Sponsor.....	Consumer Portfolio Services, Inc. ("CPS" or the "Sponsor"). See "CPS's Automobile Contract Portfolio" and "The Seller and CPS".
Servicer.....	The entity named as Servicer in the related Prospectus Supplement (the "Servicer"). Each Prospectus Supplement will specify whether the Servicer will service the Receivables in the related Receivables Pool directly or indirectly through one or more subservicers (each, a "Subservicer").
Trustee.....	The Trustee (the "Trustee") for each Series of Certificates will be specified in the related Prospectus Supplement.
The Certificates.....	Each Series of Certificates will be issued pursuant to the related Pooling and Servicing Agreement. The related Prospectus Supplement will specify which class or classes of Certificates of the related Series are being offered thereby.  Each class of Certificates will have a stated certificate balance (the "Certificate Balance") and will accrue interest on such Certificate Balance at a specified rate (with respect to each class of Certificates the "Pass- Through Rate") as set forth in the related Prospectus Supplement. Each class of Certificates may have a different Pass-Through Rate, which may be a fixed,



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variable or adjustable Pass-Through Rate, or any combination of the foregoing. The related Prospectus Supplement will specify the Pass-Through Rate, or the method for determining the applicable Pass-Through Rate, for each class of Certificates.

A Series of Certificates may include two or more classes of Certificates that differ as to timing and priority of distributions, seniority, allocations of losses, Pass-Through Rate or amount of distributions in respect of principal or interest. Additionally, distributions in respect of principal or interest in respect of any such class or classes may or may not be made upon the occurrence of specified events or on the basis of collections from designated portions of the related Receivables Pool. If specified in the related Prospectus Supplement, one or more classes of Certificates ("Strip Certificates") may be entitled to (i) principal distributions with disproportionate, nominal or no interest distributions or (ii) interest distributions with disproportionate, nominal or no principal distributions. See "Description of the Certificates--Distributions of Principal and Interest".

Certificates will be available for purchase in the minimum denomination specified in the related Prospectus Supplement and will be available in book-entry form unless otherwise specified in the related Prospectus Supplement. Certificateholders will be able to receive Definitive Certificates only in the limited circumstances described herein or in the related Prospectus Supplement. See "Certain Information Regarding the Certificates--Definitive Certificates".

If the Servicer or any Subservicer exercises its option to purchase the Receivables of a Trust (or if not and, if and to the extent provided in the related Prospectus Supplement, satisfactory bids for the purchase of such Receivables are received), in the manner and on the respective terms and conditions described under "Description of the Pooling and Servicing Agreements--Termination", the Certificates will be prepaid as set forth in the related Prospectus Supplement. In addition, if the related Prospectus Supplement provides that the property of a Trust will

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include a Pre-Funding Account that will be used to purchase additional Receivables after the applicable Closing Date, one or more classes of Certificates may be subject to a partial prepayment of principal at or immediately following the end of the period specified in such Prospectus Supplement for the purchase of such additional Receivables, in the manner and to the extent specified in the related Prospectus Supplement.

The Trust Assets..... The property of each Trust will include a pool of simple interest or precomputed interest motor vehicle installment sale contracts or motor vehicle installment loans secured by new and used automobiles, light trucks, vans and minivans (the "Receivables"), including the right to receive payments received or due on or with respect to such Receivables on or after the date or dates specified in the related Prospectus Supplement (each, a "Cutoff Date"), security interests in the vehicles financed thereby (the "Financed Vehicles"), and any proceeds from claims under certain related insurance policies. On the date of issuance of a Series of Certificates specified in the related Prospectus Supplement (the "Closing Date" for such Series), the applicable Seller will convey Receivables having the aggregate principal balance specified in such Prospectus Supplement as of the Cutoff Date specified therein to such Trust pursuant to a Pooling and Servicing Agreement among the Seller, the Servicer and the Trustee of such Trust. The property of each Trust also will include amounts on deposit in, or certain rights with respect to, certain trust accounts, including the related Collection Account, any Pre-Funding Account and any other account identified in the applicable Prospectus Supplement. See "Description of the Pooling and Servicing Agreements--Trust Accounts".

If the related Prospectus Supplement provides that the property of a Trust will include monies initially deposited into an account (a "Pre-Funding Account") to purchase additional Receivables after the Closing Date, the Seller will be obligated pursuant to the Pooling and Servicing Agreement to sell additional Receivables (the "Subsequent Receivables") to the related Trust, subject only to the availability thereof,

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having an aggregate principal balance approximately equal to the amount deposited to the Pre-Funding Account on the Closing Date (the "Pre-Funded Amount"), and the Trust will be obligated to purchase such Subsequent Receivables (subject to the satisfaction of certain conditions set forth in such Pooling and Servicing Agreement) from time to time during the period (the "Funding Period") specified in such Prospectus Supplement for the purchase of such Subsequent Receivables. Any Subsequent Receivables conveyed to a Trust will have been acquired by the Seller, directly or indirectly, from CPS and will meet all of the credit and other criteria set forth herein and in the related Prospectus Supplement. See "Risk Factors--Sales of Subsequent Receivables", "The Receivables", and "Description of the Pooling and Servicing Agreements--Sale and Assignment of Receivables" herein and "The Receivables Pool" in the related Prospectus Supplement.

As used in this Prospectus, the term Receivables will include the Receivables transferred to a Trust on the related Closing Date (such Receivables, the "Initial Receivables") as well as any Subsequent Receivables transferred to such Trust during the related Funding Period, if any.

Amounts on deposit in any Pre-Funding Account during the related Funding Period will be invested by the Trustee (as directed by the Servicer) in Eligible Investments, and any resultant investment income, less any related investment expenses ("Investment Income"), will be added, on the Distribution Date immediately following the date on which such Investment Income is paid to the Trust, to interest collections on the Receivables for the related Collection Period and distributed in the manner specified in the related Prospectus Supplement. Any funds remaining in a Pre-Funding Account at the end of the related Funding Period will be distributed as a prepayment or early distribution of principal to holders of one or more classes of the Certificates of the related Series of Certificates, in the amounts and in accordance with the payment priorities specified in the related Prospectus Supplement. In no event will a

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Funding Period continue for more than 90 days after the related Closing Date. See "Risk Factors--Pre-Funding Accounts", "--Sales of Subsequent Receivables" and "Description of the Pooling and Servicing Agreements--Trust Accounts--Pre-Funding Accounts".

Credit and Cash Flow

Enhancement..... If and to the extent specified in the related Prospectus Supplement, credit enhancement with respect to a Trust or any class or classes of Certificates may include any one or more of the following: subordination of one or more other classes of Certificates of the same Series, reserve funds, spread accounts, surety bonds, insurance policies, letters of credit, credit or liquidity facilities, cash collateral accounts, over-collateralization, guaranteed investment contracts, swaps or other interest rate protection agreements, repurchase obligations, other agreements with respect to third party payments or other support, cash deposits, or other arrangements. To the extent specified in the related Prospectus Supplement, a form of credit enhancement with respect to a Trust or a class or classes of Certificates may be subject to certain limitations and exclusions from converge thereunder.

Pooling and Servicing

Agreements..... The applicable Seller will transfer the related Receivables to a Trust pursuant to a Pooling and Servicing Agreement. The Servicer will agree with each Trust to be responsible for servicing, managing, maintaining custody of and making collections on the Receivables, either directly or indirectly through one or more Subservicers.

If so provided in the related Prospectus Supplement, the Servicer will advance scheduled payments under each Rule of 78s Receivable or Actuarial Receivable that are not timely made (a "Precomputed Advance") to the extent that the Servicer, in its sole discretion, expects to recoup such Precomputed Advance from subsequent payments on or with respect to such Receivable or from other Precomputed Receivables. If so provided in the related Prospectus Supplement, with

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respect to Simple Interest Receivables, the Servicer will advance any interest shortfall (a "Simple Interest Advance"). As used herein, "Advance" means any Precomputed Advance or Simple Interest Advance. The Servicer will be entitled to reimbursement of Advances from subsequent payments on or with respect to the Receivables to the extent described in the related Prospectus Supplement.

Unless otherwise specified in the related Prospectus Supplement, the Servicer will receive a fee for servicing the Receivables of each Trust equal to the percentage specified in the related Prospectus Supplement of the aggregate outstanding principal balance of the related Receivables Pool, plus certain late fees, prepayment charges and other administrative fees or similar charges. Fees payable to any Subservicer as compensation for performing certain servicing functions with respect to all or a portion of the Receivables in a Receivables Pool will be the responsibility of the Servicer and will not be an additional expense of the Trust. See "Description of the Pooling and Servicing Agreements--Servicing Compensation and Payment of Expenses" herein.

No Investment Companies..... None of CPS, any Seller or any Trust will register as an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Cross-Collateralization..... As described in the related Pooling and Servicing Agreement and the related Prospectus Supplement, the source of payment for Certificates of each Series will be the assets of the related Trust Assets only. However, as may be described in the related Prospectus Supplement, a Series or class of Certificates may include the right to receive moneys from a common pool of Credit Enhancement which may be available for more than one Series of Certificates, such as a master reserve account, master spread account, master insurance policy or a master collateral pool consisting of similar Receivables. Notwithstanding the foregoing, and as described in the related Prospectus Supplement, no payment received on any Receivable held by any Trust may be applied

to the payment of Certificates issued by any other Trust (except to the limited extent that certain collections in excess of the amounts needed to pay the related Certificates may be deposited in a common master reserve account, common master spread account or over-collateralization account that provides credit enhancement for more than one Series of Certificates issued pursuant to the related Pooling and Servicing Agreement).

Registration of Certificates .....	Certificates may be represented by global securities registered in the name of Cede & Co. ("Cede"), as nominee of The Sellery Trust Company ("DTC"), or another nominee. In such case, Certificateholders will not be entitled to receive definitive securities representing such Certificateholders' interests, except in certain circumstances described in the related Prospectus Supplement. See "Description of the Certificates--Book-Entry Registration" herein.
Optional Termination.....	The Servicer, CPS, or, if specified in the related Prospectus Supplement, certain other entities may, at their respective options, effect early retirement of a Series of Certificates under the circumstances and in the manner set forth herein under "Description of The Pooling and Servicing Agreement--Termination" and in the related Prospectus Supplement.
Mandatory Termination.....	The Trustee, the Servicer or certain other entities specified in the related Prospectus Supplement may be required to effect early retirement of all or any portion of a Series of Certificates by soliciting competitive bids for the purchase of the Trust Assets or otherwise, under other circumstances and in the manner specified in "Description of The Pooling and Servicing Agreement--Termination" and in the related Prospectus Supplement.
Tax Considerations.....	Certificates of each Series offered hereby will, for federal income tax purposes, constitute interests in a Trust treated as a grantor trust under applicable provisions of the Code. The Prospectus Supplement for each Series of Certificates will summarize, subject to the limitations stated therein, federal income tax considerations relevant to the purchase, ownership and

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disposition of such Certificates. Investors are advised to consult their tax advisors and to review "Certain Federal and State Income Tax Consequences" in the related Prospectus Supplement.

ERISA Considerations..... The Prospectus Supplement for each Series of Certificates will summarize, subject to the limitations discussed therein, considerations under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), relevant to the purchase of such Certificates by employee benefit plans and individual retirement accounts. See "ERISA Considerations" in the related Prospectus Supplement.

Ratings..... Each class of Certificates offered pursuant to this Prospectus and the related Prospectus Supplement will, unless otherwise specified in the related Prospectus Supplement, be rated in one of the four highest rating categories by one or more "national statistical rating organizations", as defined in the Exchange Act, and commonly referred to as "Rating Agencies". Such ratings will address, in the opinion of such Rating Agencies, the likelihood that the Trust will be able to make timely payment of all amounts due on the related Certificates in accordance with the terms thereof. Such ratings will neither address any prepayment or yield considerations applicable to any Certificates nor constitute a recommendation to buy, sell or hold any Certificates. The ratings expected to be received with respect to any Certificates will be set forth in the related Prospectus Supplement.

## RISK FACTORS

Prospective Certificateholders should consider, among other things, the following factors in connection with the purchase of Certificates:

**Limited Liquidity.** There can be no assurance that a secondary market for the Certificates of any Series or class will develop or, if it does develop, that it will provide Certificateholders with liquidity of investment or that it will continue for the life of such Certificates. The Prospectus Supplement for any Series of Certificates may indicate that an underwriter specified therein intends to establish and maintain a secondary market in such Certificates; however, no underwriter will be obligated to do so. The Certificates will not be listed on any securities exchange.

**Pre-Funding Accounts.** If so provided in the related Prospectus Supplement, on the Closing Date the Seller will deposit the Pre-Funded Amount specified in such Prospectus Supplement into the Pre-Funding Account. In no event will the Pre-Funded Amount exceed 25% of the initial aggregate principal amount of the Certificates of the related Series. The Pre-Funded Amount will be used to purchase Subsequent Receivables from the Seller (which, in turn, will acquire such Subsequent Receivables from CPS or Originators specified in the related Prospectus Supplement) from time to time during the related Funding Period. During the related Funding Period and until such amounts are applied by the Trustee to purchase Subsequent Receivables, amounts on deposit in the Pre-Funding Account will be invested by the Trustee (as instructed by the Servicer) in Eligible Investments, and any investment income with respect thereto (net of any related investment expenses) will be added to amounts received on or in respect of the Receivables during the related Collection Period and allocated to interest and will be distributed on the Distribution Date pursuant to the payment priorities specified in the related Prospectus Supplement. No Funding Period will end more than 90 days after the related Closing Date.

To the extent that the entire Pre-Funded Amount has not been applied to the purchase of Subsequent Receivables by the end of the related Funding Period, any amounts remaining in the Pre-Funding Account will be distributed as a prepayment of principal to Certificateholders on the Distribution Date at or immediately following the end of the Funding Period, in the amounts and pursuant to the priorities set forth in the related Prospectus Supplement. Any such prepayment of principal could have the effect of shortening the weighted average life of the Certificates of the related Series. In addition, holders of the related Certificates will bear the risk that they may be unable to reinvest any such principal prepayment at yields at least equal to the yield on such Certificates.

**Sales of Subsequent Receivables.** If so provided in the related Prospectus Supplement, the Seller will be obligated pursuant to the Pooling and Servicing Agreement to sell Subsequent Receivables to the Trust, and the Trust will be obligated to purchase such Subsequent Receivables, subject only to the satisfaction of certain conditions set forth in the Pooling and Servicing Agreement and described in the related Prospectus Supplement. If the principal amount of the eligible Subsequent Receivables acquired by the Seller from CPS during a Funding Period is less than the Pre-Funded Amount, the Seller may have insufficient Subsequent Receivables to transfer to a Trust and holders of one or more classes of the related Series of Certificates may receive a prepayment or early distribution of principal at the end of the Funding Period as described above under "Pre-Funding Accounts".



Any conveyance of Subsequent Receivables to a Trust is subject to the satisfaction, on or before the related transfer date (each, a "Subsequent Transfer Date"), of the following conditions precedent, among others: (i) each such Subsequent Receivable must satisfy the eligibility criteria specified in the related Pooling and Servicing Agreement; (ii) the Seller shall not have selected such Subsequent Receivables in a manner that is adverse to the interests of holders of the related Certificates; (iii) as of the respective Cutoff Dates for such Subsequent Receivables, all of the Receivables in the Trust, including the Subsequent Receivables to be conveyed to the Trust as of such date, must satisfy the parameters described under "The Receivables Pools" herein and "The Receivables Pool" in the related Prospectus Supplement; and (iv) the Seller must execute and deliver to such Trust a written assignment conveying such Subsequent Receivables to such Trust. In addition, as and to the extent specified in the related Prospectus Supplement, the conveyance of Subsequent Receivables to a Trust is subject to the satisfaction of the condition subsequent, among others, which must be satisfied within the applicable time period specified in the related Prospectus Supplement, that the Seller deliver certain legal opinions to the related Trustee with respect to the validity of the conveyance of the Subsequent Receivables to the Trust. If any such conditions precedent or conditions subsequent are not met with respect to any Subsequent Receivables within the time period specified in the related Prospectus Supplement, CPS or the Seller, as specified in the related Prospectus Supplement, will be required to repurchase such Subsequent Receivables from the related Trust, at a purchase price equal to the related Repurchase Amounts therefor.

Except as described herein and in the related Prospectus Supplement, there will be no other required characteristics of Subsequent Receivables. Therefore, the characteristics of the entire Receivables Pool included in any Trust may vary significantly as Subsequent Receivables are conveyed to such Trust from time to time during the Funding Period or Revolving Period. See "The Receivables" herein.

Certain Legal Aspects--Consumer Protection Laws. Federal and state consumer protection laws impose requirements on creditors in connection with extensions of credit and collections of retail installment loans, and certain of these laws make an assignee of such a loan (such as a Trust) liable to the obligor thereon for any violation by the lender. To the extent specified herein and in the related Prospectus Supplement, CPS will be obligated to repurchase any Receivable that fails to comply with such legal requirements from the Seller and the Seller from the Trust, and the Seller and the Servicer will undertake to enforce such obligation on behalf of the Trust. See "Certain Legal Aspects of the Receivables--Consumer Protection Laws".

Nature of Obligors. The Obligors on the Receivables to be conveyed to a Trust will include "sub-prime" borrowers who have limited or adverse credit histories, low income or past credit problems and, therefore, are unable to obtain financing from traditional sources of consumer credit. The average interest rate charged by CPS to such "sub-prime" borrowers is generally higher than that charged to more creditworthy customers. The payment experience on receivables of obligors with this credit profile is likely to be different from that on receivables of traditional auto financing sources in that default rates are likely to be higher. In addition, the payment experience on such receivables is likely to be more sensitive to changes in the economic climate in the areas in which such obligors reside. As a result of the credit profile of the obligors and the APRs of such receivables, the historical credit loss and delinquency rates on such receivables are generally higher than those experienced by banks and the captive finance companies of the automobile manufacturers.

Social, Economic and Other Factors. The ability of the Obligors to make payments on the Receivables, as well as the prepayment experience thereon, will be affected by a variety of social and economic factors. Economic factors include interest rates, unemployment levels, the rate of inflation and consumer perceptions of economic conditions generally. However, the Seller is unable to determine and has no basis to predict whether or to what extent economic or social factors will affect the Receivables.

Ownership of Receivables. In connection with the issuance of any Series of Certificates, CPS will originate Receivables. CPS will warrant in a Pooling and Servicing Agreement that the transfer of the Contracts to such Trust is either a valid assignment, transfer and conveyance of the Receivables to the Trust or the Trustee on behalf of the Certificateholders has a valid security interest in such Receivables. As will be described in the related Prospectus Supplement, the related Pooling and Servicing Agreement will provide that the Trustee will be required to maintain possession of the original copies of all Receivables that constitute chattel paper; provided that the Servicer may take possession of such original copies as necessary for the enforcement of any Receivable. If the Servicer, the Trustee or other third party, while in possession of any Receivable, sells or pledges and delivers such Receivable to another party, in violation of the Receivables Purchase Agreement or the Pooling and Servicing Agreement, there is a risk that such other party could acquire an interest in such Receivable having a priority over the Trust's interest. Furthermore, if the Servicer or a third party, while in possession of any Receivable, is rendered insolvent, such event of insolvency may result in competing claims to ownership or security interests in such Receivable. Such an attempt, even if unsuccessful, could result in delays in payments on the Certificates. If successful, such attempt could result in losses to the Certificateholders or an acceleration of the repayment of the Certificates. CPS will be obligated to repurchase any Receivable if there is a breach of CPS's representations and warranties that materially and adversely affects the interests of the Trust in such Receivable and such breach has not been cured.

Certain Legal Aspects. The transfer of the Receivables by the applicable Seller to the Trustee pursuant to the related Pooling and Servicing Agreement, the perfection of the security interests in the Receivables and the enforcement of rights to realize on the Financed Vehicles as collateral for the Receivables are subject to a number of federal and state laws, including the UCC as in effect in various states. As specified in each Prospectus Supplement, no action will be taken to perfect the rights of the Trustee in proceeds of any VSI insurance policy (as hereinafter defined) insurance policies covering individual Financed Vehicles or Obligors. Therefore, the rights of a third party with an interest in such proceeds could prevail against the rights of the Trust prior to the time such proceeds are deposited by the Servicer into a Trust Account (as hereinafter defined). See "Certain Legal Aspects of the Receivables".

In connection with each sale of Receivables, security interests in the Financed Vehicles securing the Receivables will be assigned by CPS to the Seller. Due to the administrative burden and expense, the certificates of title to the Financed Vehicles will not be amended or reissued to reflect the assignment to the Trust. In the absence of such an amendment or reissuance, the Trust may not have a perfected security interest in the Financed Vehicles securing the Receivables in some states. By virtue of the assignment of the applicable Purchase Agreement to the related Trust, CPS will be obligated to repurchase any Receivable sold to the Trust as to which there did not exist on the Closing Date a perfected security interest in the name of CPS in the Financed Vehicle, and the Servicer will be obligated to purchase any Receivable sold to the Trust as to which it failed to

maintain a perfected security interest in the name of CPS in the Financed Vehicle securing such Receivable if, in either case, such breach materially and adversely affects such Receivable and if such failure or breach is not cured prior to the expiration of the applicable cure period. To the extent the security interest of CPS is perfected, the Trust will have a prior claim over subsequent purchasers of such Financed Vehicle and holders of subsequently perfected security interests. However, as against liens for repairs of a Financed Vehicle or for taxes unpaid by an Obligor under a Receivable, or through fraud, forgery, negligence or error, CPS, and therefore the Trust, could lose the priority of its security interest or its security interest in a Financed Vehicle. Neither CPS nor the Servicer will have any obligation to purchase a Receivable as to which a lien for repairs of a Financed Vehicle or for taxes unpaid by an Obligor under a Receivable result in losing the priority of the security interest in such Financed Vehicle after the Closing Date. See "Certain Legal Aspects of the Receivables--Security Interests in Financed Vehicles". Federal and state consumer protection laws impose requirements upon creditors in connection with extensions of credit and collections of retail installment loans and certain of these laws make an assignee of such a loan liable to the obligor thereon for any violation by the lender. Pursuant to the applicable Purchase Agreement, CPS will be obligated to repurchase any Receivable materially and adversely affected by the failure to comply with such requirements. See "Certain Legal Aspects of the Receivables".

Each Seller has taken or will take steps in structuring the transactions contemplated hereby that are intended to ensure that the voluntary or involuntary application for relief by CPS under the United States Bankruptcy Code or similar state laws ("Insolvency Laws") will not result in consolidation of the assets and liabilities of the Seller with those of CPS. These steps include the creation of each Seller as a separate, limited-purpose subsidiary pursuant to articles of incorporation containing certain limitations (including restrictions on the nature of the Seller's business and a restriction on the Seller's ability to commence a voluntary case or proceeding under any Insolvency Law without the prior unanimous affirmative vote of all of its directors). However, there can be no assurance that the activities of a Seller would not result in a court concluding that the assets and liabilities of such Seller should be consolidated with those of CPS in a proceeding under any Insolvency Law. If a court were to reach such a conclusion, then delays in distributions on the related Certificates could occur or reductions in the amounts of such distributions could result. See "The Seller and the Servicer".

CPS will warrant to the Seller in each Purchase Agreement that the sale of the Receivables by it to the Seller is a valid sale of such Receivables to such Seller. In addition, CPS and each Seller will treat the transactions described herein as a sale of the Receivables to the Seller, and each Seller has taken and will take all actions that are required to perfect the Seller's ownership interest in the Receivables. Notwithstanding the foregoing, if CPS were to become a debtor in a bankruptcy case and a creditor or trustee-in-bankruptcy of such debtor or such debtor itself were to take the position that the sale of Receivables to the Seller should be recharacterized as a pledge of such Receivables to secure a borrowing of such Seller, then delays in payments of collections of Receivables to the Seller could occur or, should the court rule in favor of any such trustee, debtor or creditor, reductions in the amount of such payments could result. If the transfer of Receivables to the Seller is recharacterized as a pledge, a tax or government lien on the property of CPS arising before the transfer of a Receivable to the Seller may have priority over the Seller's interest in such Receivable. If the transactions contemplated herein are treated as a sale, the Receivables would not be part of CPS's bankruptcy estate and would not be available to CPS's creditors.

The U.S. Court of Appeals for the Tenth Circuit issued its opinion in *Octagon Gas Systems, Inc. v. Rimmer* (In re Meridian Reserve, Inc.) (decided May 27, 1993) in which it concluded (noting that its position is in contrast to that taken by another court) that accounts receivable sold by the debtor prior to the filing for bankruptcy remain property of the debtor's bankruptcy estate. Although the Receivables are likely to be viewed as "chattel paper", as defined under the Uniform Commercial Code, rather than as accounts, the rationale behind the Octagon holding is equally applicable to chattel paper. The circumstances under which the Octagon ruling would apply are not fully known, and the extent to which the Octagon decision will be followed in other courts or outside of the Tenth Circuit is not certain. If the holding in the Octagon case were applied in a CPS bankruptcy, however, even if the transfers of Receivables to the Seller and to the Trust were treated as sales, the Receivables would be part of CPS's bankruptcy estate and would be subject to claims of certain creditors and delays and reductions in payments to the Certificateholders could result. CPS will warrant in the Purchase Agreement that the sale of the Receivables to the Seller is a valid sale of the Receivables to the Seller, and the Seller will warrant in the Pooling and Servicing Agreement that the sale of the Receivables to the Trust is a valid sale of the Receivables to the Trust.

**Restrictions on Recoveries.** Unless specific limitations are described on the related Prospectus Supplement with respect to specific Receivables, all Receivables will provide that the obligations of the Obligors thereunder are absolute and unconditional, regardless of any defense, set-off or abatement which the Obligor may have against CPS or any other person or entity whatsoever. CPS will warrant that no claims or defenses have been asserted or threatened with respect to the Receivables and that all requirements of applicable law with respect to the Receivables have been satisfied.

In the event that CPS or the Trustee must rely on repossession and disposition of Financed Vehicles to recover scheduled payments due on Defaulted Receivables (as defined in the related Pooling and Servicing Agreement), the Trust may not realize the full amount due on a Receivable (or may not realize the full amount on a timely basis). Other factors that may affect the ability of the Trust to realize the full amount due on a Receivable include whether amendments to certificates of title relating to the Financed Vehicles had been filed, depreciation, obsolescence, damage or loss of any financed Vehicle, and the application of Federal and state bankruptcy and insolvency laws. As a result, the Certificateholders may be subject to delays in receiving payments and suffer loss of their investment in the Certificates.

**Insurance on Financed Vehicles.** Each Receivable generally requires the Obligor to maintain insurance covering physical damage to the financed Vehicle in an amount not less than the unpaid principal balance of such Receivable pursuant to which CPS is named as a loss payee. Since the Obligors select their own insurers to provide the requisite coverage, the specific terms and conditions of their policies vary.

In addition, although each Receivable generally gives CPS the right to force place insurance coverage in the event the required physical damage insurance on a Vehicle is not maintained by an Obligor, neither CPS nor the Servicer is obligated to place such coverage. In the event insurance coverage is not maintained by Obligors and coverage is not force placed, then insurance recoveries may be limited in the event of losses or casualties to Financed Vehicles included in the Trust Assets, as a result of which Certificateholders could suffer a loss on their investment.

Delinquencies. There can be no assurance that the historical levels of delinquencies and losses experienced by CPS on its respective loan and vehicle portfolio will be indicative of the performance of the Contracts included in the Trust or that such levels will continue in the future. Delinquencies and losses could increase significantly for various reasons, including changes in the federal income tax laws, changes in the local, regional or national economies or due to other events.

Subordination; Limited Assets. To the extent specified in the related Prospectus Supplement, distributions of interest and principal on one class of Certificates of a Series may be subordinated in priority of payment to interest and principal due on other classes of Certificates of a related Series. Moreover, each Trust will not have, nor is it permitted or expected to have, any significant assets or sources of funds other than the related Receivables and, to the extent provided in the related Prospectus Supplement, the related reserve account, spread account, and any other Credit Enhancement. The Certificates represent obligations solely of the related Trust or debt secured by the related Trust Assets, and will not represent a recourse obligation to other assets of CPS or the Seller. No Certificates of any Series will be insured or guaranteed by CPS, the Seller, the Servicer, or the applicable Trustee. Consequently, holders of the Certificates of any Series must rely for repayment primarily upon payments on the Receivables and, if and to the extent available, any Credit Enhancement, all as specified in the related Prospectus Supplement.

Book-Entry Registration. Issuance of the Certificates in book-entry form may reduce the liquidity of such Certificates in the secondary trading market since investors may be unwilling to purchase Certificates for which they cannot obtain definitive physical securities representing such Certificateholders' interests, except in certain circumstances described in the related Prospectus Supplement.

Since transactions in Certificates will, in most cases, be effected only through DTC, direct or indirect participants in DTC's book-entry system ("Direct Participants" or "Indirect Participants") or certain banks, the ability of a Certificateholder to pledge a Security to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect to such Certificates, may be limited due to lack of a physical security representing the Certificates.

Certificateholders may experience some delay in their receipt of distributions of interest on and principal of the Certificates since distributions may be required to be forwarded by the Trustee to DTC and, in such case, DTC will be required to credit such distributions to the accounts of its Participants which thereafter will be required to credit them to the accounts of the applicable class of Certificateholders either directly or indirectly through Indirect Participants. See "Description of the Certificates--Book-Entry Registration".

Security Rating. The rating of Certificates credit enhanced by a letter of credit, financial guaranty insurance policy, reserve fund, credit or liquidity facilities, cash deposits or other forms of credit enhancement (collectively "Credit Enhancement") will depend primarily on the creditworthiness of the issuer of such external Credit Enhancement device (a "Credit Enhancer"). Any reduction in the rating assigned to the claims-paying ability of the related Credit Enhancer to honor its obligations pursuant to any such Credit Enhancement below the rating initially given to the Certificates would likely result in a reduction in the rating of the Certificates.

Maturity and Prepayment Considerations. All of the Receivables are prepayable at any time. The rate of prepayments on the Receivables may be influenced by a variety of economic, social and other factors, including the fact that an Obligor generally may not sell or transfer the Financed Vehicle securing a receivable without the consent of CPS. (For this purpose the term "prepayments" includes prepayments in full, certain partial prepayments related to refunds of extended service contract costs and unearned insurance premiums, liquidations due to default, as well as receipts of proceeds from physical damage, credit life and credit accident and health insurance policies and certain other Receivables repurchased for administrative reasons.) The rate of prepayment on the Receivables may also be influenced by the structure of the loan, the nature of the Obligors and the Financed Vehicles and servicing decisions as discussed above. In addition, under certain circumstances, CPS is obligated to repurchase Receivables as a result of breaches of representations and warranties, and under certain circumstances the Servicer is obligated to purchase Receivables pursuant to the Pooling and Servicing Agreement as a result of breaches of certain covenants. Subject to certain conditions, the Servicer also has the right to purchase the Receivables when the aggregate principal balance thereof is 10% or less of the aggregate principal balance thereof on the Cutoff Date. Any reinvestment risks resulting from a faster or slower incidence of prepayment of Receivables will be borne entirely by the Certificateholders.

The rate of prepayments of Receivables cannot be predicted and is influenced by a wide variety of economic, social, and other factors, including prevailing interest rates, the availability of alternate financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayments that a Trust will experience.

Certificateholders should consider, in the case of Certificates purchased at a discount, the risk that a slower than anticipated rate of prepayments on the Receivables could result in an actual yield that is less than the anticipated yield and, in the case of any Certificates purchased at a premium, the risk that a faster than anticipated rate of prepayments on the Receivables could result in an actual yield that is less than the anticipated yield.

Limitations on Interest Payments and Foreclosures. Generally, under the terms of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended (the "Relief Act"), or similar state legislation, an Obligor who enters military service after the origination of the related Receivable (including an Obligor who is a member of the National Guard or is in reserve status at the time of the origination of the Receivable and is later called to active duty) may not be charged interest (including fees and charges) above an annual rate of 6% during the period of such Obligor's active duty status, unless a court orders otherwise upon application of the lender. It is possible that such action could have an effect, for an indeterminate period of time, on the ability of the Servicer to collect full amounts of interest on certain of the Receivables. In addition, the Relief Act imposes limitations that would impair the ability of the Servicer to foreclose on an affected Receivable during the Obligor's period of active duty status. Thus, in the event that such a Receivable goes into default, there may be delays and losses occasioned by the inability of the Servicer to realize upon the Financed Vehicle in a timely fashion.

Financial Condition of CPS. CPS is generally not obligated to make any payments in respect of the Certificates or the Receivables of a specific Trust. If CPS were to cease acting as Servicer, delays in processing payments on the Receivables and information in respect thereof could occur and result in delays in payments to the Certificateholders.

In certain circumstances, CPS will be required to acquire Receivables from the related Trust with respect to which such representations and warranties have been breached. In the event that CPS is incapable of complying with its repurchase obligations and no other party is obligated to perform or satisfy such obligations, Certificateholders of the applicable Trust may be subject to delays in receiving payments and suffer loss of their investment in the Certificates.

The related Prospectus Supplement will set forth certain information regarding CPS. In addition, CPS is subject to the information requirements of the Exchange Act and, in accordance therewith, file reports and other information with the Commission. For further information regarding CPS reference is made to such reports and other information which are available as described under "Available Information".

#### FORMATION OF THE TRUST

With respect to each Series of Certificates, the Seller will establish a separate Trust pursuant to a Pooling and Servicing Agreement for the transactions described herein and in the related Prospectus Supplement. The Seller will establish each Trust by selling and assigning the Trust Assets, as described below, to the applicable Trustee in exchange for Certificates issued by such Trust. Prior to such sale and assignment, the Trust will have no assets or obligations or any operating history. The Trust will not engage in any business. The Trust will hold the Receivables, issue the Certificates and distribute payments on the Certificates.

The Servicer will initially service the Receivables comprising the Trust Assets pursuant to the related Pooling and Servicing Agreement and will be compensated for acting as the Servicer. See "Description of the Pooling and Servicing Agreements--Servicing Compensation". The Trustee will be appointed custodian for the Receivables and the certificates of title relating to the Financed Vehicles, and the Receivables and such certificates of title will be delivered to and held in physical custody by the Trustee. However, the Receivables will not be marked or stamped to indicate that they have been sold to the Trust, and the certificates of title of the Financed Vehicles will not be endorsed or otherwise amended to identify the Trustee as the new secured party. See "Certain Legal Aspects of the Receivables".

No Trust will acquire any assets other than the Trust Assets, and it is not anticipated that any Trust will have any need for additional capital resources. Because a Trust will have no operating history upon its establishment and will not engage in any business other than acquiring and holding the Trust Assets, issuing the Certificates and distributing payments on the Certificates, no historical or pro forma financial statements or ratios of earnings to fixed charges with respect to any Trust have been included herein.

#### THE TRUST ASSETS

Each Certificate issued by a Trust will represent a fractional undivided interest in such Trust, other than interest received by the Trust in excess of the applicable Pass-Through Rate for such Certificate, as specified in the applicable Prospectus Supplement. To the extent specified in the Prospectus Supplement for a Trust, the Trust Assets of a Trust will include a pool (a "Receivables Pool") of retail installment sale contracts between dealers (the "Dealers") in new and used automobiles, light trucks, vans and minivans and retail purchasers (the "Obligors") and, with respect

to Rule of 78's Receivables, certain monies due thereunder after the applicable Cutoff Date, and, with respect to Simple Interest Receivables, certain monies received thereunder after the applicable Cutoff Date. Pursuant to agreements between the Dealers and CPS ("Dealer Agreements"), the Receivables will be purchased by CPS. As further described in the related Prospectus Supplement, the Trust Assets of a Trust will also include (i) such amounts as from time to time may be held in one or more trust accounts established and maintained by the Trustee pursuant to the Agreement; (ii) the rights of the Seller under the Purchase Agreement; (iii) security interests in the Financed Vehicles; (iv) the rights of the Seller to receive any proceeds with respect to the Receivables from claims on physical damage, credit life and credit accident and health insurance policies covering the Financed Vehicles or the Obligor, as the case may be; (v) the rights of the Seller to refunds for the costs of extended service contracts and to refunds of unearned premiums with respect to credit life and credit accident and health insurance policies covering the Financed Vehicles or Obligor, as the case may be; and (vi) any and all proceeds of the foregoing. If so specified in the related Prospectus Supplement, the Trust Assets also will include the Credit Enhancement provided for the benefit of the Certificateholders of such Trust. Any Payahead Account will be maintained with the applicable Trustee for the benefit of the Obligor, but will not be part of the Trust.

If so provided in the related Prospectus Supplement, the property of a Trust may also include a Pre-Funded Amount, which the Seller will deposit to the Pre-Funding Account on the Closing Date and which will be used by the Trust to purchase Subsequent Receivables from the Seller during the related Funding Period. Any Subsequent Receivables so conveyed to a Trust will also be assets of such Trust.

If the protection provided to Certificateholders, if any, by any such Credit Enhancement is insufficient, such Certificateholders will have to look to payments by or on behalf of Obligor on the related Receivables and the proceeds from the repossession and sale of Financed Vehicles that secure defaulted Receivables for distributions of principal and interest on the Certificates. In such event, certain factors, such as the applicable Trust's not having perfected security interests in all of the Financed Vehicles, may limit the ability of a Trust to realize on the collateral securing the related Receivables, or may limit the amount realized to less than the amount due under the related Receivables. Certificateholders may thus be subject to delays in payment on, or may incur losses on their investment in, such Certificates as a result of defaults or delinquencies by Obligor and depreciation in the value of the related Financed Vehicles. See "Description of the Pooling and Servicing Agreements--Credit and Cash Flow Enhancement" and "Certain Legal Aspects of the Receivables".

The Receivables comprising the Trust Assets will, as specifically described in the related Prospectus Supplement, be either (i) originated by CPS, (ii) originated by various manufacturers (or their captive finance companies) and acquired by CPS, (iii) originated by various Dealers and acquired by CPS or (iv) acquired by CPS from other originators or owners of Receivables. Such Receivables will generally have been originated by CPS or acquired by CPS in accordance with CPS's specified underwriting criteria. The underwriting criteria applicable to the Receivables included in any Trust will be described in all material respects in the related Prospectus Supplement.



The Receivables included in the Trust Assets will be selected from those Receivables held by CPS based on the criteria specified in the applicable Pooling and Servicing Agreement and described herein or in the related Prospectus Supplement.

#### ACQUISITION OF RECEIVABLES BY THE SELLER

On or prior to each Closing Date, CPS will sell and assign to the Seller, without recourse, except as provided in the Purchase Agreement, its entire interest in the applicable Receivables, together with its security interests in the Financed Vehicles, pursuant to a purchase agreement between CPS and the Seller (the "Purchase Agreement").

In each Purchase Agreement, CPS will represent and warrant to the Seller, among other things, that (i) the information provided with respect to the applicable Receivables is correct in all material respects; (ii) at the date of issuance of the Certificates, physical damage insurance covering each Financed Vehicle is in effect in accordance with CPS's normal requirements; (iii) at the date of issuance of the applicable Certificates, the related Receivables are free and clear of all security interests, liens, charges, and encumbrances and no offsets, defenses, or counterclaims against Dealers have been asserted or threatened; (iv) at the date of issuance of the Certificates, each of the Receivables is or will be secured by a first-priority perfected security interest in the Financed Vehicle in favor of CPS; and (v) each Receivable, at the time it was originated, complied and, at the date of issuance of the Certificates, complies in all material respects with applicable federal and state laws, including, without limitation, consumer credit, truth in lending, equal credit opportunity and disclosure laws. As of the last day of the second (or, if CPS elects, the first) month following the discovery by or notice to the Seller and CPS of a breach of any representation or warranty that materially and adversely affects a Receivable, unless the breach is cured, CPS will purchase such Receivable from the Trust for the Purchase Amount. The "Purchase Amount" equals the unpaid principal balance owed by the Obligor plus interest thereon at the respective APR to the last day of the month of repurchase. The repurchase obligation will constitute the sole remedy available to the Certificateholders, the Certificate Insurer or the Trustee for any such uncured breach.

#### THE RECEIVABLES

##### Receivables Pools

Information with respect to the Receivables in the related Receivables Pool will be set forth in the related Prospectus Supplement, including, to the extent appropriate, the composition of such Receivables and the distribution of such Receivables by geographic concentration, payment frequency and current principal balance as of the applicable Cut-off Date.

If so provided in the related Prospectus Supplement, the Seller will be obligated pursuant to the Pooling and Servicing Agreement to sell Subsequent Receivables to the Trust, and the Trust will be obligated to purchase such Subsequent Receivables, subject only to the satisfaction of certain conditions set forth in the Pooling and Servicing Agreement and described in the related Prospectus Supplement. If the principal amount of the eligible Subsequent Receivables acquired by the Seller from the CPS during a Funding Period is less than the Pre-Funded Amount, the Seller may have insufficient Subsequent Receivables to transfer to a Trust and holders of one or more classes of

the related Series of Certificates may receive a prepayment or early distribution of principal at the end of the Funding Period as described above under "Risk Factors--Pre-Funding Accounts".

Any conveyance of Subsequent Receivables to a Trust is subject to the satisfaction, on or before the related transfer date (each, a "Subsequent Transfer Date"), of the following conditions precedent, among others: (i) each such Subsequent Receivable must satisfy the eligibility criteria specified in the related Pooling and Servicing Agreement; (ii) the Seller shall not have selected such Subsequent Receivables in a manner that is adverse to the interests of holders of the related Certificates; (iii) as of the respective Cutoff Dates for such Subsequent Receivables, all of the Receivables in the Trust, including the Subsequent Receivables to be conveyed to the Trust as of such date, must satisfy the parameters described under "The Receivables Pools" herein and "The Receivables Pool" in the related Prospectus Supplement; and (iv) the Seller must execute and deliver to such Trust a written assignment conveying such Subsequent Receivables to such Trust. In addition, as and to the extent specified in the related Prospectus Supplement, the conveyance of Subsequent Receivables to a Trust is subject to the satisfaction of the condition subsequent, among others, which must be satisfied within the applicable time period specified in the related Prospectus Supplement, that the Seller deliver certain legal opinions to the related Trustee with respect to the validity of the conveyance of the Subsequent Receivables to the Trust. If any such conditions precedent or conditions subsequent are not met with respect to any Subsequent Receivables within the time period specified in the related Prospectus Supplement, CPS or the Seller, as specified in the related Prospectus Supplement, will be required to repurchase such Subsequent Receivables from the related Trust, at a purchase price equal to the related Repurchase Amounts therefor.

Except as described herein and in the related Prospectus Supplement, there will be no other required characteristics of Subsequent Receivables. Therefore, the characteristics of the entire Receivables Pool included in any Trust may vary significantly as Subsequent Receivables are conveyed to such Trust from time to time during the Funding Period or Revolving Period.

#### The Receivables

As specified in the related Prospectus Supplement, the Receivables may consist of any combination of Rule of 78s Receivables, Actuarial Receivables or Simple Interest Receivables. Generally, "Rule of 78s Receivables" provide for fixed level monthly payments which will amortize the full amount of the Receivable over its term. The Rule of 78s Receivables provide for allocation of payments according to the "sum of periodic balances" or "sum of monthly payments" method (the "Rule of 78s"). Each Rule of 78s Receivable provides for the payment by the Obligor of a specified total amount of payments, payable in monthly installments on the related due date, which total represents the principal amount financed and finance charges in an amount calculated on the basis of a stated annual percentage rate ("APR") for the term of such Receivable. The rate at which such amount of finance charges is earned and, correspondingly, the amount of each fixed monthly payment allocated to reduction of the outstanding principal balance of the related Receivable are calculated in accordance with the Rule of 78s. Under the Rule of 78s, the portion of each payment allocable to interest is higher during the early months of the term of a Receivable and lower during later months than that under a constant yield method for allocating payments between interest and principal. Notwithstanding the foregoing, as specified in the related Prospectus Supplement, all payments received by the Servicer on or in respect of the Rule of 78s Receivables may be allocated on an actuarial or simple interest basis.

Generally, "Actuarial Receivables" provide for monthly payments with a final fixed value payment which is greater than the scheduled monthly payments. An Actuarial Receivable provides for amortization of the amount financed over a series of fixed level payment monthly installments, but also requires a final fixed value payment due after payment of such monthly installments which may be satisfied by (i) payment in full in cash of such amount, (ii) transfer of the Financed Vehicle to CPS, provided certain conditions are satisfied or (iii) refinancing the fixed value payment in accordance with certain conditions.

"Simple Interest Receivables" provide for the amortization of the amount financed under the Receivable over a series of fixed level monthly payments. However, unlike the monthly payment under Rule of 78s Receivables, each monthly payment consists of an installment of interest which is calculated on the basis of the outstanding principal balance of the receivable multiplied by the stated APR and further multiplied by the period elapsed (as a fraction of a calendar year) since the preceding payment of interest was made. As payments are received under a Simple Interest Receivable, the amount received is applied first to interest accrued to the date of payment and the balance is applied to reduce the unpaid principal balance. Accordingly, if an Obligor pays a fixed monthly installment before its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made will be less than it would have been had the payment been made as scheduled, and the portion of the payment applied to reduce the unpaid principal balance will be correspondingly greater. Conversely, if an Obligor pays a fixed monthly installment after its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made will be greater than it would have been had the payment been made as scheduled, and the portion of the payment applied to reduce the unpaid principal balance will be correspondingly less. In either case, the Obligor pays a fixed monthly installment until the final scheduled payment date, at which time the amount of the final installment is increased or decreased as necessary to repay the then outstanding principal balance.

If an Obligor elects to prepay a Rule of 78s Receivable in full, it is entitled to a rebate of the portion of the outstanding balance then due and payable attributable to unearned finance charges. If a Simple Interest Receivable is prepaid, rather than receive a rebate, the Obligor is required to pay interest only to the date of prepayment. The amount of a rebate under a Rule of 78s Receivable calculated in accordance with the Rule of 78s will always be less than had such rebate been calculated on an actuarial basis and generally will be less than the remaining scheduled payments of interest that would be due under a Simple Interest Receivable for which all payments were made on schedule. Distributions to Certificateholders may not be affected by Rule of 78s rebates under the Rule of 78s Receivable because, as specified in the related Prospectus Supplement, such distributions may be determined using the actuarial or simple interest method.

#### Delinquencies, Repossessions, And Net Losses

Certain information relating to CPS's delinquency, repossession and net loss experience with respect to Receivables it has originated or acquired will be set forth in each Prospectus Supplement. This information may include, among other things, the experience with respect to all Receivables in CPS's portfolio during certain specified periods. There can be no assurance that the delinquency, repossession and net loss experience with respect to any Trust will be comparable to CPS's prior experience.

## Maturity And Prepayment Considerations

As more fully described in the related Prospectus Supplement, if a Receivable permits prepayment, such payment, together with accelerated payments resulting from defaults, will shorten the weighted average life of the related pool of Receivables and the weighted average life of the related Certificates. The rate of prepayments on the Receivables may be influenced by a variety of economic, financial and other factors. In addition, under certain circumstances, CPS will be obligated to acquire Receivables from the related Trust pursuant to the applicable Pooling and Servicing Agreement or Purchase Agreement as a result of breaches of representations and warranties. Any reinvestment risks resulting from a faster or slower amortization of the related Certificates which results from prepayments will be borne entirely by the related Certificateholders.

The related Prospectus Supplement will set forth certain additional information with respect to the maturity and prepayment considerations applicable to a particular pool of Receivables and the related Series of Certificates, together with a description of any applicable prepayment penalties.

### CPS'S AUTOMOBILE CONTRACT PORTFOLIO

#### General

CPS was incorporated in the State of California on March 8, 1991. CPS and its subsidiaries engage primarily in the business of purchasing, selling and servicing retail automobile installment sales contracts ("Contracts") originated by Dealers located primarily in California, Florida, Pennsylvania, Texas, Illinois and Nevada. CPS specializes in Contracts with borrowers ("Sub-Prime Borrowers") who generally would not be expected to qualify for traditional financing such as that provided by commercial banks or automobile manufacturers' captive finance companies. Sub-Prime Borrowers generally have limited credit history, lower than average income or past credit problems.

On May 31, 1991, CPS acquired 100% of the stock of G&A Financial Services, Inc., a consumer loan servicing company, whose assets consisted primarily of servicing contracts with respect to loan portfolios owned by third parties. G&A Financial Services, Inc. has subsequently been dissolved. On September 1, 1991, CPS was engaged to act as a servicer for loan portfolios aggregating \$16.5 million by two companies who had purchased such portfolios from the Resolution Trust Corporation. As of December 31, 1994, CPS had terminated all such third-party servicing arrangements. On October 1, 1991, CPS began its program of purchasing Contracts from Dealers and selling them to institutional investors. Through March 31, 1996, CPS had purchased \$450.2 million of Contracts from Dealers and sold \$391.6 million of Contracts to institutional investors. CPS continues to service all of the Contracts it has purchased, including those it has re-sold. CPS has relationships and is party to Dealer Agreement with over 1,200 dealerships located in 32 states of the United States. CPS purchases Contracts from Dealers at a discount ranging from 0% to 10% of the total amount financed under the Contracts. In addition, CPS generally charges Dealers an acquisition fee to defray the direct administrative costs associated with the processing of contracts that are ultimately purchased by CPS. A Dealer Agreement does not obligate a Dealer to submit Contracts by CPS, nor does it obligate CPS to purchase Contracts offered by the Dealers.

CPS purchases Contracts from Dealers with the intent to resell them. Prior to the issuances of the Certificates, Contracts have been sold to institutional investors either as bulk sales or as private placements of securities collateralized by the Contracts. Purchasers of Contracts receive a pass-through rate of interest set at the time of the sale, and CPS receives a base servicing fee for its duties relating to the accounting for and collection of the Contracts. In addition, CPS is entitled to certain excess servicing fees that represent collection on the Contracts in excess of those required to pay principal and interest due to the investor at face value and without recourse except that the representations and warranties made to CPS by the Dealers are similarly made to the investors by CPS. CPS has some credit risk with respect to the excess servicing fees it receives in connection with the sale of contracts to investors and its continued servicing function since the receipt by CPS of such excess servicing fees is dependent upon the credit performance of the Contracts. Additional information with respect to CPS's automobile contract portfolio, including information regarding CPS's underwriting criteria and servicing and collection procedures, will be set forth in each Prospectus Supplement.

The principal executive offices of CPS are located at 2 Ada, Suite 100, Irvine, California 92718. CPS's telephone number is (714) 753-6800.

#### POOL FACTORS

The "Pool Factor" for each class of Certificates will be a seven-digit decimal, which the Servicer will compute prior to each distribution with respect to such class of Certificates, indicating the remaining outstanding principal balance of such class of Certificates as of the applicable Distribution Date, as a fraction of the initial outstanding principal balance of such class of Certificates. Each Pool Factor will be initially 1.0000000, and thereafter will decline to reflect reductions in the outstanding principal balance of the applicable class of Certificates. A Certificateholder's portion of the aggregate outstanding principal balance of the related class of Certificates is the product of (i) the original aggregate purchase price of such Certificateholder's Certificates and (ii) the applicable Pool Factor.

As more specifically described in the related Prospectus Supplement with respect to each Series of Certificates, the related Certificateholders of record will receive reports on or about each Distribution Date concerning the payments received on the Receivables, the Pool Balance (as such term is defined in the related Prospectus Supplement, the "Pool Balance"), each Pool Factor and various other items of information. In addition, Certificateholders of record during any calendar year will be furnished information for tax reporting purposes not later than the latest date permitted by law.

#### USE OF PROCEEDS

Unless otherwise provided in the related Prospectus Supplement, the net proceeds from the sale of the Certificates of a Series will be applied by the applicable Trust to the purchase of the Receivables from the applicable Seller and to make the deposit of the Pre-Funded Amount, if any, to the Pre-Funding Account. The Seller will use the portion of such proceeds paid to it for general corporate purposes.

## THE SELLER AND CPS

Each Seller will be a wholly-owned subsidiary of CPS. CPS Receivables Corp. was incorporated in the State of California in June of 1994. CPS Receivables Corp. was, and each other Seller will be, organized for the limited purpose of purchasing automobile installment sale contracts from CPS and transferring such receivables to third parties and any activities incidental to and necessary or convenient for the accomplishment of such purposes. The principal executive offices of CPS Receivables Corp. are located at 2 Ada, Suite 100, Irvine, California 92718; telephone (714) 753-6800.

The Seller has taken steps in structuring the transaction contemplated hereby that are intended to make it unlikely that the voluntary or involuntary petition for relief by CPS under any Insolvency Law will result in consolidation of the assets and liabilities of the Seller or the Trust with those of CPS. These steps include the creation of the Seller as a separate, limited-purpose subsidiary pursuant to articles of incorporation containing certain limitations (including restrictions on the nature of the Seller's business and a restriction on the Seller's ability to commence a voluntary case or proceeding under any Insolvency Law without the prior unanimous affirmative vote of all of its directors). However, there can be no assurance that the activities of the Seller would not result in a court concluding that the assets and liabilities of the Seller should be consolidated with those of CPS in a proceeding under any Insolvency Law.

The Seller has received the advice of counsel to the effect that, subject to certain facts, assumptions and qualifications, in a properly presented case under current law, in the event that CPS becomes a debtor in a case under the Bankruptcy Code, a United States Bankruptcy Court would not order the substantive consolidation of the assets and liabilities of the Seller with those of CPS. Among other things, it is assumed by counsel that the Seller will follow certain procedures in the conduct of its affairs, including maintaining records and books of account separate from those of CPS, refraining from commingling its assets with those of CPS and refraining from holding itself out as having agreed to pay, or being liable for, the debts of CPS. The Seller intends to follow and has represented to such counsel that it will follow these and other procedures related to maintaining its separate corporate identity. However, in the event that the Seller did not follow these procedures, and in certain other circumstances, there can be no assurance that a court would not conclude that the assets and liabilities of the Seller should be consolidated with those of CPS. If a court were to reach such a conclusion, or a filing were made to litigate any of the foregoing issues, delays in distributions on the Certificates (and possible reductions in the amount of such distributions) could occur. See "Special Considerations--Certain Legal Aspects".

CPS was incorporated in the State of California on March 8, 1991. On October 22, 1992, CPS completed a public offering of 1,300,000 shares (approximately 31% of the shares then outstanding) of its common stock at an initial price of \$5.00 per share. Prior to that time, 100% of the common stock of CPS was owned by CPS Holdings, Inc., a holding company the majority of the shares of which are owned by Charles E. Bradley, Sr. On March 6, 1995, CPS completed a second public offering of 1,000,000 shares (approximately 18.5% of the shares then outstanding) of its common stock at \$14.75 per share. CPS and its subsidiaries engage primarily in the business of purchasing, selling and servicing Contracts originated by Dealers located primarily in California, Florida, Pennsylvania, Texas, Illinois and Nevada. CPS specializes in Contracts with Sub-Prime Borrowers who generally would not be expected to qualify for traditional financing such as that

provided by commercial banks or automobile manufacturers' captive finance companies. Sub-Prime Borrowers generally have limited credit history, lower than average income or past credit problems. CPS also provides accounting and collection services to third party owners of automobile loan portfolios that were not originated by CPS. CPS's executive offices are located at 2 Ada, Suite 100, Irvine, California 92718; telephone (714) 753-6800.

#### DESCRIPTION OF THE CERTIFICATES

##### General

Each Trust will, if so provided in the related Prospectus Supplement, issue one or more classes of Certificates pursuant to a Pooling and Servicing Agreement. A form of Pooling and Servicing Agreement has been filed as an exhibit to the Registration Statement of which this Prospectus forms a part. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the related Certificates and Pooling and Servicing Agreement.

Unless otherwise specified in the related Prospectus Supplement and except for the Certificates, if any, of a Series purchased by CPS, each class of Certificates will initially be represented by one or more certificates registered in the name of the Seller. Certificates will be available for purchase in the minimum denominations specified in the related Prospectus Supplement and, unless otherwise specified in the related Prospectus Supplement, in book-entry form only. The Seller has been informed by DTC that DTC's nominee will be Cede, unless another nominee is specified in the related Prospectus Supplement. Accordingly, such nominee is expected to be the holder of record of the Certificates of any Series that are not purchased by CPS. Unless and until Definitive Certificates are issued under the limited circumstances described herein or in the related Prospectus Supplement, no Certificateholder (other than CPS) will be entitled to receive a physical certificate representing a Certificate. All references herein and in the related Prospectus Supplement to actions by Certificateholders refer to actions taken by DTC upon instructions from the Participants, and all references herein and in the related Prospectus Supplement to distributions, notices, reports and statements to Certificateholders refer to distributions, notices, reports and statements to DTC or its nominee, as the case may be, as the registered holder of the Certificates, for distribution to Certificateholders in accordance with DTC's procedures with respect thereto. See "Certain Information Regarding the Certificates--Book-Entry Registration" and "--Definitive Certificates". Any Certificate of a Series owned by CPS will be entitled to equal and proportionate benefits under the applicable Pooling and Servicing Agreement, except that such Certificates will be deemed not to be outstanding for the purpose of determining whether the requisite percentage of Certificateholders has given any request, demand, authorization, direction, notice, or consent or taken any other action under the related Pooling and Servicing Agreement.

##### Distributions of Principal and Interest

The timing and priority of distributions, seniority, allocations of losses, Pass-Through Rate and amount of or method of determining distributions with respect to principal and interest on each class of Certificates of a Series will be described in the related Prospectus Supplement. Distributions of interest on such Certificates will be made on the dates specified in the related Prospectus Supplement (the "Distribution Date") and, if so specified in the related Prospectus

Supplement, will be made prior to distributions with respect to principal of such Certificates. To the extent provided in the related Prospectus Supplement, a Series of Certificates may include one or more classes of Strip Certificates entitled to (i) principal distributions with disproportionate, nominal or no interest distributions or (ii) interest distributions with disproportionate, nominal or no principal distributions. Each class of Certificates may have a different Pass-Through Rate, which may be a fixed, variable or adjustable Pass-Through Rate (and which may be zero for certain classes of Strip Certificates) or any combination of the foregoing. The related Prospectus Supplement will specify the Pass-Through Rate for each class of Certificates of a Series or the method for determining such Pass-Through Rate.

In the case of a Series of Certificates that includes two or more classes of Certificates, the timing, sequential order, priority of payment or amount of distributions in respect of interest and principal, and any schedule or formula or other provisions applicable to the determination thereof, of each such class shall be as set forth in the related Prospectus Supplement. Distributions in respect of interest on and principal of any class of Certificates will be made on a pro rata basis among all holders of Certificates of such class.

#### CERTAIN INFORMATION REGARDING THE CERTIFICATES

##### Fixed Rate Certificates

Each class of Certificates (other than certain classes of Strip Notes or Strip Certificates) may bear interest at a fixed rate per annum ("Fixed Rate Certificates") or at a variable or adjustable rate per annum ("Floating Rate Certificates"), as more fully described below and in the applicable Prospectus Supplement. Each class of Fixed Rate Certificates will bear interest at the applicable per annum Pass-Through Rate specified in the applicable Prospectus Supplement. Unless otherwise set forth in the applicable Prospectus Supplement, interest on each class of Fixed Rate Certificates will be computed on the basis of a 360-day year of twelve 30-day months.

##### Floating Rate Certificates

Each class of Floating Rate Certificates will bear interest for each applicable Interest Reset Period (as such term is defined in the related Prospectus Supplement with respect to a class of Floating Rate Certificates, the "Interest Reset Period") at a rate per annum determined by reference to an interest rate basis (the "Base Rate"), plus or minus the Spread, if any, or multiplied by the Spread Multiplier, if any, in each case as specified in the related Prospectus Supplement. The "Spread" is the number of basis points (one basis point equals one one-hundredth of a percentage point) that may be specified in the applicable Prospectus Supplement as being applicable to such class, and the "Spread Multiplier" is the percentage that may be specified in the applicable Prospectus Supplement as being applicable to such class.

The applicable Prospectus Supplement will designate one of the following Base Rates as applicable to a given Floating Rate Certificate: (i) LIBOR (a "LIBOR Certificate"), (ii) the Commercial Paper Rate (a "Commercial Paper Rate Certificate"), (iii) the Treasury Rate (a "Treasury Rate Certificate"), (iv) the Federal Funds Rate (a "Federal Funds Rate Certificate"), (v) the CD Rate (a "CD Rate Certificate") or (vi) such other Base Rate as is set forth in such Prospectus Supplement. The "Index Maturity" for any class of Floating Rate Certificates is the period of maturity of the



instrument or obligation from which the Base Rate is calculated. "H.15(519)" means the publication entitled "Statistical Release H.15(519), Selected Interest Rates", or any successor publication, published by the Board of Governors of the Federal Reserve System. "Composite Quotations" means the daily statistical release entitled "Composite 3:30 p.m. Quotations for U.S. Government Securities" published by the Federal Reserve Bank of New York. "Interest Reset Date" will be the first day of the applicable Interest Reset Period, or such other day as may be specified in the related Prospectus Supplement with respect to a class of Floating Rate Certificates.

As specified in the applicable Prospectus Supplement, Floating Rate Certificates of a given class may also have either or both of the following (in each case expressed as a rate per annum): (i) a maximum limitation, or ceiling, on the rate at which interest may accrue during any interest period and (ii) a minimum limitation, or floor, on the rate at which interest may accrue during any interest period. In addition to any maximum interest rate that may be applicable to any class of Floating Rate Certificates, the interest rate applicable to any class of Floating Rate Certificates will in no event be higher than the maximum rate permitted by applicable law, as the same may be modified by United States law of general application.

Each Trust with respect to which a class of Floating Rate Certificates will be issued will appoint, and enter into agreements with, a calculation agent (each, a "Calculation Agent") to calculate interest rates on each such class of Floating Rate Certificates issued with respect thereto. The applicable Prospectus Supplement will set forth the identity of the Calculation Agent for each such class of Floating Rate Certificates of a given Series, which may be either the related Trustee or Indenture Trustee with respect to such Series. All determinations of interest by the Calculation Agent shall, in the absence of manifest error, be conclusive for all purposes and binding on the holders of Floating Rate Certificates of a given class. All percentages resulting from any calculation of the rate of interest on a Floating Rate Certificate will be rounded, if necessary, to the nearest 1/100,000 of 1% (.0000001), with five one-millionths of a percentage point rounded upward.

CD Rate Certificates. Each CD Rate Certificate will bear interest for each Interest Reset Period at the interest rate calculated with reference to the CD Rate and the Spread or Spread Multiplier, if any, specified in such Security and in the applicable Prospectus Supplement.

The "CD Rate" for each Interest Reset Period shall be the rate as of the second business day prior to the Interest Reset Date for such Interest Reset Period (a "CD Rate Determination Date") for negotiable certificates of deposit having the Index Maturity designated in the applicable Prospectus Supplement as published in H.15(519) under the heading "Cds (Secondary Market)". In the event that such rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date (as defined below) pertaining to such CD Rate Determination Date, then the "CD Rate" for such Interest Reset Period will be the rate on such CD Rate Determination Date for negotiable certificates of deposit of the Index Maturity designated in the applicable Prospectus Supplement as published in Composite Quotations under the heading "Certificates of Deposit". If by 3:00 p.m., New York City time, on such Calculation Date such rate is not yet published in either H.15(519) or Composite Quotations, then the CD Rate for such Interest Reset Period will be calculated by the Calculation Agent for such CD Rate Certificate and will be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on such CD Rate Determination Date, of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in The City of New York selected by the Calculation Agent for such CD Rate Certificate for

negotiable certificates of deposit of major United States money center banks of the highest credit standing (in the market for negotiable certificates of deposit) with a remaining maturity closest to the Index Maturity designated in the related Prospectus Supplement in a denomination of \$5,000,000; provided, however, that if the dealers selected as aforesaid by such Calculation Agent are not quoting offered rates as mentioned in this sentence, the CD Rate for such Interest Reset Period will be the same as the CD Rate for the immediately preceding Interest Reset Period.

The "Calculation Date" pertaining to any CD Rate Determination Date shall be the first to occur of (a) the [tenth] calendar day after such CD Rate Determination Date or, if such day is not a business day, the next succeeding business day or (b) the [second] business day preceding the date any payment is required to be made for any period following the applicable Interest Reset Date.

Commercial Paper Rate Certificates. Each Commercial Paper Rate Certificate will bear interest for each Interest Reset Period at the interest rate calculated with reference to the Commercial Paper Rate and the Spread or Spread Multiplier, if any, specified in such Security and in the applicable Prospectus Supplement.

The "Commercial Paper Rate" for each Interest Reset Period will be determined by the Calculation Agent for such Commercial Paper Rate Certificate as of the [second] business day prior to the Interest Reset Date for such Interest Reset Period (a "Commercial Paper Rate Determination Date") and shall be the Money Market Yield (as defined below) on such Commercial Paper Rate Determination Date for the rate for commercial paper having the Index Maturity specified in the applicable Prospectus Supplement, as such rate shall be published in H.15(519) under the heading "Commercial Paper". In the event that such rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date (as defined below) pertaining to such Commercial Paper Rate Determination Date, then the "Commercial Paper Rate" for such Interest Reset Period shall be the Money Market Yield on such Commercial Paper Rate Determination Date for the rate for commercial paper of the specified Index Maturity as published in Composite Quotations under the heading "Commercial Paper". If by 3:00 p.m., New York City time, on such Calculation Date such rate is not yet published in either H.15(519) or Composite Quotations, then the "Commercial Paper Rate" for such Interest Reset Period shall be the Money Market Yield of the arithmetic mean of the offered rates, as of 11:00 a.m., New York City time, on such Commercial Paper Rate Determination Date of three leading dealers of commercial paper in The City of New York selected by the Calculation Agent for such Commercial Paper Rate Certificate for commercial paper of the specified Index Maturity placed for an industrial issuer whose bonds are rated "AA" or the equivalent by a nationally recognized rating agency; provided, however, that if the dealers selected as aforesaid by such Calculation Agent are not quoting offered rates as mentioned in this sentence, the "Commercial Paper Rate" for such Interest Reset Period will be the same as the Commercial Paper Rate for the immediately preceding Interest Reset Period.

"Money Market Yield" shall be a yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the specified Index Maturity.

The "Calculation Date" pertaining to any Commercial Paper Rate Determination Date shall be the first to occur of (a) the tenth calendar day after such Commercial Paper Rate Determination Date or, if such day is not a business day, the next succeeding business day or (b) the second business day preceding the date any payment is required to be made for any period following the applicable Interest Reset Date.

Federal Funds Rate Certificates. Each Federal Funds Rate Certificate will bear interest for each Interest Reset Period at the interest rate calculated with reference to the Federal Funds Rate and the Spread or Spread Multiplier, if any, specified in such Security and in the applicable Prospectus Supplement.

The "Federal Funds Rate" for each Interest Reset Period shall be the effective rate on the Interest Reset Date for such Interest Reset Period (a "Federal Funds Rate Determination Date") for Federal Funds as published in H. 15(519) under the heading "Federal Funds (Effective)". In the event that such rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date (as defined below) pertaining to such Federal Funds Rate Determination Date, the "Federal Funds Rate" for such Interest Reset Period shall be the rate on such Federal Funds Rate Determination Date as published in Composite Quotations under the heading "Federal Funds/Effective Rate". If by 3:00 p.m., New York City time, on such Calculation Date such rate is not yet published in either H. 15(519) or Composite Quotations, then the "Federal Funds Rate" for such Interest Reset Period shall be the rate on such Federal Funds Rate Determination Date made publicly available by the Federal Reserve Bank of New York which is equivalent to the rate which appears in H.15(519) under the heading "Federal Funds (Effective)"; provided, however, that if such rate is not made publicly available by the Federal Reserve Bank of New York by 3:00 p.m., New York City time, on such Calculation Date, the "Federal Funds Rate" for such Interest Reset Period will be the same as the Federal Funds Rate in effect for the immediately preceding Interest Reset Period. In the case of a Federal Funds Rate Certificate that resets daily, the interest rate on such Security for the period from and including a Monday to but excluding the succeeding Monday will be reset by the Calculation Agent for such Certificate on such second Monday (or, if not a business day, on the next succeeding business day) to a rate equal to the average of the Federal Funds Rates in effect with respect to each such day in such week.

The "Calculation Date" pertaining to any Federal Funds Rate Determination Date shall be the next succeeding business day.

LIBOR Certificates. Each LIBOR Certificate will bear interest for each Interest Reset Period at the interest rate calculated with reference to LIBOR and the Spread or Spread Multiplier, if any, specified in such Certificate and in the applicable Prospectus Supplement.

With respect to LIBOR indexed to the offered rates for U.S. dollar deposits, "LIBOR" for each Interest Reset Period will be determined by the Calculation Agent for any LIBOR Certificate as follows:

(i) On the second London Banking Day prior to the Interest Reset Date for such Interest Reset Period (a "LIBOR Determination Date"), the Calculation Agent for such LIBOR Certificate will determine the arithmetic mean of the offered rates for deposits in U.S. dollars for the period of the Index Maturity specified in the applicable Prospectus Supplement, commencing on such Interest Reset Date, which appear on the Reuters Screen LIBO Page at approximately 11:00 a.m., London time, on such LIBOR Determination Date. For purposes of calculating LIBOR, "London Banking Day" means any business day on which dealings in deposits in United States dollars are transacted in the London interbank market and "Reuters Screen LIBO Page" means the display designated as page "LIBO" on the Reuters Monitor Money Rates Service (or such other page as may replace the LIBO page on that service for the purpose of displaying London interbank offered rates of major banks). If at least two such offered rates appear on the Reuters Screen LIBO Page, "LIBOR" for such Interest Reset Period will be the arithmetic mean of such offered rates as determined by the Calculation Agent for such LIBOR Certificate.

(ii) If fewer than two offered rates appear on the Reuters Screen LIBO Page on such LIBOR Determination Date, the Calculation Agent for such LIBOR Certificate will request the principal London offices of each of four major banks in the London interbank market selected by such Calculation Agent to provide such Calculation Agent with its offered quotations for deposits in U.S. dollars for the period of the specified Index Maturity, commencing on such Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on such LIBOR Determination Date and in a principal amount equal to an amount of not less than \$1,000,000 that is representative of a single transaction in such market at such time. If at least two such quotations are provided, "LIBOR" for such Interest Reset Period will be the arithmetic mean of such quotations. If fewer than two such quotations are provided, "LIBOR" for such Interest Reset Period will be the arithmetic mean of rates quoted by three major banks in The City of New York selected by the Calculation Agent for such LIBOR Certificate at approximately 11:00 a.m., New York City time, on such LIBOR Determination Date for loans in U.S. dollars to leading European banks, for the period of the specified Index Maturity, commencing on such Interest Reset Date, and in a principal amount equal to an amount of not less than \$1,000,000 that is representative of a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid by such Calculation Agent are not quoting rates as mentioned in this sentence, "LIBOR" for such Interest Reset Period will be the same as LIBOR for the immediately preceding Interest Reset Period.

Treasury Rate Certificates. Each Treasury Rate Certificate will bear interest for each Interest Reset Period at the interest rate calculated with reference to the Treasury Rate and the Spread or Spread Multiplier, if any, specified in such Security and in the applicable Prospectus Supplement.

The "Treasury Rate" for each Interest Period will be the rate for the auction held on the Treasury Rate Determination Date (as defined below) for such Interest Reset Period of direct obligations of the United States ("Treasury bills") having the Index Maturity specified in the applicable Prospectus Supplement, as such rate shall be published in H.15(519) under the heading

"U.S. Government Securities-Treasury bills-auction average (investment)" or, in the event that such rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date (as defined below) pertaining to such Treasury Rate Determination Date, the auction average rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) on such Treasury Rate Determination Date as otherwise announced by the United States Department of the Treasury. In the event that the results of the auction of Treasury bills having the specified Index Maturity are not published or reported as provided above by 3:00 p.m., New York City time, on such Calculation Date, or if no such auction is held on such Treasury Rate Determination Date, then the "Treasury Rate" for such Interest Reset Period shall be calculated by the Calculation Agent for such Treasury Rate Certificate and shall be the yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on such Treasury Rate Determination Date, of three leading primary United States government securities dealers selected by such Calculation Agent for the issue of Treasury bills with a remaining maturity closest to the specified Index Maturity; provided, however, that if the dealers selected as aforesaid by such Calculation Agent are not quoting bid rates as mentioned in this sentence, then the "Treasury Rate" for such Interest Reset Period will be the same as the Treasury Rate for the immediately preceding Interest Reset Period.

The "Treasury Rate Determination Date" for each Interest Reset Period will be the day of the week in which the Interest Reset Date for such Interest Reset Period falls on which Treasury bills would normally be auctioned. Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Treasury Rate Determination Date pertaining to the Interest Reset Period commencing in the next succeeding week. If an auction date shall fall on any day that would otherwise be an Interest Reset Date for a Treasury Rate Certificate, then such Interest Reset Date shall instead be the business day immediately following such auction date.

The "Calculation Date" pertaining to any Treasury Rate Determination Date shall be the first to occur of (a) the tenth calendar day after such Treasury Rate Determination Date or, if such a day is not a business day, the next succeeding business day or (b) the second business day preceding the date any payment is required to be made for any period following the applicable Interest Reset Date.

#### Book-Entry Registration

As may be described in the related Prospectus Supplement, Certificateholders of a given Series may hold their Certificates through DTC (in the United States) or CEDEL or Euroclear (in Europe) if they are participants of such systems, or indirectly through organizations that are participants in such systems.

Cede, as nominee for DTC, will hold the global Certificates in respect of a given Series. CEDEL and Euroclear will hold omnibus positions on behalf of the CEDEL Participants (as defined below) and the Euroclear Participants (as defined below) (collectively, the "Participants"), respectively, through customers' securities accounts in CEDEL's and Euroclear's names on the books

of their respective depositories (collectively, the "Depositories") which in turn will hold such positions in customers' securities accounts in the Depositories' names on the books of DTC.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York UCC and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and to facilitate the clearance and settlement of securities transactions between Participants through electronic book-entries, thereby eliminating the need for physical movement of notes or certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to the DTC system also is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("Indirect Participants").

Transfers between DTC Participants will occur in accordance with DTC rules. Transfers between CEDEL Participants and Euroclear Participants will occur in the ordinary way in accordance with their applicable rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through CEDEL Participants or Euroclear Participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its Depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its Depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. CEDEL Participants and Euroclear Participants may not deliver instructions directly to the Depositories.

Because of time-zone differences, credits of securities in CEDEL or Euroclear as a result of a transaction with a DTC Participant will be made during the subsequent securities settlement processing, dated the business day following the DTC settlement date, and such credits or any transactions in such securities settled during such processing will be reported to the relevant CEDEL Participant or Euroclear Participant on such business day. Cash received in CEDEL or Euroclear as a result of sales of securities by or through a CEDEL Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant CEDEL or Euroclear cash account only as of the business day following settlement in DTC.

The Certificateholders of a given Series that are not Participants or Indirect Participants but desire to purchase, sell or otherwise transfer ownership of, or other interests in, Certificates of such Series may do so only through Participants and Indirect Participants. In addition, Certificateholders of a given Series will receive all distributions of principal and interest through the Participants who in turn will receive them from DTC. Under a book-entry format, Certificateholders of a given Series may experience some delay in their receipt of payments, since such payments will be forwarded by the applicable Trustee to Cede, as nominee for DTC. DTC will forward such payments to its Participants, which thereafter will forward them to Indirect Participants or such

Certificateholders. It is anticipated that the only "Certificateholder" in respect of any Series will be Cede, as nominee of DTC. Certificateholders of a given Series will not be recognized as Certificateholders of such Series, and such Certificateholders will be permitted to exercise the rights of Certificateholders of such Series only indirectly through DTC and its Participants.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "Rules"), DTC is required to make book-entry transfers of Certificates of a given Series among Participants on whose behalf it acts with respect to such Certificates and to receive and transmit distributions of principal of, and interest on, such Certificates. Participants and Indirect Participants with which the Certificateholders of a given Series have accounts with respect to such Certificates similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Certificateholders of such Series. Accordingly, although such Certificateholders will not possess Certificates, the Rules provide a mechanism by which Participants will receive payments and will be able to transfer their interests.

Because DTC can only act on behalf of Participants, who in turn act on behalf of Indirect Participants and certain banks, the ability of a Certificateholder of a given Series to pledge Certificates of such Series to persons or entities that do not participate in the DTC system, or to otherwise act with respect to such Certificates, may be limited due to the lack of a physical certificate for such Certificates.

DTC will advise the Trustee in respect of each Series that it will take any action permitted to be taken by a Certificateholder of the related Series only at the direction of one or more Participants to whose accounts with DTC the Certificates of such Series are credited. DTC may take conflicting actions with respect to other undivided interests to the extent that such actions are taken on behalf of Participants whose holdings include such undivided interests.

CEDEL is incorporated under the laws of Luxembourg as a professional depository. CEDEL holds securities for its participating organizations ("CEDEL Participants") and facilitates the clearance and settlement of securities transactions between CEDEL Participants through electronic book-entry changes in accounts of CEDEL Participants, thereby eliminating the need for physical movement of certificates. Transactions may be settled in CEDEL in any of 28 currencies, including United States dollars. CEDEL provides to its CEDEL Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. CEDEL interfaces with domestic markets in several countries. As a professional depository, CEDEL is subject to regulation by the Luxembourg Monetary Institute. CEDEL Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to CEDEL is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a CEDEL Participant, either directly or indirectly.

Euroclear was created in 1968 to hold securities for participants of the Euroclear System ("Euroclear Participants") and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in any of 28 currencies, including United States dollars. The

Euroclear System includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described above. Euroclear is operated by Morgan Guaranty Trust Company of New York, Brussels, Belgium office, under contract with Euroclear Clearance System, S.C., a Belgian cooperative corporation (the "Cooperative"). All operations are conducted by the "Euroclear Operator" (as defined below), and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for the Euroclear System on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Underwriters. Indirect access to the Euroclear System is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The "Euroclear Operator" is the Belgian branch of a New York banking corporation which is a member bank of the Federal Reserve System. As such, it is regulated and examined by the Board of Governors of the Federal Reserve System and the New York State Banking Department, as well as the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within the Euroclear System, withdrawal of securities and cash from the Euroclear System, and receipts of payments with respect to securities in the Euroclear System. All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants and has no record of relationship with persons holding through Euroclear Participants.

Except as required by law, the Trustee in respect of a Series will not have any liability for any aspect of the records relating to or payments made or account of beneficial ownership interests of the related Certificates held by Cede, as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### Definitive Notes

Unless otherwise stated in the related Prospectus Supplement, the Certificates of a Series will be issued in fully registered, certificated form ("Definitive Certificates") to Certificateholders or their nominees, rather than to DTC or its nominee, only if (i) the Trustee in respect of the related Series advises in writing that DTC is no longer willing or able to discharge properly its responsibilities as depository with respect to such Certificates and such Trustee is unable to locate a qualified successor, (ii) such Trustee, at its option, elects to terminate the book-entry-system through DTC or (iii) after the occurrence of an "Event of Default" under the related Indenture or a default by the Servicer under the related Pooling and Servicing Agreement, Certificateholders representing at least a majority of the outstanding principal amount of such Certificates advise the applicable Trustee through DTC in writing that the continuation of a book-entry system through DTC (or a successor thereto) is no longer in such Certificateholders' best interest.



Upon the occurrence of any event described in the immediately preceding paragraph, the applicable Trustee will be required to notify all such Certificateholders through Participants of the availability of Definitive Certificates. Upon surrender by DTC of the definitive certificates representing such Certificates and receipt of instructions for re-registration, the applicable Trustee will reissue such Certificates as Definitive Certificates to such Certificateholders.

Distributions of principal of, and interest on, such Definitive Certificates will thereafter be made by the applicable Trustee in accordance with the procedures set forth in the related Pooling and Servicing Agreement directly to holders of Definitive Certificates in whose names the Definitive Certificates were registered at the close of business on the applicable Record Date specified for such Certificates in the related Prospectus Supplement. Such distributions will be made by check mailed to the address of such holder as it appears on the register maintained by the applicable Trustee. The final payment on any such Security, however, will be made only upon presentation and surrender of such Security at the office or agency specified in the notice of final distribution to the applicable Certificateholders.

Definitive Certificates in respect of a given Series of Certificates will be transferable and exchangeable at the offices of the applicable Trustee or of a certificate registrar named in a notice delivered to holders of such Definitive Certificates. No service charge will be imposed for any registration of transfer or exchange, but the applicable Trustee may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith.

#### Reports To Certificateholders

With respect to each Series of Certificates, on or prior to each Distribution Date for such Series, the Servicer or the related Trustee will forward or cause to be forwarded to each holder of record of such class of Certificates a statement or statements with respect to the related Trust Assets setting forth the information specified in the related Prospectus Supplement.

In addition, within the prescribed period of time for tax reporting purposes after the end of each calendar year, the applicable Trustee will provide to the Certificateholders a statement containing the amounts described in (ii) and (iii) above for that calendar year and any other information required by applicable tax laws, for the purpose of the Certificateholders' preparation of federal income tax returns.

#### DESCRIPTION OF THE POOLING AND SERVICING AGREEMENTS

The following summary describes certain terms of each Pooling and Servicing Agreement pursuant to which a Trust will be created and the related Certificates in respect of such Trust will be issued. For purposes of this Prospectus, the term "Pooling and Servicing Agreement" as used with respect to a Trust means, collectively, and except as otherwise specified, any and all agreements relating to the establishment of the related Trust, the servicing of the related Receivables and the issuance of the related Certificates. Forms of the Pooling and Servicing Agreement have been filed as exhibits to the Registration Statement of which the Prospectus forms a part. The summary does not purport to be complete. It is qualified in its entirety by reference to the provisions of the Pooling and Servicing Agreements.

## Sale and Assignment of Receivables

On or prior to the closing date specified with respect to any given Series of Certificates (the "Closing Date"), CPS will sell and assign to a Seller, without recourse, except as otherwise provided in the applicable Purchase Agreement, its entire interest in the Receivables to be included in such Trust, together with its security interests in the related Financed Vehicles. At the time of issuance of the Certificates, such Seller will sell and assign to the Trust, without recourse, except as provided in the applicable Pooling and Servicing Agreement, its entire interest in such Receivables, together with its security interests in the related Financed Vehicles. Each Receivable will be identified in a schedule appearing as an exhibit to the applicable Pooling and Servicing Agreement. The Trustee will concurrently with such sale and assignment, execute, authenticate, and deliver the Certificates to the applicable Seller in exchange for the Receivables.

In each Purchase Agreement, CPS will represent and warrant to the applicable Seller, among other things with respect to the Receivables being sold and assigned therein, that (i) the information provided with respect to the Receivables is correct in all material respects: (ii) at the date of origination of each Receivable, physical damage insurance covering the related Financed Vehicle is in effect in accordance with CPS's normal requirements; (iii) at the applicable Cutoff Date, the Receivables are free and clear of all security interests, liens, charges, and encumbrances and no offsets, defenses, or counterclaims against Dealers have been asserted or threatened; (iv) at the applicable Cutoff Date, each of the Receivables is or will be secured by a first-priority perfected security interest in the Financed Vehicle in favor of CPS; and (v) each Receivable, at the time it was originated, complied in all material respects with applicable federal and state laws, including, without limitation, consumer credit, truth in lending, equal credit opportunity and disclosure laws. As of the last day of the second (or, if CPS elects, the first) month following the discovery by or notice to the applicable Seller and CPS of a breach of any representation or warranty that materially and adversely affects a Receivable, unless the breach is cured, CPS will purchase such Receivable from the applicable Seller who will purchase from the applicable Trust for the Purchase Amount. The repurchase obligation will constitute the sole remedy available to the Certificateholders, the Credit Enhancer, a Seller or a Trustee for any such uncured breach.

On or prior to a Closing Date, the Contracts will be delivered to the applicable Trustee as custodian, and such Trustee thereafter will maintain physical possession of the Receivables except as may be necessary for the servicing thereof by CPS. The Receivables will not be stamped to show the ownership thereof by the applicable Trust. However, CPS's accounting records and computer systems will reflect the sale and assignment of the Receivables to the applicable Seller, and Uniform Commercial Code ("UCC") financing statements reflecting such sales and assignments will be filed. See, "The Trust" and "Risk Factors--Certain Legal Aspects--Security Interests in Financed Vehicles" in the related Prospectus Supplement and "Certain Legal Aspects of the Receivables" herein.

## Pre-Funding Accounts

If so provided in the related Prospectus Supplement, the Seller will be obligated pursuant to the Pooling and Servicing Agreement to sell Subsequent Receivables to the Trust, and the Trust will be obligated to purchase such Subsequent Receivables, subject only to the satisfaction of certain conditions set forth in the Pooling and Servicing Agreement and described in the related

Prospectus Supplement. If the principal amount of the eligible Subsequent Receivables acquired by the Seller from the CPS during a Funding Period is less than the Pre-Funded Amount, the Seller may have insufficient Subsequent Receivables to transfer to a Trust and holders of one or more classes of the related Series of Certificates may receive a prepayment or early distribution of principal at the end of the Funding Period. See "Risk Factors--Pre-Funding Accounts".

Amounts on deposit in a Pre-Funding Account during the Funding Period will be invested by the Trustee in Eligible Investments and any Investment Income thereon received during a Collection Period will be included in the interest distribution amount on the following Distribution Date for the related Series. See "--Accounts".

Any conveyance of Subsequent Receivables to a Trust is subject to the satisfaction, on or before the related transfer date (each, a "Subsequent Transfer Date"), of the following conditions precedent, among others: (i) each such Subsequent Receivable must satisfy the eligibility criteria specified in the related Pooling and Servicing Agreement; (ii) the Seller shall not have selected such Subsequent Receivables in a manner that is adverse to the interests of holders of the related Certificates; (iii) as of the respective Cutoff Dates for such Subsequent Receivables, all of the Receivables in the Trust, including the Subsequent Receivables to be conveyed to the Trust as of such date, must satisfy the parameters described under "The Receivables Pools" herein and "The Receivables Pool" in the related Prospectus Supplement; and (iv) the Seller must execute and deliver to such Trust a written assignment conveying such Subsequent Receivables to such Trust. In addition, as and to the extent specified in the related Prospectus Supplement, the conveyance of Subsequent Receivables to a Trust is subject to the satisfaction of the condition subsequent, among others, which must be satisfied within the applicable time period specified in the related Prospectus Supplement, that the Seller deliver certain legal opinions to the related Trustee with respect to the validity of the conveyance of the Subsequent Receivables to the Trust. If any such conditions precedent or conditions subsequent are not met with respect to any Subsequent Receivables within the time period specified in the related Prospectus Supplement, CPS or the Seller, as specified in the related Prospectus Supplement, will be required to repurchase such Subsequent Receivables from the related Trust, at a purchase price equal to the related Repurchase Amounts therefor.

Except as described herein and in the related Prospectus Supplement, there will be no other required characteristics of Subsequent Receivables. Therefore, the characteristics of the entire Receivables Pool included in any Trust may vary significantly as Subsequent Receivables are conveyed to such Trust from time to time during the Funding Period or Revolving Period.

#### Accounts

With respect to each Series of Certificates issued by a Trust, the Servicer will establish and maintain with the applicable Trustee one or more accounts, in the name of such Trustee on behalf of the related Certificateholders, into which all payments made on or with respect to the related Receivables will be deposited (the "Collection Account"). The Servicer will also establish and maintain with such Trustee separate accounts, in the name of such Trustee on behalf of such Certificateholders, into which amounts released from the Collection Account and the reserve account or other Credit Enhancement, if any, for distribution to such Certificateholders will be deposited and from which distributions to such Certificateholders will be made (the "Distribution Account").

Payahead Account. If so provided in the related Prospectus Supplement, the Servicer will establish for each Series of Securities an additional account (the "Payahead Account"), in the name of the related Trustee, into which, to the extent required in the related Pooling and Servicing Agreement, early payments made by or on behalf of Obligors on Actuarial Receivables or Rule of 78s Receivables will be deposited until such time as such payments become due. Until such time as payments are transferred from the Payahead Account to the Collection Account, they will not constitute collected interest or collected principal and will not be available for distribution to Certificateholders.

Pre-Funding Account. If so provided in the related Prospectus Supplement, the Servicer will establish and maintain a Pre-Funding Account, in the name of the related Trustee on behalf of the related Certificateholders, into which the Seller will deposit the Pre-Funded Amount on the related Closing Date. The Pre-Funded Amount will not exceed 25% of the initial aggregate principal amount of the Notes and Certificates of the related Series. The Pre-Funded Amount will be used by the related Trustee to purchase Subsequent Receivables from the Seller from time to time during the Funding Period. The amounts on deposit in the Pre-Funding Account during the Funding Period will be invested by the Trustee in Eligible Investments. Any Investment Income received on the Eligible Investments during a Collection Period will be included in the interest distribution amount on the following Distribution Date. The Funding Period, if any, for a Trust will begin on the related Closing Date and will end on the date specified in the related Prospectus Supplement, which in no event will be later than the date that is 90 days after the related Closing Date. Any amounts remaining in the Pre-Funding Account at the end of the Funding Period will be distributed to the related Certificateholders in the manner and priority specified in the related Prospectus Supplement, as a prepayment of principal of the related Certificates.

Other Accounts. Any other accounts to be established with respect to a Trust, including any reserve account, will be described in the related Prospectus Supplement.

Investments. For any Series of Certificates, funds in the Collection Account, the Distribution Account, any reserve account and other accounts identified as such in the related Prospectus Supplement (collectively, the "Trust Accounts") shall be invested as provided in the related Pooling and Servicing Agreement in Eligible Investments. "Eligible Investments" are generally limited to investments acceptable to the Rating Agencies as being consistent with the rating of such Certificates. Subject to certain conditions, Eligible Investments may include securities issued by CPS, the Servicer or their respective affiliates or other trusts created by CPS or its affiliates. Except as described below or in the related Prospectus Supplement, Eligible Investments are limited to obligations or securities that mature not later than the business day immediately preceding the related Distribution Date. However, subject to certain conditions, funds in the reserve account may be invested in securities that will not mature prior to the date of the next distribution and will not be sold to meet any shortfalls. Thus, the amount of cash in any reserve account at any time may be less than the balance of such reserve account. If the amount required to be withdrawn from any reserve account to cover shortfalls in collections on the related Receivables exceeds the amount of cash in such reserve account, a temporary shortfall in the amounts distributed to the related Certificateholders could result, which could, in turn, increase the average life of the Certificates of such Series. Except as otherwise specified in the related Prospectus Supplement, investment earnings on funds deposited in the applicable Trust Accounts, net of losses and investment expenses (collectively, "Investment

Earnings"), shall be deposited in the applicable Collection Account on each Distribution Date and shall be treated as collections of interest on the related Receivables.

Eligible Deposit Accounts. The Trust Accounts will be maintained as Eligible Deposit Accounts. "Eligible Deposit Account" means either (a) a segregated account with an Eligible Institution or (b) a segregated trust account with the corporate trust department of a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any domestic branch of a foreign bank), having corporate trust powers and acting as trustee for funds deposited in such account, so long as any of the securities of such depository institution has a credit rating from each Rating Agency in one of its generic rating categories which signifies investment grade. "Eligible Institution" means, with respect to a Trust, (a) the corporate trust department of the related Trustee, or (b) a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any domestic branch of a foreign bank), which (i) (A) has either (w) a long-term unsecured debt rating acceptable to the Rating Agencies or (x) a short-term unsecured debt rating or certificate of deposit rating acceptable to the Rating Agencies or (B) the parent corporation of which has either (y) a long-term unsecured debt rating acceptable to the Rating Agencies or (z) a short-term unsecured debt rating or certificate of deposit rating acceptable to the Rating Agencies and (ii) whose deposits are insured by the FDIC.

#### The Servicer

The Servicer under each Pooling and Servicing Agreement will be named in the related Prospectus Supplement. The entity serving as Servicer may be CPS or an affiliate of CPS and may have other business relationships with CPS or CPS's affiliates. The Servicer with respect to each Series will service the Receivables contained in the Trust for such Series. Any Servicer may delegate its servicing responsibilities to one or more subservicers, but will not be relieved of its liabilities with respect thereto.

The Servicer will make certain representations and warranties regarding its authority to enter into, and its ability to perform its obligations under, the related Pooling and Servicing Agreement. An uncured breach of such a representation or warranty that in any respect materially and adversely affects the interests of the Certificateholders will constitute a Event of Default (as hereinafter defined) by the Servicer under the related Pooling and Servicing Agreement.

A Pooling and Servicing Agreement may contain provisions providing for a standby servicer ("Standby Servicer") to serve as successor servicer in the event the Servicer is terminated or resigns as Servicer pursuant to the terms of such Pooling and Servicing Agreement. A Standby Servicer will receive a fee on each Distribution Date for agreeing to stand by as successor Servicer and for performing certain other functions. If the Standby Servicer becomes the Servicer under a Pooling and Servicing Agreement, it will receive compensation as a Servicer in an amount set forth in such Pooling and Servicing Agreement.

#### Servicing Procedures

Each Pooling and Servicing Agreement will provide that the Servicer shall follow its then-employed standards, or such more exacting standards as the Servicer employs in the future, in

servicing the Receivables that are part of the Trust. Each Pooling and Servicing Agreement will provide that the Servicer shall make reasonable efforts to collect all payments due with respect to the Receivables that are part of the Trust and, in a manner consistent with such Pooling and Servicing Agreement, will continue such collection procedures as it follows with respect to automotive retail installment sale contracts it services for itself and others. Consistent with its normal procedures, the Servicer may, in its sole discretion, arrange with the Obligor on a Receivable to extend the payment schedule; provided, however, that the Servicer may be limited as to the number of times an extension may be granted and as to the timing of such extensions. No such arrangement will, for purposes of a Pooling and Servicing Agreement, modify the original due dates or the amount of the scheduled payments, or extend the final payment date on any Receivable beyond the last day of the penultimate Collection Period before the Final Scheduled Distribution Date under such Pooling and Servicing Agreement. If the Servicer grants an extension with respect to a Receivable other than in accordance with the aforementioned limitations, the Servicer will be required to purchase the Receivable. Following any such purchase of a Receivable by the Servicer, such Receivable will be released from the Trust and conveyed to the Servicer. The Servicer may sell the Vehicle securing the respective defaulted Receivable, if any, at a public or private sale, or take any other action permitted by applicable law. See "Certain Legal Aspects of the Receivables".

The material aspects of any particular Servicer's collections and other relevant procedures will be set forth in the related Prospectus Supplement.

#### Payments On Receivables

With respect to each Series of Certificates, unless otherwise specified in the related Prospectus Supplement, the Servicer will notify each Obligor that payments made by such Obligor after the Cutoff Date with respect to a Receivable must be mailed directly to the Post Office Box set forth in the Pooling and Servicing Agreement relating to such Receivable. On each Business Day, the Lock-Box Processor set forth in the Pooling and Servicing Agreement relating to such Receivable will transfer any such payments received in the Post Office Box to the applicable Lock-Box Account. Any payments received by the Servicer from an Obligor or from a source other than an Obligor must be deposited in the applicable Lock-Box Account or the applicable Collection Account upon receipt. The Servicer will, following the receipt of funds in such Lock-Box Account, direct the Lock-Box Bank to transfer such funds to the applicable Collection Account. Prior to the applicable Distribution Date, the applicable Trustee, on the basis of instructions provided by the Servicer, will transfer funds held in such Collection Account to the applicable Payahead Account if such payments constitute Payaheads or to the applicable Certificate Account for distribution to the Certificateholders of the related Series.

Collections on a Rule of 78's Receivable made during a Collection Period will be applied first, to the scheduled payment on such Rule of 78's Receivable, and second, to any late fees accrued with respect to such Rule of 78's Receivable. If the collections remaining after application to the scheduled payment and late fees, if any, are insufficient to prepay the Rule of 78's Receivable in full, such collections will be transferred to and kept in the Payahead Account, until such later Collection Period as the collections may be transferred to the Collection Account and applied either to the scheduled payment or to prepay such Rule of 78's Receivable in full.

## Servicing Compensation

As may be described in the related Prospectus Supplement with respect to any Series of Certificates issued by a Trust, the Servicer will be entitled to receive a servicing fee on each Distribution Date (the "Servicing Fee"), equal to the product of one-twelfth of the specified percentage per annum and the Pool Balance (each as set forth in the related Prospectus Supplement) as of the close of business on the last day of the second preceding Collection Period; provided, however, that with respect to the first Distribution Date, the Servicing Fee will equal the product of one-twelfth of the Servicing Fee Rate and the original Pool Balance. So long as CPS is Servicer, a portion of the Servicing Fee will be payable to the Standby Servicer, if any (as set forth in the related Prospectus Supplement), for agreeing to stand by as successor Servicer and for performing certain other functions. If the Standby Servicer, or any other entity serving at the time as Standby Servicer, becomes the successor Servicer, it will receive compensation for acting in such capacity. See "The Servicer". The Servicer will also collect and retain, as additional servicing compensation, any late fees, prepayment charges, including, in the case of a Rule 78's Receivable that is part of the Trust and that is prepaid in full, to the extent not required by law to be remitted to the related Obligor, the difference between the principal balance of such Receivable computed on an actuarial basis plus accrued interest to the date of prepayment and the principal balance of such Receivable computed according to the Rule of 78's, and other administrative fees or similar charges allowed by applicable law with respect to the Receivables that are part of the Trust, and will be entitled to reimbursement from the Trust for certain liabilities. Payments by or on behalf of Obligors will be allocated to scheduled payments, late fees and other charges and principal and interest in accordance with the Servicer's normal practices and procedures. The Servicing Fee will be paid out of collections from the Receivables, prior to distributions to Certificateholders of the related Series.

The Servicing Fee and additional servicing compensation will compensate the Servicer for performing the functions of a third party servicer of automotive receivables as an agent for their beneficial owner, including collecting and posting all payments, responding to inquiries of Obligors on the Receivables that are part of the Trust, investigating delinquencies, sending payment coupons to Obligors, reporting tax information to Obligors, paying costs of disposition of defaults and policing the collateral. The Servicing Fee also will compensate the Servicer for administering the Receivables that are part of the Trust, including accounting for collections and furnishing monthly and annual statements as required with respect to a Series of Certificates regarding distributions and generating federal income tax information. The Servicing Fee also will reimburse the Servicer for certain taxes, accounting fees, outside auditor fees, data processing costs and other costs incurred in connection with administering the Receivables that are part of the Trust.

## Certain Matters Regarding the Servicer

Each Pooling and Servicing Agreement will provide that the Servicer may not resign from its obligations and duties as Servicer thereunder except upon determination that its performance of such duties is no longer permissible under applicable law and under certain other circumstances. No such resignation will become effective until a successor servicer has assumed the servicing obligations and duties under the applicable Pooling and Servicing Agreement. In the event CPS resigns as Servicer or is terminated as Servicer, the Standby Servicer, if any, will agree to assume the servicing obligations and duties under the Pooling and Servicing Agreement.

Each Pooling and Servicing Agreement will further provide that neither the Servicer nor any of its directors, officers, employees, and agents will be under any liability to the Trust or the Certificateholders of the related Series for taking any action or for refraining from taking any action pursuant to such Pooling and Servicing Agreement, or for errors in judgment; provided, however, that neither the Servicer nor any such person will be protected against any liability that would otherwise be imposed by reason of willful misfeasance, bad faith or negligence in the performance of duties or by reason of reckless disregard of obligations and duties thereunder. In addition, each Pooling and Servicing Agreement will provide that the Servicer is under no obligation to appear in, prosecute, or defend any legal action that is not incidental to its servicing responsibilities under the applicable Pooling and Servicing Agreement and that, in its opinion, may cause it to incur any expense or liability.

Under the circumstance specified in each Pooling and Servicing Agreement any entity into which the Servicer may be merged or consolidated, or any entity resulting from any merger or consolidation to which the Servicer is a party, or any entity succeeding to the business of the Servicer which corporation or other entity in each of the foregoing cases assumes the obligations of the Servicer, will be the successor of the Servicer under the applicable Pooling and Servicing Agreement.

#### Distributions on Certificates

With respect to each Series of Certificates, beginning on the Distribution Date specified in the related Prospectus Supplement, distributions of principal and interest (or, where applicable, of principal or interest only) on each class of such Certificates entitled thereto will be made by the applicable Trustee to the holders of Certificates (the "Certificateholders") of such Series. The timing, calculation, allocation, order, source, priorities of and requirements for all distributions to each class of Certificateholders of such Series will be set forth in the related Prospectus Supplement.

With respect to each Series of Certificates, on each Distribution Date collections on the related Receivables will be withdrawn from the Collection Account for distribution to Certificateholders to the extent provided in the related Prospectus Supplement. Credit Enhancement may be available to cover any shortfalls in the amount available for distribution on such date, to the extent specified in the related Prospectus Supplement.

#### Credit And Cash Flow Enhancement

The amounts and types of Credit Enhancement arrangements, if any, and the provider thereof, if applicable, with respect to each class of Certificates of a given Series will be set forth in the related Prospectus Supplement. If and to the extent provided in the related Prospectus Supplement, Credit Enhancement may be in the form of a Policy, subordination of one or more classes of Certificates, reserve accounts, spread accounts, over-collateralization, letters of credit, credit or liquidity facilities, third party payments or other support, surety bonds, guaranteed cash deposits or such other arrangements as may be described in the related Prospectus Supplement or any combination of two or more of the foregoing. If specified in the applicable Prospectus Supplement, Credit Enhancement for a class of Certificates may cover one or more other classes of Certificates of the same Series, and Credit Enhancement for a Series of Certificates may cover one or more other Series of Certificates.



The presence of Credit Enhancement for the benefit of any class or Series of Certificates is intended to enhance the likelihood of receipt by the Certificateholders or such class or Series of the full amount of principal and interest due thereon and to decrease the likelihood that such Certificateholders will experience losses. As more specifically provided in the related Prospectus Supplement, the Credit Enhancement for a class or Series of Certificates will not provide protection against all risks of loss and will not guarantee repayment of the entire principal balance and interest thereon. If losses occur which exceed the amount covered by any Credit Enhancement or which are not covered by any Credit Enhancement, Certificateholders of any class or Series will bear their allocable share of deficiencies, as described in the related Prospectus Supplement. In addition, if a form of Credit Enhancement covers more than one Series of Certificates, Certificateholders of any such Series will be subject to the risk that such Credit Enhancement will be exhausted by the claims of Certificateholders of other Series.

#### Statements To Trustees

Prior to each Distribution Date with respect to each Series of Certificates, the Servicer will provide to the applicable Trustee and Credit Enhancer as of the close of business on the last day of the preceding related Collection Period a statement setting forth substantially the same information as is required to be provided in the periodic reports provided to Certificateholders of such Series described under "Description of the Certificates--Reports to Certificateholders".

#### Evidence As To Compliance

Each Pooling and Servicing Agreement will provide that a firm of independent public accountants will furnish to the related Trustee and Credit Enhancer, annually, a statement as to compliance by the Servicer during the preceding twelve months (or, in the case of the first such certificate, the period from the applicable Closing Date) with certain standards relating to the servicing of the Receivables.

Each Pooling and Servicing Agreement will also provide for delivery to the related Trustee and Credit Enhancer of a certificate signed by an officer of the Servicer stating that the Servicer has fulfilled its obligations under such Pooling and Servicing Agreement in all material respects throughout the preceding 12 months (or, in the case of the first such certificate, the period from the applicable Closing Date) or, if there has been a default in the fulfillment of any such obligation in any material respect, describing each such default. The Servicer also will agree to give each Trustee and Credit Enhancer notice of certain Event of Defaults (as hereinafter defined) under the related Pooling and Servicing Agreement.

Copies of such statements and certificates may be obtained by Certificateholders by a request in writing addressed to the applicable Trustee.

#### Amendment

Unless otherwise provided in the related Prospectus Supplement, each of the Pooling and Servicing Agreements may be amended by the parties thereto, without the consent of the related Certificateholders, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of such Pooling and Servicing Agreements or of modifying in any

manner the rights of such Certificateholders; provided that such action will not, in the opinion of counsel satisfactory to the applicable Trustee, materially and adversely affect the interests of any such Certificateholder and subject to the approval of any Credit Enhancer. As may be described in the related Prospectus Supplement, the Pooling and Servicing Agreements may also be amended by CPS, the Servicer, and the applicable Trustee with the consent of the holders of Certificates evidencing at least a majority of the voting rights of such then outstanding Certificates for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of such Pooling and Servicing Agreements or of modifying in any manner the rights of such Certificateholders; provided, however, that no such amendment may (i) increase or reduce in any manner the amount or priority of, or accelerate or delay the timing of, collections of payments on the related Receivables or distributions that are required to be made for the benefit of such Certificateholders without the consent of each Certificateholder affected thereby or (ii) reduce the aforesaid percentage of the Certificates of such Series which are required to consent to any such amendment without the consent of the Certificateholders of such Series.

#### List of Certificateholders

Upon written request of the Servicer, the Trustee of the applicable Trust will provide to the Servicer within 15 days after receipt of such request a list of the names and addresses of all Certificateholders of record, with respect to the Series of Certificates issued by such Trust, as of the most recent Record Date. Upon compliance by such Certificateholders with certain provisions of the applicable Pooling and Servicing Agreement, the Trustee will afford such Certificateholders access during business hours to the current list of Certificateholders for purposes of communicating with other Certificateholders with respect to their rights under such Pooling and Servicing Agreement.

#### Termination

With respect to each Trust, the obligations of the Servicer, CPS, the Seller and the applicable Trustee pursuant to the related Pooling and Servicing Agreement will terminate upon such date as is specified in the related Prospectus Supplement. As more fully described in the related Prospectus Supplement, in order to avoid excessive administrative expense, the Servicer, or its successor, will be permitted, at its option to purchase from the related Trust, as of the last day of any month as of which the then outstanding Pool Balance of the related Receivables Pool is less than a specified percentage (set forth in the related Prospectus Supplement) of the original Pool Balance of such Receivables Pool, all such remaining Receivables at a price equal to the aggregate of the Purchase Amounts thereof as of such last day. Exercise of such right will effect early retirement of the related Certificates. The Trustee will give written notice of termination to each such Certificateholder of record. The final distribution to any Certificateholder will be made only upon surrender and cancellation of such holder's Certificate at the office or agency of the Trustee specified in the notice of termination. Any funds remaining with the Trustee, after the Trustee has taken certain measures to locate a Certificateholder and such measures have failed, will be distributed to The American Red Cross.

#### The Trustee

The Trustee for each Trust will be specified in the related Prospectus Supplement. The Trustee's liability in connection with the issuance and sale of the related Certificates is limited

solely to the express obligations of such Trustee set forth in the related Pooling and Servicing Agreement and Sale and Servicing Agreement or the related Pooling and Servicing Agreement, as applicable. A Trustee may resign at any time (subject to the conditions specified in the applicable Pooling and Servicing Agreement), in which event the Servicer will be obligated to appoint a successor trustee. The Servicer may also remove the Trustee if such Trustee ceases to be eligible to continue as Trustee under the related Pooling and Servicing Agreement or if the Trustee becomes insolvent. In such circumstances, the Servicer will be obligated to appoint a successor trustee. Any resignation or removal of a Trustee and appointment of a successor trustee will not become effective until acceptance of the appointment by the successor trustee.

The principal offices of each Trustee will be specified in the applicable Prospectus Supplement.

The Trustee under a Pooling and Servicing Agreement, in its individual capacity or otherwise, may hold Certificates in its own name or as pledgee. For the purpose of meeting the legal requirements of certain jurisdictions, the Servicer and a Trustee acting jointly (or in some instances, the Trustee acting alone) shall have the power to appoint co-trustees or separate trustees of all or any part of the related Trust. In the event of such appointment, all rights, powers, duties and obligations conferred or imposed upon the Trustee by the related Pooling and Servicing Agreement shall be conferred or imposed upon the Trustee and such separate trustee or co-trustee jointly, or, in any jurisdiction in which the Trustee shall be incompetent or unqualified to perform certain acts, singly upon such separate trustee or co-trustee who shall exercise and perform such rights, powers, duties, and obligations solely at the direction of the Trustee.

A Trustee may resign at any time, in which event the Servicer will be obligated to appoint a successor trustee in accordance with the terms set forth in the applicable Pooling and Servicing Agreement. See "The Trustee" in the Prospectus Supplement." The Servicer may also remove a Trustee if the Trustee ceases to be eligible to continue as such under the related Pooling and Servicing Agreement, becomes legally unable to act, or becomes insolvent. In such circumstances, the Servicer will be obligated to appoint a successor trustee with the consent of any parties necessary to appoint a successor trustee. Any resignation or removal of the Trustee and appointment of a successor trustee will not become effective until acceptance of the appointment by the successor trustee.

Each Pooling and Servicing Agreement will provide that the applicable Trustee will be entitled to indemnification by the Servicer for and will be held harmless against, any loss, liability, fee, disbursement, or expense incurred by such Trustee not resulting from such Trustee's own willful misfeasance, bad faith, or negligence (other than by reason of breach of any of its representations or warranties set forth in the Pooling and Servicing Agreement). Each Pooling and Servicing Agreement will further provide that the Servicer will indemnify the applicable Trustee for certain taxes that may be asserted in connection with the transaction.

## Duties of the Trustee

The Trustee will make no representations as to the validity or sufficiency of a Pooling and Servicing Agreement, the Certificate relating thereto (other than the authentication of such Certificates), or any Receivables in the related Trust or related documents, and is not accountable for the use or application by any Seller or Servicer of any funds paid to a Seller or Servicer in respect of such Certificates or such Receivables, or the investment of any monies received by the Servicer before such monies are deposited into the applicable Collection Account. The Trustee will not independently verify the Receivables that are a part of the related Trust. If no Event of Default (as defined in the applicable Prospectus Supplement) has occurred, the Trustee is required to perform only those duties specifically required of it under the applicable Pooling and Servicing Agreement. Generally, those duties are limited to the receipt of the various certificates, reports or other instruments required to be furnished to the Trustee under such Pooling and Servicing Agreement, in which case it is only required to examine them to determine whether they conform to the requirements of the Pooling and Servicing Agreement. The Trustee shall not be charged with knowledge of a failure by the Servicer to perform its duties under the Pooling and Servicing Agreement which failure constitutes an Event of Default (as defined in the applicable Prospectus Supplement) unless the Trustee obtains actual knowledge of such failure as specified in the Pooling and Servicing Agreement.

The Trustee will be under no obligation to exercise any of the rights or powers vested in it by a Pooling and Servicing Agreement or to make any investigation of matters arising thereunder or to institute, conduct, or defend any litigation thereunder or in relation thereto at the request, order or direction of any of the related Certificateholders, unless such Certificateholders have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities that may be incurred therein or thereby. No Certificateholder will have any right under a Pooling and Servicing Agreement to institute any proceeding with respect to such Pooling and Servicing Agreement, unless certain conditions have been met (as set forth in the applicable Pooling and Servicing Agreement). See "Duties of the Trustee" in the Prospectus Supplement.

## CERTAIN LEGAL ASPECTS OF THE RECEIVABLES

### Security Interest in Vehicles

In states in which retail installment sale contracts such as the Receivables evidence the credit sale of automobiles, light trucks, vans and minivans by dealers to obligors, the contracts also constitute personal property security agreements and include grants of security interests in the vehicles under the applicable UCC. Perfection of security interests in the financed automobiles, light trucks, vans and minivans is generally governed by the motor vehicle registration laws of the state in which the vehicle is located. In all states in which the Receivables have been originated, a security interest in automobiles, light trucks, vans and minivans is perfected by obtaining the certificate of title to the Financed Vehicle or notation of the secured party's lien on the vehicles' certificate of title (in addition, in Louisiana, a copy of the installment sale contract must be filed with the appropriate governmental recording office).

Unless otherwise specified in the related Prospectus Supplement, each Contract will name the applicable Originator as obligee or assignee and as the secured party. Unless otherwise

specified in the related Prospectus Supplement, such Originator will have represented and warranted that it has taken all actions necessary under the laws of the state in which the Financed Vehicle is located to perfect CPS's security interest in the Financed Vehicle, including, where applicable, having a notation of its lien recorded on such vehicle's certificate of title. Unless otherwise specified in the related Prospectus Supplement, the Obligors on the Contracts will not be notified of the sale from CPS, directly or indirectly, to the Seller, or the sale from the Seller to the Trust, and no action will be taken to record the transfer of the security interest from CPS, directly or indirectly, to the Seller or from the Seller to the Trust by amendment of the certificates of title for the Financed Vehicles or otherwise.

CPS will transfer and assign its security interest in the related Financed Vehicles directly or indirectly to the Seller, and the Seller will transfer and assign its security interest in such Financed Vehicles to the related Trust pursuant to a Pooling and Servicing Agreement. However, because of the administrative burden and expense, neither CPS nor the Seller will amend the certificates of title of such Financed Vehicles to identify the related Trust as the new secured party.

In most states, an assignment such as that under each Pooling and Servicing Agreement is an effective conveyance of a security interest without amendment of any lien noted on a vehicle's certificate of title, and the assignee succeeds thereby to the assignor's rights as secured party. However, by not identifying such Trust as the secured party on the certificate of title, the security interest of such Trust in the vehicle could be defeated through fraud or negligence.

Under the laws of most states, the perfected security interest in a vehicle will continue for four months after the vehicle is moved to a state other than the state in which it is initially registered and thereafter until the owner thereof re-registers the vehicle in the new state. A majority of states generally require surrender of a certificate of title to re-register a vehicle. Accordingly, a secured party must surrender possession if it holds the certificate of title to the vehicle or, in the case of a vehicle registered in a state providing for the notation of a lien on the certificate of title but not possession by the secured party, the secured party will receive notice of surrender if the security interest is noted on the certificate of title. Thus, the secured party will have the opportunity to re-perfect its security interest in the vehicle in the state of relocation. In states that do not require a certificate of title for registration of a motor vehicle, re-registration could defeat perfection. Unless otherwise specified in the related Prospectus Supplement, under each Pooling and Servicing Agreement, the Servicer will be obligated to take appropriate steps, at the Servicer's expense, to maintain perfection of security interests in the Financed Vehicles and will be obligated to purchase the related Receivable if it fails to do so.

Under the laws of most states, liens for repairs performed on a motor vehicle and liens for unpaid taxes take priority over even a perfected security interest in a financed vehicle. The Code also grants priority to certain federal tax liens over the lien of a secured party. The laws of certain states and federal law permit the confiscation of vehicles by government authorities under certain circumstances if used in unlawful activities, which may result in the loss of a secured party's perfected security interest in the confiscated vehicle.

## Repossession

In the event of default by vehicle purchasers, the holder of the motor vehicle retail installment sale contract has all the remedies of a secured party under the UCC, except where specifically limited by other state laws. Among the UCC remedies, the secured party has the right to perform self-help repossession unless such act would constitute a breach of the peace. Unless otherwise specified in the related Prospectus Supplement, self-help is the most likely method to be used by the Servicer and is accomplished simply by retaking possession of the financed vehicle. In the event of default by the obligor, some jurisdictions require that the obligor be notified of the default and be given a time period within which he may cure the default prior to repossession. Generally, the right of reinstatement may be exercised on a limited number of occasions in any one-year period. In cases where the obligor objects or raises a defense to repossession, or if otherwise required by applicable state law, a court order must be obtained from the appropriate state court, and the vehicle must then be repossessed in accordance with that order.

## Notice of Sale; Redemption Rights

The UCC and other state laws require the secured party to provide the obligor with reasonable notice of the date, time and place of any public sale and/or the date after which any private sale of the collateral may be held. The obligor has the right to redeem the collateral prior to actual sale by paying the secured party the unpaid principal balance of the obligation plus reasonable expenses for repossessing, holding and preparing the collateral for disposition and arranging for its sale, plus, in some jurisdictions, reasonable attorneys' fees, or, in some states, by payment of delinquent installments or the unpaid balance.

## Deficiency Judgments and Excess Proceeds

The proceeds of resale of the vehicles generally will be applied first to the expenses of resale and repossession and then to the satisfaction of the indebtedness. While some states impose prohibitions or limitations on deficiency judgments if the net proceeds from resale do not cover the full amount of the indebtedness, a deficiency judgment can be sought in those states that do not prohibit or limit such judgments. However, the deficiency judgment would be a personal judgment against the obligor for the shortfall, and a defaulting obligor can be expected to have very little capital or sources of income available following repossession. Therefore, in many cases, it may not be useful to seek a deficiency judgment or, if one is obtained, it may be settled at a significant discount.

Occasionally, after resale of a vehicle and payment of all expenses and all indebtedness, there is a surplus of funds. In that case, the UCC requires the creditor to remit the surplus to any holder of a lien with respect to the vehicle or if no such lienholder exists or there are remaining funds, the UCC requires the creditor to remit the surplus to the former owner of the vehicle.

## Consumer Protection Laws

Numerous federal and state consumer protection laws and related regulations impose substantial requirements upon lenders and servicers involved in consumer finance, including requirements regarding the adequate disclosure of loan terms (including finance charges and deemed

finance charges), and limitations on loan terms (including the permitted finance charge or deemed finance charge), collection practices and creditor remedies. The application of these laws to particular circumstances is not always certain and some courts and regulatory authorities have shown a willingness to adopt novel interpretations of such laws. These laws include the Truth-in-Lending Act, the Equal Credit Opportunity Act, the Federal Trade Commission Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, the Fair Debt Collection Procedures Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Soldiers' and Sailors' Civil Relief Act of 1940, state adoptions of the National Consumer Act and the Uniform Consumer Credit Code, and state motor vehicle retail installment sales act, retail installment sales acts and other similar laws. Also, state laws impose finance charge ceilings and other restrictions on consumer transactions and require contract disclosures in addition to those required under federal law. These requirements impose specific statutory liabilities upon creditors who fail to comply with their provisions. In some cases, this liability could affect an assignee's ability to enforce consumer finance contracts such as the Receivables.

Under the laws of certain states, finance charges with respect to motor vehicle retail installment contracts may include the additional amount, if any, that a purchaser pays as part of the purchase price for a vehicle solely because the purchaser is buying on credit rather than for cash (a "cash sale differential"). If a dealer charges such a differential, applicable finance charge ceilings could be exceeded.

To so-called "Holder-in-Due-Course" Rule of the Federal Trade Commission (the "FTC Rule"), the provisions of which are generally duplicated by the Uniform Consumer Credit Code, other statutes or the common law, has the effect of subjecting an assignee of a seller of goods in a consumer credit transaction (and certain related creditors) to all claims and defenses that the obligor in the transaction could assert against the seller of the goods. Liability under the FTC Rule is limited to the amounts paid by the obligor under the contract and the holder of the contract may also be unable to collect any balance remaining due thereunder from the obligor.

Most of the Receivables will be subject to the requirements of the FTC Rule. Accordingly, each Trust, as holder of the related Receivables, will be subject to any claims or defenses that the purchaser of the applicable Financed Vehicle may assert against the seller of the Financed Vehicle. Such claims are limited to a maximum liability equal to the amounts paid by the Obligor on the Receivable. If an Obligor were successful in asserting any such claim or defense, such claim or defense would constitute a breach of CPS's warranties under the related Purchase Agreement and would create an obligation of CPS to repurchase the Receivable unless the breach is cured. See "Description of the Pooling and Servicing Agreements--Sale and Assignment of Receivables".

Courts have applied general equitable principles to secured parties pursuing repossession and litigation involving deficiency balances. These equitable principles may have the effect of relieving an obligor from some or all of the legal consequences of a default.

In several cases, consumers have asserted that the self-help remedies of secured parties under the UCC and related laws violate the due process protections provided under the 14th Amendment to the Constitution of the United States. Courts have generally upheld the notice

provisions of the UCC and related laws as reasonable or have found that the repossession and resale by the creditor do not involve sufficient state action to afford constitutional protection to borrowers.

Under most state vehicle dealer licensing laws, sellers of automobiles, light trucks, vans and minivans are required to be licensed to sell vehicles at retail sale. In addition, with respect to used vehicles, the Federal Trade Commission's Rule on Sale of Used Vehicles requires that all sellers of used vehicles prepare, complete and display a "Buyer's Guide" which explains the warranty coverage for such vehicles. Furthermore, Federal Odometer Regulations promulgated under the Motor Vehicle Information and Cost Savings Act and the motor vehicle title laws of most states require that all sellers of used vehicles furnish a written statement signed by the seller certifying the accuracy of the odometer reading. If a seller is not properly licensed or if either a Buyer's Guide or Odometer Disclosure Statement was not provided to the purchaser of a Financed Vehicle, the Obligor may be able to assert a defense against the seller of the Financed Vehicle. If an Obligor on a Receivable were successful in asserting any such claim or defense, the Servicer would pursue on behalf of the related Trust any reasonable remedies against the seller or the manufacturer of the vehicle, subject to certain limitations as to the expense of any such action to be specified in the related Pooling and Servicing Agreements.

Under each Purchase Agreement, CPS will have represented and warranted that each Receivable complies with all requirements of law in all material respects. Accordingly, if an Obligor has a claim against a Trust for violation of any law and such claim materially and adversely affects such Trust's interest in a Receivable, such violation would constitute a breach of the warranties of CPS and would create an obligation of CPS to repurchase the Receivable unless the breach is cured.

#### Other Limitations

In addition to the laws limiting or prohibiting deficiency judgments, numerous other statutory provisions, including federal bankruptcy laws and related state laws, may interfere with or affect the ability of a secured party to realize upon collateral or to enforce a deficiency judgment. For example, in a Chapter 13 proceeding under the federal bankruptcy law, a court may prevent a creditor from repossession a vehicle and, as part of the rehabilitation plan, may reduce the amount of the secured indebtedness to the market value of the vehicle at the time of bankruptcy (as determined by the court), leaving the creditor as a general unsecured creditor for the remainder of the indebtedness. A bankruptcy court may also reduce the monthly payments due under a contract or change the rate of interest and time of repayment of the indebtedness.

#### CERTAIN TAX CONSIDERATIONS

##### General

Set forth below is a discussion of certain federal income tax consequences to original beneficial owners of a Series of Certificates that hold such Certificates as capital assets under the Internal Revenue Code of 1986, as amended (the "Code"). This discussion does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to Certificateholders of a Series in light of their particular circumstances, nor to certain types of Certificateholders subject to special treatment under the federal income tax laws (for example, banks and life insurance companies). This discussion is based upon present provisions of the Code, the regulations promulgated thereunder and



judicial and ruling authorities, all of which are subject to change, which change may be retroactive. Prospective investors are advised to consult their own tax advisors with regard to the U.S. Federal tax consequences of the purchase, ownership or disposition of interests in the certificates, as well as the tax consequences arising under the laws of any state, foreign country or other taxing jurisdiction. Prospective investors should note that no rulings have been or will be sought from the Service with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions.

#### Tax Characterization of the Trust

Mayer, Brown & Platt, special tax counsel to the Seller, will opine that the Trust relating to a Series of Certificates will be classified as a grantor trust and not as an association taxable as a corporation for federal income tax purposes. Accordingly, subject to the discussion below, each Certificateholder of the related Series will be treated as the owner of a pro rata undivided interest in the Receivables that are in the Trust and related other Trust Assets and ordinary income derived therefrom.

#### Income of Certificateholders

Each Certificateholder of a Series will be considered to own either (i) an undivided interest in each of the Receivables that are part of the related Trust and any other related Trust Assets or (ii) an undivided interest in a single debt obligation held by the related Trust having, in the case of Class A Certificates, a principal amount equal to the Class A Percentage (as set forth in the related Prospectus Supplement) multiplied by the total stated principal amount of the Receivables and an interest rate equal to the Class A Pass-Through Rate (as set forth in the related Prospectus Supplement) or, in the case of Class B Certificates, a principal amount equal to the Class B Percentage (as set forth in the related Prospectus Supplement) multiplied by the total stated principal amount of the Receivables that are in the related Trust and an interest rate equal to the Class B Pass-Through Rate (as set forth in the related Prospectus Supplement). In general (subject to the rules described below relating to stripped bonds and original issue discount, and assuming Certificateholders are considered to own an interest in the related Receivables and other Trust Assets) a Certificateholder will be required to include applicable Trust interest income as ordinary income in accordance with its usual method of accounting.

If Certificateholders are considered to own undivided interests in the related Receivables and other Trust Assets, a Certificateholder will be considered to have incurred Trust expenses and, accordingly, will be entitled to deduct, consistent with its method of accounting, its pro rata share of reasonable servicing fees and other expenses paid or incurred by the applicable Trust as provided in Section 162 or 212 of the Code. In general, a Certificateholder who is an individual, estate or trust will be allowed deductions for such expenses only to the extent that the sum of those expenses and the holder's other miscellaneous itemized deductions exceeds 2% of such holder's adjusted gross income. Moreover, a Certificateholder that is not a corporation cannot deduct such expenses for purposes of the alternative minimum tax (if applicable). The Servicer will not report to Certificateholders the amount of income or deductions attributable to interest earned on collections and certain other amounts (which are includible in gross income, but deduction of which are subject to the foregoing limitations) and, accordingly, such a Certificateholder will not have sufficient information from the report to accurately reflect the Certificateholder's net taxable income.

The Servicer will report to Certificateholders on the assumption that they are considered to own an interest in the related Receivables and other Trust Assets, and the remainder of this discussion assumes such treatment.

#### Stripped Bond Rules

Because the Receivables will represent stripped bonds, they will be subject to the original issue discount ("OID") rules of the Code. Under Treasury Regulations issued under Section 1286 of the Code (the "Section 1286 Regulations"), it appears that the portion of the interest on each stripped Receivable payable to the related Certificateholders may be treated as "qualified stated interest". As a result, the amount of OID on a Receivable (or Receivables) will equal the amount, if any, by which the Certificateholder's purchase price allocable to the holder's interest in such Receivable is less than the undivided portion of the remaining principal balance of the Receivable (or Receivables) allocable to the interest acquired by the Certificateholder.

OID on the Receivables held by the Trust will be calculated on an aggregate basis and without the use of a prepayment assumption. Although there is no clear authority, regulations issued under the OID provisions of the Code suggest that all payments on the stripped Receivables allocable to the Class A Certificates may be aggregated in determining whether the stripped Receivables will be treated as having OID. In addition, it is not clear whether use of a prepayment assumption is required in computing OID. If the Internal Revenue Service were to require that OID be computed on a Receivable-by-Receivable basis, or that a prepayment assumption be used, the character and timing of a Certificateholder's income could be adversely affected. Because, under the stripped bond rules, each sale of a Certificate results in a recalculation of OID, a Certificateholder technically will not be subject to the market discount provisions of the Code with respect to stripped Receivables.

The tax treatment of a Receivable (or Receivables in the aggregate) will depend upon whether the amount of OID on the Receivable or Receivables is less than a statutorily defined de minimis amount. In general, under the Section 1273 and the Section 1286 Regulations, the amount of OID on a Receivable will be de minimis if it is less than 1/4 of one percent for each full year of weighted average maturity remaining after the purchase date until the maturity of the Receivable (although it is not clear whether expected prepayments are taken into account). If the amount of OID is de minimis under this rule, a Receivable (or Receivables) would not be treated as having OID. The actual amount of discount on a Receivable would be includible in income as principal payments are received on the Receivable, in the proportion that each principal payment bears to the total principal amount of the Receivables.

If the OID on a Receivable (or Receivables) is not treated as being de minimis, a Certificateholder will be required to include in income any OID as it accrues on a daily basis, regardless of when cash payments are received, using a method reflecting a constant yield to maturity on the Receivable (or Receivables). Accrued OID would increase a Certificateholder's tax basis in the Certificate (and the applicable Receivables). Distributions of principal and other items attributable to accrued OID would reduce a Certificateholder's tax basis. Application of the OID rules, particularly if a prepayment assumption is required and the Receivables are not aggregated, would be complex and could significantly affect the timing of inclusion of income on a Certificate.

The Trustee intends to account for OID, if any, reportable by holders of Certificates by reference to the price paid for a Certificate by an initial purchaser, although the amount of OID will differ for subsequent purchasers. Such subsequent purchasers should consult their tax advisers regarding the proper calculation of OID on the interest in Receivables represented by a Certificate.

#### Premium

In the event of a purchase of a Receivable (or Receivables) at a premium (i.e., the portion of the Certificateholder's purchase price allocable to the holder's undivided interest in the Receivable or Receivables exceeds the portion of the remaining principal balance allocable to the Certificateholder), such premium will be amortizable by the Certificateholder as an offset to interest income (with a corresponding reduction in the Certificateholder's basis) under a constant yield method over the term of the Receivable (or Receivables) if an election under Section 171 of the Code is made or was previously in effect. Any such election will also apply to debt instruments held by the Certificateholder during the year in which the election is made and all debt instruments acquired thereafter.

#### Rule of 78's Receivables

The annual statement regularly furnished to Certificateholders for U.S. federal income tax purposes will include information based on the actuarial method of accounting for interest and principal on the Receivables. Certificateholders should generally be permitted to account for interest on the Receivables using the actuarial method. However, some of the Receivables provide that, upon a prepayment in full, the amount payable by the obligor will be determined under the Rule of 78's. Prospective investors should consult their tax advisers as to whether they may be required or permitted to use the Rule of 78's method to account for interest on the Rule of 78's Receivables. A Certificateholder will be furnished information for U.S. federal income tax purposes enabling the holder to report interest on the Receivables under the Rule of 78's method of accounting only upon written request to the Trustee, and payment of the actual costs of producing the information.

If a Rule of 78's Receivable is prepaid, any amount received by the Trust upon prepayment in excess of the account balance using the actuarial method would constitute income to a Certificateholder who had reported income with respect to such Rule of 78's Receivable on the actuarial method, and an amount equal to such excess will be paid to the Servicer and be deductible only to the extent described above.

#### Subordination of Class B Certificate Owners

If the Class B Certificateholders receive distributions of less than their share of the Trust's receipts of principal and interest (the "Shortfall Amount") because of the subordination of the Class B Certificates, holders of Class B Certificates would probably be treated for U.S. federal income tax purposes as if they had received as distributions their full share of such receipts, paid over to the Class A Certificateholders an amount equal to such Shortfall Amount, and retained the right to reimbursement of such amounts to the extent of future collections. Under this analysis, Class B Certificateholders would be required to accrue as current income any interest of the Trust that was a component of the Shortfall Amount, even though such amount was in fact paid to the Class A Certificateholders; although not entirely clear, it appears that a loss would only be allowed to the

Class B Certificateholders when their right to receive reimbursement of such Shortfall Amount became worthless (i.e., when it becomes clear that amount will not be available from any source to reimburse such loss); and reimbursement of such Shortfall Amount prior to such a claim of worthless would not be taxable income to the Class B Certificateholders because such amount was previously included in income. Those results should not significantly affect the inclusion of income for Class B Certificateholders on the accrual method of accounting, but could accelerate inclusion of income to Class B Certificateholders on the cash method of accounting by, in effect, placing them on the accrual method. Moreover, the character and timing of loss deductions is unclear. Class B Certificateholders should consult their own tax advisors as to the treatment of Shortfall Amounts.

#### Sale of a Certificate

If a Certificate is sold, gain or loss will be recognized equal to the difference between the amount realized on the sale and the Certificateholder's adjusted basis in the Receivables and any other assets held by the Trust. A Certificateholder's adjusted basis will equal the Certificateholder's cost for the Certificate, increased by any discount previously included in income, and decreased by any deduction previously allowed for accrued premium and by the amount of principal payments previously received on the Receivables. Any gain or loss not attributable to accrued interest will be capital gain or loss if the Certificate was held as a capital asset.

#### Foreign Certificateholders

Interest attributable to Receivables which is payable to a foreign Certificateholder that is not engaged in a trade or business in the United States will generally not be subject to the 30% U.S. withholding tax, provided that such Certificateholder fulfills certain certification requirements. Under such certification requirements, the Certificateholder must certify, under penalties of perjury, that it is not a "United States person" and that it is the beneficial owner of the Certificate, and must provide its name and address. For this purpose, "United States person" means a citizen or resident of the United States, a corporation, partnership, or other entity created or organized in or under the laws of the United States or any political subdivision thereof, or an estate or trust the income of which is includible in gross income for United States Federal income tax purposes, regardless of its source.

#### Backup Withholding

Payments made on the Certificates and proceeds from the sale of Certificates will not be subject to "backup" withholding of 31% unless the Certificateholder fails to comply with certain reporting procedures and is not an exempt recipient under applicable provisions of the Code.

The Prospectus Supplement for each Series of Certificates will summarize, subject to the limitations stated therein, federal income tax considerations relevant to the purchase, ownership and disposition of such Certificates.

#### ERISA CONSIDERATIONS

The Prospectus Supplement for each Series of Certificates will summarize, subject to the limitations discussed therein, considerations under ERISA relevant to the purchase of such Certificates by employee benefit plans and individual retirement accounts.

#### METHODS OF DISTRIBUTION

The Certificates offered hereby and by the related Prospectus Supplement will be offered in Series through one or more of the methods described below. The Prospectus Supplement prepared for each Series will describe the method of offering being utilized for that Series and will state the public offering or purchase price of such Series and the net proceeds to CPS from such sale.

CPS intends that Certificates will be offered through the following methods from time to time and that offerings may be made concurrently through more than one of these methods or that an offering of a particular Series of Certificates may be made through a combination of two or more of these methods. Such methods are as follows:

1. By negotiated firm commitment or best efforts underwriting and public re-offering by underwriters;
2. By placements by CPS with institutional investors through dealers;
3. By direct placements by CPS with institutional investors; and
4. By competitive bid.

In addition, if specified in the related Prospectus Supplement, a Series of Certificates may be offered in whole or in part in exchange for the Receivables (and other assets, if applicable) that would comprise the Trust Assets in respect of such Certificates.

If underwriters are used in a sale of any Certificates (other than in connection with an underwriting on a best efforts basis), such Certificates will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at fixed public offering prices or at varying prices to be determined at the time of sale or at the time of commitment therefor. The Certificates will be set forth on the cover of the Prospectus Supplement relating to such Series and the members of the underwriting syndicate, if any, will be named in such Prospectus Supplement.

In connection with the sale of the Certificates, underwriters may receive compensation from CPS or from purchasers of the Certificates in the form of discounts, concessions or commissions. Underwriters and dealers participating in the distribution of the Certificates may be deemed to be underwriters in connection with such Certificates, and any discounts or commissions received by them from CPS and any profit on the resale of Certificates by them may be deemed to be underwriting discounts and commissions under the Securities Act. The Prospectus Supplement will describe any such compensation paid by CPS.

It is anticipated that the underwriting agreement pertaining to the sale of any Series of Certificates will provide that the obligations of the underwriters will be subject to certain conditions precedent, that the underwriters, jointly or severally (as specified in the applicable underwriting agreement), will be obligated to purchase all such Certificates if any are purchased (other than in connection with an underwriting on a best efforts basis) and that CPS will indemnify the several underwriters and, in certain limited circumstances, the underwriters will indemnify CPS against

certain civil liabilities, including liabilities under the Securities Act or will contribute to payments required to be made in respect thereof.

The Prospectus Supplement with respect to any Series offered by placements through dealers will contain information regarding the nature of such offering and any agreements to be entered into between CPS and purchasers of Certificates of such Series.

Purchasers of Certificates, including dealers, may, depending on the facts and circumstances of such purchases, be deemed to be "underwriters" within the meaning of the Securities Act in connection with reoffers and sales by them of Certificates. Holders of Certificates should consult with their legal advisors in this regard prior to any such reoffer or sale.

#### LEGAL OPINIONS

Certain legal matters relating to the issuance of the Certificates of any Series, including certain federal and state income tax consequences with respect thereto, will be passed upon by Mayer, Brown & Platt, New York, New York.

#### FINANCIAL INFORMATION

Certain specified Trust Assets will secure each Series of Certificates, no Trust will engage in any business activities or have any assets or obligations prior to the issuance of the related Series of Certificates. Accordingly, no financial statements with respect to any Trust Assets will be included in this Prospectus or in the related Prospectus Supplement.

A Prospectus Supplement may contain the financial statements of the related Credit Enhancer, if any.

#### ADDITIONAL INFORMATION

This Prospectus, together with the Prospectus Supplement for each Series of Certificates, contains a summary of the material terms of the applicable exhibits to the Registration Statement and the documents referred to herein and therein. Copies of such exhibits are on file at the offices of the Securities and Exchange Commission in Washington, D.C., and may be obtained at rates prescribed by the Commission upon request to the Commission and may be inspected, without charge, at the Commission's offices.

PROSPECTUS

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UNTIL (90 DAYS AFTER THE DATE OF THIS PROSPECTUS SUPPLEMENT), ALL DEALERS EFFECTING TRANSACTIONS IN THE CERTIFICATES DESCRIBED IN THIS PROSPECTUS SUPPLEMENT, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.



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PART II

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Rating Agency Fees.....	.\$[ ]
Credit Enhancement Fee.....	.\$[ ]
Miscellaneous Fees.....	.\$[ ]
	-----
Total.....	.\$[ ]
	=====

Item 15. Indemnification of Directors and Officers

Indemnification. Under the laws which govern the organization of the registrant, the registrant has the power and in some instances may be required to provide an agent, including an officer or director, who was or is a party or is threatened to be made a party to certain proceedings, with indemnification against certain expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such person's status as an agent of Consumer Portfolio Services, Inc., if that person acted in good faith and in a manner reasonably believed to be in the best interests of Consumer Portfolio Services, Inc. and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of that person was unlawful.

Article IV of the Articles of Incorporation and Section 2 of Article VI of the Amended and Restated ByLaws of Consumer Portfolio Services, Inc. provides that all officers and directors of the corporation shall be indemnified by the corporation from and against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such person's status as an agent of Consumer Portfolio Services, Inc., if that person acted in good faith and in a manner reasonably believed to be in the best interests of Consumer Portfolio Services, Inc. and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of that person was unlawful.

The form of the Underwriting Agreement, to be filed as an exhibit to this Registration Statement, will provide that Consumer Portfolio Services, Inc. will indemnify and reimburse the underwriter(s) and each controlling person of the underwriter with respect to certain expenses and liabilities, including liabilities under the 1933 Act or other federal or state regulations or under the common law, which arise out of or are based on certain material misstatements or omissions in the Registration Statement. In addition, the Underwriting Agreement will provide that the underwriter(s) will similarly indemnify and reimburse Consumer Portfolio Services, Inc. with respect to certain material misstatements or omissions in the Registration Statement which are based on certain written information furnished by the underwriter(s) for use in connection with the preparation of the Registration Statement.

Insurance. As permitted under the laws which govern the organization of the registrant, the registrant's Amended and Restated By-Laws permit the board of directors to purchase and maintain insurance on behalf of the registrant's agents, including its officers and directors, against any liability asserted against them in such capacity or arising out of such agents' status as such, whether or not the registrant would have the power to indemnify them against such liability under applicable law.

Item 16. Exhibits and Financial Statements

(a) Exhibits

- 1.1 --Form of Underwriting Agreement.\*
- 4.1 --Form of Pooling and Servicing Agreement, including the form of Certificates and certain other related agreements as Exhibits thereto.
- 5.1 --Opinion of Mayer, Brown & Platt with respect to legality.\*
- 8.1 --Opinion of Mayer, Brown & Platt with respect to tax matters.\*
- 10.1 --Form of Purchase Agreement.
- 23.1 --Consent of Mayer, Brown & Platt (included in its opinions filed as Exhibit 5.1 and Exhibit 8.1).\*
- 24.1 --Powers of Attorney.

(b) Financial Statements

All financial statements, schedules and historical financial information have been omitted as they are not applicable.

- - - - -

\* To be filed pursuant to an amendment to this Registration Statement.

Item 17. Undertakings

A. Undertaking pursuant to Rule 415

The undersigned registrant hereby undertakes as follows:

(a) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(1) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(2) to reflect in the Prospectus any facts or events arising after the effective date of the Registration Statement (or most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

(3) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change of such information in the Registration Statement; provided, however, that paragraphs (1) and (2) do not apply if the information required to be included in the post-effective amendment is contained in periodic reports filed by the Issuer pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(b) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. Undertaking pursuant to Rule 415

(a) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(b) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Undertaking in respect of indemnification

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in such Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its

counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the questions whether such indemnification by it is against public policy as expressed in such Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the capacities indicated.

CONSUMER PORTFOLIO SERVICES, INC.  
as originator of the Trust (Registrant)

By /s/ Charles E. Bradley, Jr.

-----  
Name: Charles E. Bradley, Jr.  
Title: President

II-5



Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed on August \_\_, 1996 by the following persons in the capacities indicated.

Signatures  
Title

-----  
Charles E. Bradley, Sr.  
Director

/s/ Charles E. Bradley, Jr.  
-----  
Charles E. Bradley, Jr.  
President and Director

\*  
-----  
William B. Roberts  
Director

-----  
John G. Poole  
Director

\*  
-----  
Thomas L. Chrystie  
Director

\*  
-----  
Robert A. Simms  
Director

/s/ Jeffrey P. Fritz  
-----  
Jeffrey P. Fritz  
Chief Financial Officer and Secretary

\*By: /s/ Jeffrey P. Fritz  
-----  
Jeffrey P. Fritz  
as attorney-in-fact

EXHIBIT INDEX

- 1.1 --Form of Underwriting Agreement.\*
- 4.1 --Form of Pooling and Servicing Agreement, and certain other related agreements as Exhibits thereto.
- 5.1 --Opinion of Mayer, Brown & Platt with respect to legality.\*
- 8.1 --Opinion of Mayer, Brown & Platt with respect to tax matters.\*
- 10.1 --Form of Receivables Purchase Agreement.
- 23.1 --Consent of Mayer, Brown & Platt (included in its opinions filed as Exhibit 5.1 and Exhibit 8.1).\*
- 24.1 --Powers of Attorney.

- - - - -

\* To be filed pursuant to an amendment to this Registration Statement.

EXHIBIT 4.1

[                    ]  
Seller

and

Consumer Portfolio Services, Inc.  
Servicer

and

[                    ]  
Trustee [and Standby Servicer]

POOLING AND SERVICING AGREEMENT  
Dated as of [                    ]

                  \$[                    ]  
CPS Auto Grantor Trust 199[ ]-[ ]  
\$[ ], [ ]% Class A Certificates  
\$[ ], [ ]% Class B Certificates

POOLING AND SERVICING AGREEMENT dated as of [ \_\_\_\_\_ ] (the "Agreement") among [ \_\_\_\_\_ ], a [ \_\_\_\_\_ ], as seller (the "Seller"), Consumer Portfolio Services, Inc., a California corporation ("CPS"), as servicer (the "Servicer"), and [ \_\_\_\_\_ ], a [ \_\_\_\_\_ ], as trustee [and standby servicer] (the "Trustee" [and "Standby Servicer", respectively]).

In consideration of the premises and of the mutual agreements herein contained, and other good and valuable consideration, the receipt of which is acknowledged, the parties hereto, intending to be legally bound, agree as follows:

#### ARTICLE I

##### Definitions

SECTION 1.1. Definitions. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, whenever capitalized shall have the following meanings:

"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.

"Aggregate Pass-Through Rate" means the sum of the Class A Pass-Through Rate and the Class B Pass-Through Rate.

"Aggregate Prepayment Reduction Amount" means for any Distribution Date, the sum of the Prepayment Reduction Amounts for all Simple Interest Receivables which were paid in full during the related Collection Period.

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

"Amount Financed" with respect to a Receivable means the aggregate amount originally advanced under the Receivable toward the purchase price of the Financed Vehicle and any related costs.

"Annual Percentage Rate" or "APR" of a Receivable means the annual rate of finance charges stated in the Receivable.

"Authenticating Agent" has the meaning assigned to such term in Section 6.2B.

"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 in which the Corporate Trust Office is located, the State in which the executive offices of the Servicer are located or the State in which the principal place of business of the [Credit Enhancer] is located shall be authorized or obligated by law, executive order, or governmental decree to be closed.

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

"Certificate" means any one of the certificates executed by the Trustee on behalf of the Trust and authenticated by the Trustee in substantially the form set forth in Exhibit A or Exhibit B hereto.

"Certificate Account" means the account designated as such, established and maintained pursuant to Section 4.1.

"Certificate Balance" as of any day, means the sum of the Class A Certificate Balance on such day and the Class B Certificate Balance on such day.

"Certificate Register" and "Certificate Registrar" mean, respectively, the register maintained and the Certificate Registrar appointed pursuant to Section 6.3.

"Certificateholder" or "Holder" means the Person in whose name a Certificate shall be registered in the Certificate Register, except that so long as any Certificates are outstanding, solely for the purposes of giving any consent, waiver, request or demand pursuant to this Agreement, the interest evidenced by any Certificate registered in the name of the Seller or the Servicer, or any Affiliate of either of them, shall not be taken into account in determining whether the requisite percentage necessary to effect any such consent, waiver, request or demand shall have been obtained.

"Certificates" means the Class A Certificates and the Class B Certificates.

"Class A Certificate" means any one of the [ ]% Class A Certificates, executed by the Trustee on behalf of the Trust and authenticated by the Trustee in substantially the form set forth in Exhibit A hereto.

"Class A Certificate Balance" shall equal, initially, the Class A Percentage of the Original Pool Balance and, thereafter,

shall equal the initial Class A Certificate Balance, reduced by all amounts previously distributed to Class A Certificateholders and allocable to principal.

"Class A Certificateholder" means the Person in whose name a Class A Certificate shall be registered in the Certificate Register.

"Class A Distributable Amount" means, for any Distribution Date, an amount equal to the sum of the Class A Principal Distributable Amount for such Distribution Date and the Class A Interest Distributable Amount for such Distribution Date.

"Class A Guaranteed Distribution Amount" means, with respect to each Distribution Date, the sum of the Class A Interest Distributable Amount for such Distribution Date and the Class A Principal Distributable Amount for such Distribution Date, in each case in accordance with the original terms of the Class A Certificates when issued and without regard to any amendment or modification of the Certificates or the Agreement which has not been consented to by the [Credit Enhancer]; provided, however, the Class A Guaranteed Distribution Amount shall not include, nor shall coverage be provided under [the Credit Enhancement] in respect of, any taxes, withholding or other charge imposed with respect to any Class A Certificateholder by any governmental authority.

"Class A Interest Carryover Shortfall" means, as of the close of any Distribution Date on which an [Enhancement Default] is continuing, the excess of the Class A Interest Distributable Amount for such Distribution Date and any outstanding Class A Interest Carryover Shortfall from the preceding Distribution Date plus interest on such outstanding Class A Interest Carryover Shortfall, to the extent permitted by law, at the Class A Pass- Through Rate from such preceding Distribution Date through the current Distribution Date (calculated on the basis of a 360-day year consisting of twelve 30-day months), over the amount of interest that the Holders of the Class A Certificates actually received on such current Distribution Date.

"Class A Interest Distributable Amount" means, for any Distribution Date, an amount equal to thirty (30) days of interest at the Class A Pass-Through Rate on the Class A Certificate Balance as of the close of business on the last day of the related Collection Period (calculated on the basis of a 360-day year consisting of twelve 30-day months); provided, however, that on the first Distribution Date, the Class A Interest Distributable Amount will equal interest at the Class A Pass-Through Rate on the Class A Certificate Balance from and including the Closing Date through and including [ \_\_\_\_\_ ].

"Class A Pass-Through Rate" means [ ]% per annum.

"Class A Percentage" shall be [ ] percent ([ ]%).

"Class A Pool Factor" means, as of a Distribution Date, a seven-digit decimal figure equal to the Class A Certificate Balance as of the close of business on such Distribution Date divided by the initial Class A Certificate Balance. The Class A Pool Factor will be 1.0000000 as of the Closing Date; thereafter, the Class A Pool Factor will decline to reflect reductions in the Class A Certificate Balance.

"Class A Principal Carryover Shortfall" means, as of the close of any Distribution Date on which an [Enhancement Default] is continuing, the excess of the Class A Principal Distributable Amount and any outstanding Class A Principal Carryover Shortfall from the preceding Distribution Date, over the amount of principal that the Holders of the Class A Certificates actually received on such current Distribution Date.

"Class A Principal Distributable Amount" means, with respect to any Distribution Date other than the Final Scheduled Distribution Date, the sum of the Class A Percentage of the sum of the following amounts: (i) the principal portion of all Scheduled Payments (including amounts transferred from the Payahead Account to the Certificate Account to be applied to the principal portion of Scheduled Payments) received during the preceding Collection Period on Rule of 78's Receivables and all payments of principal received on Simple Interest Receivables during such Collection Period; (ii) the principal portion of all prepayments in full received during the preceding Collection Period (including prepayments in full resulting from collections with respect to a Receivable received during the preceding Collection Period plus the transfer of the Payahead Balance with respect to such Receivable to the Certificate Account pursuant to Section 4.6(a)(ii)) (without duplication of amounts included in clause (i) above and clause (iv) below); (iii) the portion of the Purchase Amount allocable to principal of each Receivable that became a Purchased Receivable as of the last day of the preceding Collection Period and, at the option of the [Credit Enhancer], 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 clauses (i) and (ii) above); (iv) the Principal Balance of each Receivable that first became a Liquidated Receivable during the preceding Collection Period (without duplication of the amounts included in clauses (i) and (ii) above); and (v) the aggregate amount of Cram Down Losses with respect to the Receivables that have occurred during the preceding Collection Period. In addition, on the Final Scheduled Distribution Date, the Class A Principal Distributable Amount

will equal the Class A Certificate Balance as of the Final Scheduled Distribution Date.

"Class B Certificate" means any one of the [ ]% Class B Certificates, executed by the Trustee on behalf of the Trust and authenticated by the Trustee in substantially the form set forth in Exhibit B hereto.

"Class B Certificate Balance" shall equal, initially, the Class B Percentage of the Original Pool Balance and, thereafter, shall equal the initial Class B Certificate Balance, reduced by all amounts previously distributed to Class B Certificateholders and allocable to principal.

"Class B Certificateholder" means the Person in whose name a Class B Certificate shall be registered in the Certificate Register.

"Class B Deficiency" shall have the meaning specified in Section 4.7(c).

"Class B Distributable Amount" means, for any Distribution Date, the sum of the Class B Principal Distributable Amount and the Class B Interest Distributable Amount.

"Class B Interest Distributable Amount" means, for any Distribution Date, an amount equal to thirty (30) days of interest at the Class B Pass-Through Rate on the Class B Certificate Balance as of the close of business on the last day of the related Collection Period (calculated on the basis of a 360-day year consisting of twelve 30-day months); provided, however, that on the first Distribution Date, the Class B Interest Distributable Amount will equal interest at the Class B Pass-Through Rate on the Class B Certificate Balance from and including the Closing Date through and including [ ].

"Class B Interest Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class B Interest Distributable Amount for such Distribution Date and any outstanding Class B Interest Carryover Shortfall from the preceding Distribution Date, plus interest on such outstanding Class B Interest Carryover Shortfall, to the extent permitted by law, at the Class B Pass-Through Rate from such preceding Distribution Date through the current Distribution Date (calculated on the basis of a 360-day year consisting of twelve 30-day months), over the amount of interest that the Holders of the Class B Certificates actually received pursuant to Section 4.6(c) (vi) on such current Distribution Date.

"Class B Pass-Through Rate" means [ ]% per annum.



"Class B Percentage" shall be [ ] percent ([ ]%).

"Class B Pool Factor" means, as of a Distribution Date, a seven-digit decimal figure equal to the Class B Certificate Balance as of the close of business on such Distribution Date divided by the initial Class B Certificate Balance. The Class B Pool Factor will be 1.0000000 as of the Closing Date; thereafter, the Class B Pool Factor will decline to reflect reductions in the Class B Certificate Balance.

"Class B Principal Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class B Principal Distributable Amount and any outstanding Class B Principal Carryover Shortfall from the preceding Distribution Date, over the amount of principal that the Holders of the Class B Certificates actually received.

"Class B Principal Distributable Amount" means, with respect to any Distribution Date, the Class B Percentage of the sum of the following amounts: (i) the principal portion of all Scheduled Payments received during the preceding Collection Period on Rule of 78's Receivables and all payments of principal received on Simple Interest Receivables during such Collection Period (including amounts transferred from the Payahead Account to the Certificate Account to be applied to the principal portion of Scheduled Payments); (ii) the principal portion of all prepayments in full received during the preceding Collection Period (including prepayments in full resulting from collections with respect to a Receivable received during the preceding Collection Period plus the transfer of the Payahead Balance with respect to such Receivable to the Certificate Account pursuant to Section 4.6(a)(ii)) (without duplication of amounts included in clause (i) above and clause (iv) below); (iii) the portion of the Purchase Amount allocable to principal of each Receivable that became a Purchased Receivable as of the last day of the preceding Collection Period and, at the option of the [Credit Enhancer], 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 clauses (i) and (ii) above); (iv) the Principal Balance of each Receivable that first became a Liquidated Receivable during the preceding Collection Period (without duplication of the amounts included in clause (i) and (ii) above); and (v) the aggregate amount of Cram Down Losses with respect to the Receivables that have occurred during the preceding Collection Period. In addition, on the Final Scheduled Distribution Date, the Class B Principal Distributable Amount will equal the Class B Certificate Balance as of the Final Scheduled Distribution Date.

"Closing Date" means [ ].

"Code" shall have the meaning specified in Section 2.6.

["Collateral Agent" means, the [Collateral Agent] named in the [Spread Account Agreement], and any successor thereto pursuant to the terms of [the Spread Account Agreement].]

"Collection Account" means the account designated as such, established and maintained pursuant to Section 4.1.

"Collection Period" means each calendar month during the term of this Agreement or, in the case of the initial Collection Period, the period from and excluding the Cutoff Date to and including the last day of the month in which the Cutoff Date occurred. 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: (1) all applications of collections, (2) all current and previous Payaheads, (3) all applications of Payahead Balances and (4) all distributions.

"Confidential Information" means, in relation to any Person, any written information delivered or made available by or on behalf of CPS or the Seller to such Person in connection with or pursuant to this Agreement or the transactions contemplated hereby which is proprietary in nature and clearly marked or identified as being confidential information, other than information (i) which was publicly known, or otherwise known to such Person, at the time of disclosure (except pursuant to disclosure in connection with this Agreement), (ii) which subsequently becomes publicly known through no act or omission by such Person, or (iii) which otherwise becomes known to such Person other than through disclosure by CPS or the Seller.

"Corporate Trust Office" means the office of the Trustee at which its corporate trust business shall be administered, which office at the date of this Agreement is located at [ \_\_\_\_\_ ].

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

"Cram Down Loss" means, with respect to a Receivable, if a court of appropriate jurisdiction in an insolvency proceeding shall have issued an order reducing the amount owed on a Receivable or otherwise modifying or restructuring Scheduled Payments to be made on a Receivable, an amount equal to such reduction in Principal Balance of such Receivable or the reduction in the net present value (using as the discount rate the lower of the contract rate or the rate of interest specified by the court in such order) of the Scheduled Payments as so modified or restructured. A "Cram Down Loss" shall be deemed to have occurred on the date such order is entered.

["Credit Enhancer" means [ ], a [ ] organized and created under the laws of [ ], or its successors in interest.

["Credit Enhancement" means [describe Credit Enhancement] issued by the [Credit Enhancer] for the benefit of the Holders of the Class A Certificates issued hereunder.]

["Credit Enhancement Account" means the segregated trust account created by the Servicer under Section 4.1.]

"Cutoff Date" means [ ].

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

"Deficiency Claim Amount" shall have the meaning specified in Section 4.7(a).

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

"Deficiency Notice" shall have the meaning specified in Section 4.7(a).

"Determination Date" means the earlier of (i) the seventh Business Day of each calendar month and (ii) the fifth Business Day preceding the related Distribution Date.

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

"Eligible Account" means (i) a segregated trust account that is maintained with a depository institution acceptable to the [Credit Enhancer] (so long as an [Enhancement 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 Ratings Group and "P-1" by Moody's Investors Service, Inc. and (so long as an [Enhancement Default] shall not have occurred and be continuing) acceptable to the [Credit Enhancer].

"Eligible Investments" mean book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form which evidence:

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

(b) 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 "P-1" by Moody's;

(c) commercial paper that, at the time of the investment or contractual commitment to invest therein, is rated "A-1+" by Standard & Poor's and "P-1" by Moody's;

(d) bankers' acceptances issued by any depository institution or trust company referred to in clause (b) above;

(e) 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 (i) a depository institution or trust company (acting as principal) described in clause (b) or (ii) 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 "P-1" by Moody's and long term unsecured debt obligations are rated "AAA" by Standard & Poor's and "Aaa" by Moody's;

(f) with the prior written consent of the [Credit Enhancer], 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; and

(g) any other investment as may be acceptable to the [Credit Enhancer], as evidenced by a writing to that effect, as may from time to time be confirmed in writing to the Trustee by the [Credit Enhancer].

Any Eligible Investments may be purchased by or through the Trustee or any of its Affiliates.

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

(i) the [Credit Enhancer] fails to make a payment required under the [Credit Enhancement] in accordance with its terms;

(ii) the [Credit Enhancer] (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 other competent court or regulatory authority enters a final and nonappealable order, judgment or decree (A) appointing a custodian, trustee, agent or receiver for the [Credit Enhancer] 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 [Credit Enhancer] (or the taking of possession of all or any material portion of the property of the [Credit Enhancer]).

"ERISA" shall have the meaning specified in Section 2.6.

"Event of Default" means an event specified in Section 9.1.

"Final Scheduled Distribution Date" shall be the April 15, 2001 Distribution 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.

"Insolvency Proceeding" shall have the meaning specified in Section 9.5(b).

["Enhancement Agreement" means the [Credit Enhancement Agreement] among [ ] and the [Credit Enhancer], dated as of [ ].]

"[Enhancement Agreement] Event of Default" means an Event of Default as defined in the [Enhancement Agreement].

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

"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 an Obligor has failed to make more than [90]% of a Scheduled Payment of more than [ten] dollars for [120] or more days 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.

"Liquidation Proceeds" means, with respect to a Liquidated Receivable, the monies collected from whatever source during the Collection Period in which such Receivable became a Liquidated Receivable, net of the reasonable costs of liquidation, including reasonable expenses of the Servicer in connection with such liquidation, plus any amounts required by law to be remitted to the Obligor.

"Lock-Box Account" means the segregated account designated as such, established and maintained pursuant to Section 4.1.

"Lock-Box Agreement" means the [lock-box agreement], dated the Closing Date, among the Servicer, the Lock-Box Processor and the Trustee, as amended, modified or supplemented from time to time, unless such Agreement shall be terminated in accordance with its terms or the terms hereof, in which event "Lock-Box Agreement" shall mean such other agreement, in form and substance acceptable to the [Credit Enhancer], among the Servicer, the Lock-Box Processor and the Trustee.

"Lock-Box Bank" means, as of any date, a depository institution named by the Servicer and acceptable to the [Credit Enhancer] at which the Lock-Box Account is established and maintained as of such date.

"Lock-Box Processor" means initially Cash Flex, L.P. and its successors or any replacement Lock-Box Processor acceptable to the [Credit Enhancer] under the Lock-Box Agreement.

"Moody's" means Moody's Investors Service, Inc., and any successors thereof.

"Obligor" on a Receivable means the purchaser or co-purchasers of the related Financed Vehicle or any other Person who owes or may be liable for payments under such Receivable.

"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 any assistant treasurer or any assistant controller 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 Servicer, which counsel shall be acceptable to the Trustee and the [Credit Enhancer] and which opinion shall be acceptable to the Trustee and the [Credit Enhancer] in form and substance.

"Optional Purchase Percentage" means 10%.

"Original Class A Principal Balance" means the product of the Class A Percentage and the Original Pool Balance.

"Original Class B Principal Balance" means the product of the Class B Percentage and the Original Pool Balance.

"Original Pool Balance" means \$[                    ].

"Payahead" on a Rule of 78's Receivable means the amount, as of the close of business on the last day of a Collection Period, determined in accordance with Section 4.3 with respect to such Rule of 78's Receivable.

"Payahead Account" means the account designated as such, established and maintained pursuant to Section 4.1. The Payahead Account shall be held by the Trustee but shall be primarily for the benefit of the Obligors of Rule of 78's Receivables and shall not be part of the Trust.

"Payahead Balance" on a Rule of 78's Receivable means the sum, as of the close of business on the last day of a Collection Period, of all Payaheads made by or on behalf of the Obligor with respect to such Rule of 78's Receivable, as reduced by applications of previous Payaheads with respect to such Rule of 78's Receivable, pursuant to Sections 4.3 and 4.4.

"Paying Agent" has the meaning assigned to such term in Section 6.2A.

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

"Pool Balance" as of the close of business on the last day of a Collection Period means the aggregate Principal Balance of the Receivables (excluding Liquidated and Purchased Receivables).

"Post-Office Box" means the separate post-office box in the name of the Trustee for the benefit of the Certificateholders and the [Credit Enhancer], established and maintained pursuant to Section 4.1.

"Preference Claim" shall have the meaning specified in Section 9.5(b).

"Prepayment Reduction Amount" means with respect to any Simple Interest Receivable which has been paid in full during any Collection Period, an amount equal to one twelfth of the excess of (a) the product of (i) the Aggregate Pass-Through Rate and (ii) the Principal Balance of such Simple Interest Receivable as of the first day of such Collection Period over (b) the product of (i) a fraction (A) the numerator of which is the number of days from and including the first day of such Collection Period to but excluding the date on which such Simple Interest Receivable is paid in full and (B) the denominator of which is 30 and (ii) the Aggregate Pass-Through Rate and (iii) the Principal Balance of such Simple Interest Receivable as of the first day of such Collection Period.

"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) in the case of a Rule of 78's Receivable, that portion of all Scheduled Payments actually received on or prior to such day allocable to principal using the actuarial or constant yield method; (ii) in the case of a Simple Interest Receivable, that portion of all Scheduled Payments actually received on or prior to such day allocable to principal using the Simple Interest Method; (iii) any payment of the Purchase Amount with respect to the Receivable allocable to principal; (iv) any Cram Down Loss in respect of such Receivable; and (v) any prepayment in full or any partial prepayment applied to reduce the Principal Balance of the Receivable.

"Purchase Agreement" means the Purchase Agreement dated as of [ ], by and between the Seller and CPS, as amended,



modified or supplemented from time to time, relating to the purchase of the Receivables by the Seller from CPS.

"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 including interest thereon to the end of the month of purchase.

"Purchased Receivable" means a Receivable purchased as of the close of business on the last day of a Collection Period by the Servicer pursuant to Section 3.7 or by CPS pursuant to Section 2.6 or Section 2.8.

"Rating Agency" means [ \_\_\_\_\_ ] and any successors thereof. If such organization or successor is no longer in existence, "Rating Agency" shall be such nationally recognized statistical rating organization or other comparable Person designated by the [Credit Enhancer], notice of which designation shall be given to the Trustee and the Servicer.

"Receivable" means each retail installment sale contract for a Financed Vehicle which shall appear on Schedule A to this Agreement (which Schedule A may be in the form of microfiche) and all rights and obligations thereunder except for Receivables that shall have become Purchased Receivables.

"Receivable Files" means the documents specified in Section 2.7.

"Record Date" means the tenth day of the calendar month in which a Distribution 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.

["Reimbursement Obligations" means, with respect to each Distribution Date, any amounts due to the [Credit Enhancer] under the terms hereof or under the Enhancement Agreement and with respect to which the [Credit Enhancer] has not been previously paid.]

["Reserve Fund" means, the Reserve Fund established by the Seller pursuant to the [Reserve Fund Agreement]. The Reserve Fund shall be held by the [Reserve Fund Collateral Agent] and shall in no event be deemed part of the Trust.]

["Reserve Fund Agreement" means the Reserve Fund Agreement dated as of [ ], among [ ] and [the Reserve Fund Collateral Agent].

["Reserve Fund Collateral Agent" means [ ] acting as Reserve Fund Collateral Agent under the [Reserve Fund Agreement].]

"Residual Certificate" shall have the meaning set forth in Section 6.1 hereof.

"Rule of 78's Receivable" means any Receivable under which the portion of a payment allocable to earned interest (which may be referred to in the related retail installment sale contract as an add-on finance charge) and the portion allocable to the Amount Financed is determined according to the method commonly referred to as the "Rule of 78's" method or the "sum of the months' digits" method or any equivalent method.

"Scheduled Payment" means, for any Collection Period for any Receivable, the amount indicated in such Receivable as required to be paid by the Obligor in such Collection Period (without giving effect to deferments of payments pursuant to Section 3.2 or any rescheduling of payments in any insolvency or similar proceedings).

"Seller" means CPS Receivables Corp., as the seller of the Receivables under this Agreement, and each of its successors pursuant to Section 7.3.

"Servicer" means CPS as the servicer of the Receivables which were purchased by the Seller, and each successor to CPS (in the same capacity) pursuant to Section 8.3(a) or 9.2.

"Servicer's Certificate" means a certificate completed and executed by a Servicing Officer pursuant to Section 3.9, substantially in the form of Exhibit E-2.

["Servicing Assumption Agreement" means the Servicing Assumption Agreement, dated as of [ ], among CPS, [the Standby Servicer] and the Trustee, as the same may be amended or supplemented in accordance with its terms.]

"Servicing Fee" means the fee payable to the Servicer for services rendered during the respective Collection Period, determined pursuant to Section 3.8.

"Servicing Officer" means any person whose name appears on a list of Servicing Officers delivered to the Trustee and the [Credit Enhancer], as the same may be amended from time to time.

"Servicing Rate" shall be [ ]% per annum, payable monthly[, provided, however, that if [the Standby Servicer] becomes the successor Servicer, the "Servicing Rate" shall be equal to a percentage per annum determined pursuant to [the Servicing Assumption Agreement] not to exceed [ ]% per annum].

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

["Spread Account" means, with respect to the Trust and similar trusts to be established by the Seller, the Spread Account established and maintained pursuant to the Spread Account Agreement. The Spread Account shall be held by the [Collateral Agent] and shall in no event be deemed part of the Trust.]

["Spread Account Agreement" means the Master Spread Account Agreement among [ ] and [the Collateral Agent], as amended and restated as of [ ], as the same may be amended, supplemented or otherwise modified in accordance with the terms thereof.

"Standard & Poor's" means Standard & Poor's Ratings Group, Inc. and any successors thereof.

["Standby Fee" means the fee payable to [the Standby Servicer] so long as CPS is the Servicer calculated in the same manner, on the same basis and for the same period as the Servicing Fee is calculated pursuant to Section 3.8 based on a rate of [ ]% per annum rather than the Servicing Rate.]

["Standby Servicer" means [ ], in its capacity as Standby Servicer pursuant to the terms of [the Servicing Assumption Agreement] or such Person as shall have been appointed Standby Servicer pursuant to Section 9.2(c).]

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

"Total Distribution Amount" shall mean, for each Distribution Date, the sum of the following amounts with respect to the preceding Collection Period: (i) all collections on Receivables (including amounts transferred from the Payahead Account to the Certificate Account pursuant to Section 4.6(a)(ii) but excluding amounts deposited into the Payahead Account); (ii) Liquidation Proceeds received during the Collection Period with respect to Receivables that became Liquidated Receivables during the Collection Period in accordance with the Servicer's customary servicing procedures; (iii) proceeds from Recoveries with respect to Liquidated Receivables; and (iv) the Purchase Amount of each Receivable that became a Purchased Receivable as of the last day of the Collection Period, and any earnings on investments of funds in the Collection Account and the Payahead Account pursuant to Section 4.1(a).

"Trust" means the trust created by this Agreement, the estate of which shall consist of the Trust Assets.

"Trust Assets" means that property set forth in items (i) through (viii) in Section 2.2 and [the Credit Enhancement] for the benefit of the Class A Certificateholders.

"Trustee" means the Person acting as Trustee under this Agreement, its successor in interest, and any successor trustee pursuant to Section 10.11.

"Trustee Fee" means the monthly fee payable on each Distribution Date to the Trustee for services rendered during the preceding Collection Period in an amount equal to the product of (i) one-twelfth of [ ]% and (ii) the Pool Balance of the last day of the second preceding Collection Period, distributed in accordance with Section 4.6(c); provided, however, that with respect to the initial Distribution Date, such monthly fee shall be an amount equal to the product of (i) one-twelfth of [ ]% and (ii) the Pool Balance as of the close of the Cutoff Date.

"Trustee Officer" means 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.

"Trustee's Certificate" means a certificate completed and executed for the Trustee by a Trustee Officer pursuant to Section 10.2, substantially in the form of, in the case of an assignment to CPS, Exhibit C-1 and in the case of an assignment to the Servicer, Exhibit C-2.

"UCC" means the Uniform Commercial Code as in effect in the respective jurisdiction.

SECTION 1.2. Usage of Terms. With respect to all terms in this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to "writing" include printing, typing, lithography, and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Agreement; references to Persons include their permitted successors and assigns; and the term "including" means "including without limitation."

SECTION 1.3. Section References. All section references shall be to Sections in this Agreement.

SECTION 1.4. Limitation on Trust Fund Activities. Notwithstanding any other provision in this Agreement to the contrary, the Trustee shall have no power to vary the investment of the Certificateholders within the meaning of Treasury Department Regulation ss. 301.7701-4(c) or to engage in business unless the Trustee and the [Credit Enhancer] shall have received an Opinion of Counsel that such activity shall not cause the Trust to be an association taxable as a corporation for federal income tax purposes.

SECTION 1.5. Calculations. All calculations of the amount of interest accrued on the Certificates and all calculations of the amount of the Servicing Fee and the Trustee Fee shall be made on the basis of a 360-day year consisting of twelve 30-day months. All references to the Principal Balance of a Receivable as of the last day of a Collection Period shall refer to the close of business on such day.

SECTION 1.6. Action by or Consent of Certificateholders. Whenever any provision of this Agreement refers to action to be taken, or consented to, by Certificateholders, such provision shall be deemed to refer to Certificateholders of record as of the Record Date immediately preceding the date on which such action is to be taken, or consent given, by Certificateholders. Solely for the purposes of any action to be taken, or consented to, by Certificateholders, any Certificate registered in the name of the Seller, CPS or any Affiliate thereof shall be deemed not to be outstanding and shall not be taken into account in determining whether the requisite interest necessary to effect any such action or consent has been obtained; provided, however, that, solely for the purpose of determining whether the Trustee is entitled to rely upon any such action or consent, only

Certificates which the Trustee knows to be so owned shall be so disregarded.

SECTION 1.7. Material Adverse Effect. 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 Trust or the Certificateholders (or any similar or analogous determination), such determination shall be made without taking into account the [Credit Enhancement].

## ARTICLE II

### The Trust and Trust Property

SECTION 2.1. Creation of Trust. Upon the execution of this Agreement by the parties hereto, there is hereby created the CPS Auto Grantor Trust 199[ ]-[ ].

SECTION 2.2. Conveyance of Receivables. In consideration of the Trustee's delivery of Certificates in an aggregate principal amount equal to the Original Pool Balance to or upon the written order of the Seller, the Seller does hereby sell, transfer, assign, set over and otherwise convey to the Trustee, in trust for the benefit of the Certificateholders, without recourse, except as provided in Sections 2.5, 2.6 and 2.8 (subject to the obligations herein):

(i) all right, title and interest of the Seller in and to the Receivables listed in Schedule A hereto and, with respect to Rule of 78's Receivables, all monies due or to become due thereon after the Cutoff Date (including Scheduled Payments due after the Cutoff Date (including principal prepayments relating to such Scheduled Payments) but received by the Seller or CPS before the Cutoff Date) and, with respect to Simple Interest Receivables, all monies received thereunder after the Cutoff Date and all Liquidation Proceeds and Recoveries received with respect to such Receivables;

(ii) all right, title and interest of the Seller in and to the security interests in the Financed Vehicles granted by Obligors pursuant to the Receivables and any other interest of the Seller in such Financed Vehicles, including, without limitation, the certificates of title or, with respect to such Financed Vehicles in the State of Michigan, all other evidence of ownership with respect to such Financed Vehicles;

(iii) all right, title and interest of the Seller in and to any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles or the Obligors;

(iv) all right, title and interest of the Seller in and to the Purchase Agreement, including a direct right to cause CPS to purchase Receivables from the Trust under certain circumstances;

(v) all right, title and interest of the Seller in and to refunds for the costs of extended service contracts with respect to Financed Vehicles, 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 for any of the foregoing;

(vi) the Receivable File related to each Receivable;

(vii) all amounts and property from time to time held in or credited to the Collection Account, the Lock-Box Account, [the Credit Enhancement Account] or the Certificate Account; and

(viii) the proceeds of any and all of the foregoing.

In addition, the Seller shall cause [the Credit Enhancement] to be issued to and delivered to the Trust for the benefit of the Certificateholders.

SECTION 2.3. Transfer Intended as Sale; Precautionary Security Interest. The conveyance to the Trust of the property set forth in Section 2.2 above is intended as a sale free and clear of all Liens, and it is intended that the property of the Trust 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, however, that notwithstanding the intent of CPS, the Seller and the Trustee, the transfer under this Agreement is held not to be a sale, this Agreement shall constitute a grant of a security interest in the property described in Section 2.2 above, for the benefit of the Certificateholders and the [Credit Enhancer] as their interests may appear herein.

SECTION 2.4. Acceptance by Trustee. The Trustee does hereby accept all consideration conveyed by the Seller pursuant to Section 2.2, and declares that the Trustee shall hold such

consideration upon the trusts herein set forth for the benefit of all present and future Certificateholders, subject to the terms and provisions of this Agreement.

SECTION 2.5. Representations and Warranties of Seller. The Seller makes the following representations and warranties as to the Receivables to the [Credit Enhancer] and to the Trustee, on which the [Credit Enhancer] relies in executing and delivering [the Credit Enhancement], and on which the Trustee on behalf of itself and the Certificateholders relies in accepting the items specified in Section 2.2 in trust and executing and authenticating the Certificates. Such representations and warranties speak as of the Closing Date, but shall survive the sale, transfer, and assignment of the Receivables to the Trustee.

(i) Characteristics of Receivables. (A) Each Receivable (1) has been originated in the United States of America by a Dealer for the retail sale of a Financed Vehicle in the ordinary course of such Dealer's business, has been fully and properly executed by the parties thereto and has been purchased by CPS in connection with the sale of Financed Vehicles by the Dealers, (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 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, (4) provides for level monthly payments that fully amortize the Amount Financed over the original term (except for the last payment, which may be different from the level payment) and yield interest at the Annual Percentage Rate, (5) has an Annual Percentage Rate of not less than [ ]%, (6) that is a Rule of 78's Receivable provides for, in the event that such contract is prepaid, a prepayment that fully pays the Principal Balance and includes a full month's interest, in the month of prepayment, at the Annual Percentage Rate, (7) is a Rule of 78's Receivable or a Simple Interest Receivable, and (8) was originated by a Dealer and was sold by the Dealer without any fraud or misrepresentation on the part of such Dealer.

(B) Approximately [ ]% of the aggregate Principal Balance of the Receivables, constituting [ ]% of the number of contracts, as of the Cutoff Date, represents financing of used automobiles, light trucks, vans or minivans; the remainder of the Receivables represent financing of new automobiles, light trucks, vans or minivans; approximately [ ]% of the aggregate Principal



Balance of the Receivables as of the Cutoff Date were originated in the State of California; approximately [ ]% of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS alpha program; approximately [ ]% of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS delta program; the remainder of the Receivables were originated under the CPS standard program; no Receivable shall have a payment that is more than [30] days overdue as of the Cutoff Date; [ ]% of the Receivables are Rule of 78's Receivables and [ ]% of the Receivables are Simple Interest Receivables; each Receivable shall have a final scheduled payment due no later than April 25, 2001; each Receivable has an original term to maturity of at least 24 months and not more than 60 months and a remaining term to maturity of not less than 18 months nor greater than 60 months; and each Receivable was originated on or before the Cutoff Date.

(ii) Schedule of Receivables. The information with respect to the Receivables set forth in Schedule A to this Agreement is true and correct in all material respects as of the close of business on the Cutoff Date, and no selection procedures adverse to the Certificateholders have been utilized in selecting the Receivables.

(iii) 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 service contracts complied at the time the related Receivable was originated or made and at the execution of this Agreement complies in all material respects with all requirements of applicable Federal, State, and local laws, and regulations thereunder including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Soldiers' and Sailors' Civil Relief Act of 1940, 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 other consumer credit laws and equal credit opportunity and disclosure laws.

(iv) Binding Obligation. Each Receivable represents the genuine, legal, valid and binding payment obligation in writing of the Obligor, enforceable by the holder thereof in accordance with its terms.

(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 the Trust as secured party, and such 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).

(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. No provision of a Receivable has been waived.

(ix) No Amendments. 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. As of the Closing Date, 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 or subject to any such right of rescission, setoff, counterclaim, or defense.

(xi) No Liens. As of the Cutoff Date, 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.

(xii) No Default; Repossession. Except for payment delinquencies continuing for a period of not more than [thirty] days as of the Cutoff Date, no default, breach, violation or event permitting acceleration under the terms of any Receivable has occurred; and no continuing condition

that with notice or the lapse of time 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; and no Financed Vehicle shall have been repossessed as of the Cutoff Date.

(xiii) Insurance; Other. (A) Each Obligor has obtained insurance covering the Financed Vehicle as of the execution of the Receivable insuring against loss and damage due to fire, theft, transportation, collision and other risks generally covered by comprehensive and collision coverage, and that each Receivable requires the Obligor to obtain and maintain such insurance naming CPS and its successors and assigns as 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 from the Seller to the Trust and that the beneficial interest in and title to such Receivables 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 has been sold, transferred, assigned, or pledged by the Seller to any Person other than the Trustee. Immediately prior to the transfer and assignment herein contemplated, the Seller had good and marketable title to each Receivable 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 Certificateholders and the [Credit Enhancer] 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 Certificates 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 the Trustee a first priority perfected ownership interest in the Receivables have been made.

(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 Receivable constitutes "chattel paper" under the UCC.

(xix) Title Documents. (A) If the Receivable was originated in a State in which notation of 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 State of Michigan, a copy thereof) 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 Trustee 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. 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 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 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) Tax Liens. As of the Cutoff Date, there is no lien against the related Financed Vehicle for delinquent taxes.

(xxii) Characteristics of Obligors. As of the date of each Obligor's application for the loan 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, (b) was not the subject of any Federal, State or other bankruptcy, insolvency or similar proceeding pending on the date of application that is not 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.

(xxiii) Origination. Each Receivable has an origination date on or after [        ].

(xxiv) Maturity of Receivables. Each Receivable has an original term to maturity of not less than [        ] months and not more than 60 months; the weighted average original term to maturity of the Receivables is [        ] months as of the Cutoff Date; the remaining term to maturity of each Receivable was [        ] months or less as of the Cutoff Date; the weighted average remaining term to maturity of the Receivables was [        ] months as of the Cutoff Date.

(xxv) Scheduled Payments. Each Receivable had an original principal balance of not less than \$[        ] nor more than \$[        ], has an outstanding principal balance as of the Cutoff Date of not less than \$[        ] nor more than \$[        ] and has a first Scheduled Payment due on or prior to [        ].

(xxvi) Origination of Receivables. Based on the billing address of the Obligors and the Principal Balances as of the Cutoff Date, approximately [        ]% of the Receivables were originated in [        ].

(xxvii) Post-Office Box. On or prior to the next billing period after the Cutoff Date, CPS will notify each Obligor to make payments with respect to its respective Receivables after the Cutoff Date directly to the Post- Office Box, and will provide each Obligor with a monthly statement in order to enable such Obligors to make payments directly to the Post-Office Box.

(xxviii) Location of Receivable Files. A complete Receivable File with respect to each Receivable has been or prior to the Closing Date will be delivered to the Trustee at the location listed in Schedule B.

(xxix) Casualty. No Financed Vehicle has suffered a Casualty.

(xxx) Principal Balance/Number of Contracts. As of the Cutoff Date, the total aggregate principal balance of the Receivables was \$[        ]. The Receivables are evidenced by [    ] Contracts.

SECTION 2.6. Repurchase Upon Breach. The Seller, the Servicer, the [Credit Enhancer] or the Trustee, as the case may be, shall inform the other parties to this Agreement and the [Credit Enhancer] promptly, in writing, upon the discovery of any breach of the Seller's representations and warranties made pursuant to Section 2.5 (without regard to any limitation 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 the Trustee or the [Credit Enhancer] or receipt by the Trustee and the [Credit Enhancer] of notice from the Seller or the Servicer of such breach, CPS shall repurchase any Receivable if 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 Trust is materially and adversely affected by such breach, unless the breach shall have been cured by 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 the Receivable, CPS shall remit the Purchase Amount, in the manner specified in Section 4.5. For purposes of this Section, the Purchase Amount of a Receivable which is not consistent with the warranty pursuant to Section 2.5(i)(A)(4) or (A)(5) shall include such additional amount as shall be necessary to provide the full amount of interest as contemplated therein. The sole remedy of the Trustee, the Trust, the Certificateholders or the [Credit Enhancer] with respect to a breach of representations and warranties pursuant to Section 2.5 shall be to enforce CPS's obligation to purchase such Receivables pursuant to the Purchase Agreement; provided, however, that CPS shall indemnify the Trustee, [the Standby Servicer], the [Collateral Agent], the [Credit Enhancer], the Trust and the Certificateholders 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. 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 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 ("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 2.5 if not otherwise such a breach.

SECTION 2.7. Delivery of Receivable Files. On or prior to the Closing Date, the Seller shall transfer and deliver to the Trustee at the offices specified in Schedule B to this Agreement with respect to each Receivable the following:

(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.

The Servicer shall hold all other documents with respect to the Receivables as custodian for the Trust.

SECTION 2.8. Acceptance of Receivable Files by Trustee. The Trustee acknowledges receipt of files which the Seller has represented are the Receivable Files. The Trustee has reviewed the Receivable Files and has determined that it has received a file for each Receivable identified in Schedule A to this Agreement. The Trustee declares that it holds and will continue to hold such files and any amendments, replacements or supplements thereto and all other Trust Assets as Trustee in trust for the use and benefit of all present and future

Certificateholders. The Trustee agrees to review each file delivered to it no later than [45] days after the Closing Date to determine whether such Receivable Files contain the documents referred to in Section 2.7(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 2.7(i) or (ii) are not contained in a Receivable File, the Trustee shall inform CPS, the Seller, [the Standby Servicer] and the [Credit Enhancer] promptly, in writing, of the failure to receive a file with respect to such Receivable (or of the failure of any of the aforementioned documents to be included in the Receivable File) or shall return to CPS as the Seller's designee any file unrelated to a Receivable identified in Schedule A to this Agreement (it being understood that the Trustee's obligation to review the contents of any Receivable File shall be limited as set forth in the preceding sentence). Unless such defect with respect to such Receivable File shall have been cured by the last day of the second Collection Period following discovery thereof by the Trustee, CPS shall repurchase any such Receivable as of such last day. In consideration of the purchase of the Receivable, CPS shall remit the Purchase Amount, in the manner specified in Section 4.5. The sole remedy of the Trustee, the Trust, or the Certificateholders with respect to a breach pursuant to this Section 2.8 shall be to require CPS to purchase the Receivables pursuant to this Section 2.8. 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 CPS and delivered to the Trustee and are necessary to vest in CPS or such designee title to the Receivable. 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 State of Michigan, a copy of an original certificate of title, is included in the Receivable File as of the date of its review of the Receivable Files and deliver a copy of such list to the Servicer and the [Credit Enhancer]. On the date which is [180] days following the Closing Date or the next succeeding Business Day, the Trustee shall inform CPS and the other parties to this Agreement and the [Credit Enhancer] 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 State of Michigan, for which the related Receivable File on such date does not include a copy of an original certificate of title, and CPS shall repurchase any such Receivable as of the last day of the current Collection Period.



SECTION 2.9. Access to Receivable Files. The Trustee shall permit the Servicer, any Certificateholder and the [Credit Enhancer] access to the Receivable Files at all reasonable times during the Trustee's normal business hours; provided, however, that the Trustee shall provide such access to any Certificateholder only (i) in such cases where the Trustee is required by applicable statutes or regulations (whether applicable to the Trustee, the Servicer or to such Certificateholder) to permit such Certificateholder to review the Receivable Files or (ii) if an [Enhancement Default] shall have occurred and be continuing. In addition, the Trustee shall provide such access to any Certificateholder at all reasonable times during the Trustee's normal business hours if an Event of Default shall have occurred and be continuing. In each case, such access shall be afforded without charge but only upon reasonable request. Each Certificateholder shall be deemed to have agreed by its acceptance of a Certificate to use its best efforts to hold in confidence all Confidential Information in accordance with its then customary procedures; provided that nothing herein shall prevent any Certificateholder from delivering copies of any financial statements and other documents whether or not constituting Confidential Information, and disclosing other information, whether or not Confidential Information, to (i) its directors, officers, employees, agents and professional consultants, (ii) any other institutional investor that holds Certificates, (iii) any prospective institutional investor transferee in connection with the contemplated transfer of a Certificate or any part thereof or participation therein who is subject to confidentiality arrangements at least substantially similar hereto, (iv) any governmental authority, (v) the National Association of Insurance Commissioners or any similar organization, (vi) any nationally recognized rating agency in connection with the rating of the Class A Certificates by such agency or (vii) any other Person to which such delivery or disclosure may be necessary or appropriate (a) in compliance with any applicable law, rule, regulation or order, (b) in response to any subpoena or other legal process, (c) in connection with any litigation to which such Certificateholder is a party, or (d) in order to protect or enforce such Person's investment in any Certificate. The Trustee shall, within [two] Business Days of the request of the Servicer or the [Credit Enhancer], execute such documents and instruments as are prepared by the Servicer or the [Credit Enhancer] and delivered to the Trustee, as the Servicer or the [Credit Enhancer] 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 trust receipt signed by a Servicing Officer in the form of Exhibit E-1 hereto (the "Trust Receipt"). Such Trust Receipt 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, upon receipt of a certificate of a Servicing Officer substantially in the form of Exhibit E-2 hereto to the effect that all amounts required to be deposited in the Collection Account with respect to such Receivable have been so deposited, the Trust Receipt shall be released by the Trustee to the Servicer.

### ARTICLE III

#### Administration and Servicing of Receivables

SECTION 3.1. Duties of Servicer. The Servicer, as agent for the Trust, the Certificateholders and the [Credit Enhancer] (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 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 Obligor on such Receivables, investigating delinquencies, sending payment statements to Obligor, reporting tax information to Obligor, accounting for collections, furnishing monthly and annual statements to the Trustee and the [Credit Enhancer] 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 Trustee to execute and deliver, on behalf of itself, the Trust, the Certificateholders or any of them, any and all instruments of satisfaction or cancellation, or partial or full release or discharge, and all other comparable instruments, with respect to such Receivables or to the Financed Vehicles securing such Receivables and/or the certificates of title or, with respect to Financed Vehicles in the State of Michigan, other evidence of ownership with respect to such Financed Vehicles. If the Servicer shall commence a legal proceeding to enforce a Receivable, the Trustee 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 Trustee 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 Certificateholders. The Servicer shall prepare and furnish and the Trustee shall execute, any powers of attorney and other documents reasonably necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder.

SECTION 3.2. Collection and Allocation of Receivable Payments. 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 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 on a Receivable; 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 three extensions in the aggregate with respect to a Receivable without the prior written consent of the [Credit Enhancer] and provided, further, that if the Servicer extends the date for final payment by the Obligor of any Receivable beyond the last day of the penultimate Collection Period preceding the Final Scheduled Distribution Date, it shall promptly purchase the Receivable from the Trust in accordance with the terms of Section 3.7 hereof (and for purposes thereof, the Receivable 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 [Credit Enhancer]. 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 (i) to any alteration of the interest rate on any Receivable or of the amount of any Scheduled Payment on Receivables, and (ii) shall not agree to any modification that would result in a "deemed exchange" of a receivable under Section 1001 of the Internal Revenue Code of 1986, as amended, or would constitute reinvestment adversely affecting the status of the

Trust as not an association taxable as a corporation for Federal income tax purposes.

SECTION 3.3. Realization Upon Receivables. On behalf of the Trust, the Certificateholders and the [Credit Enhancer], 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 on or prior to the date that an Obligor has failed to make more than 90% of a Scheduled 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 3.2, which may include reasonable efforts to realize upon any recourse to Dealers 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.

SECTION 3.4. Physical Damage Insurance; Other 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 3.4(a) which, but for the actions of the Servicer, would have been covered thereunder. The Servicer, on behalf of the Trustee, 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 pursuant to Section 4.2. The Servicer shall cause to be maintained in respect of each Financed Vehicle the insurance or insurance reserves referred to in Section 3.4(a) (i) above.

SECTION 3.5. Maintenance of Security Interests in Financed Vehicles. (a) Consistent with the policies and procedures required by this Agreement, the Servicer shall take such steps 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 execution by the Obligor and the recording, registering, filing, re-recording, re-registering and refiling of all security agreements, financing statements and continuation statements or instruments as are necessary to maintain the security interest granted by Obligor under the respective Receivables. The Trustee hereby authorizes the Servicer to take such steps as are necessary to re-perfect or continue the perfection of such security interest on behalf of the Trust in the event of the relocation of a Financed Vehicle or for any other reason.

(b) Upon the occurrence of an [Enhancement Agreement] Event of Default, the [Credit Enhancer] may (so long as an [Enhancement Default] shall not have occurred and be continuing) instruct the Trustee and the Servicer to take or cause to be taken, or, if an [Enhancement Default] shall have occurred, upon the occurrence of an Event of Default, 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 reperfect the security interests in the Financed Vehicles securing the Receivables in the name of the Trustee on behalf 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 [Credit Enhancer] or the Trustee (as applicable), 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 reperfecting and to take all action necessary therefor. In addition, prior to the occurrence of an [Enhancement Agreement Event of Default], the [Credit Enhancer] may (unless an [Enhancement Default] shall have occurred and be continuing) instruct the Trustee and the Servicer to take or cause to be taken such action as may, in the opinion of counsel

to the [Credit Enhancer], be necessary to perfect or reperfect the security interest in the Financed Vehicles securing the Receivables in the name of the Trustee on behalf 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 [Credit Enhancer], be necessary or prudent; provided, however, that if the [Credit Enhancer] requests (unless an [Enhancement Default] shall have occurred and be continuing) that the title documents be amended prior to the occurrence of an [Enhancement 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 [Credit Enhancer].

SECTION 3.6. Additional Covenants of Servicer. The Servicer shall not release the Financed Vehicle securing each Receivable from the security interest granted by such Receivable in whole or in part except in the event of payment in full by the Obligor thereunder or repossession, nor shall the Servicer impair the rights of the Certificateholders in such Receivables, nor shall the Servicer amend a Receivable, except that extensions may be granted in accordance with Section 3.2.

SECTION 3.7. Purchase of Receivables Upon Breach. The Servicer or the Trustee shall inform the other party and the [Credit Enhancer] promptly, in writing, upon the discovery of any breach of Section 3.2, 3.4, 3.5 or 3.6; provided, however, that the failure to give such notice shall not affect any obligation of the Servicer hereunder. 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 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 4.5. The sole remedy of the Trustee, the Trust, the [Credit Enhancer] or the Certificateholders with respect to a breach of Section 3.2, 3.4, 3.5 or 3.6 shall be to require the Servicer to repurchase Receivables pursuant to this Section 3.7; provided, however, that the Servicer shall indemnify the Trustee, [the Standby Servicer], the [Collateral Agent], the [Credit Enhancer], the Trust and the Certificateholders 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 Sections 3.2, 3.4, 3.5 or 3.6 if not otherwise such a breach.

SECTION 3.8. Servicing Fee. The Servicing Fee for the initial Distribution Date shall equal the product of (a) one twelfth of the Servicing Rate and (b) the Pool Balance as of the close of business on the Cutoff Date. Thereafter, the Servicing Fee for a Distribution Date shall equal the product of (i) one twelfth of the Servicing Rate and (ii) the Pool Balance as of the last day of the second preceding Collection Period. The Servicing Fee shall also include all late fees, prepayment charges including, in the case of a Rule of 78's Receivable that is prepaid in full, to the extent not required by law to be remitted to the related Obligor, the difference between the Principal Balance of such Rule of 78's Receivable (plus accrued interest to the date of prepayment) and the principal balance of such Receivable computed according to the "Rule of 78's", and other administrative fees or similar charges allowed by applicable law with respect to Receivables, collected (from whatever source) on the Receivables. The Servicing Fee for a Distribution Date shall be reduced by an amount equal to the Aggregate Prepayment Reduction Amount for such Distribution Date.

SECTION 3.9. Servicer's Certificate. By 10:00 a.m., [ ] time, on each Determination Date, the Servicer shall deliver to the Trustee, the [Credit Enhancer], the Rating Agencies and the Seller a Servicer's Certificate containing all information necessary to make the distributions pursuant to Section 4.6 (including, if required, withdrawals from or deposits to the Payahead Account and withdrawals from the 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 Certificateholders and the [Credit Enhancer] pursuant to Section 4.8. Receivables to be purchased by the Servicer or to be purchased by CPS shall be identified by the Servicer by account number with respect to such Receivable (as specified in Schedule A).

SECTION 3.10. Annual Statement as to Compliance: Notice of Default. (a) The Servicer shall deliver to the Trustee and the [Credit Enhancer], on or before July 31 of each year beginning [ ], an Officer's Certificate, dated as of March 31 of such 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 certificate, the period from the Cutoff Date to [ ]) 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 certificate, such shorter period), or, if there has been a default in the

fulfillment of any such obligation, specifying each such default known to such officer and the nature and status thereof. The Trustee shall send a copy of such certificate and the report referred to in Section 3.11 to the Rating Agencies. The Trustee shall forward a copy of such certificate as well as the report referred to in Section 3.11 to each Certificateholder.

(b) The Servicer shall deliver to the Trustee, the [Credit Enhancer] and the Rating Agencies, promptly after having obtained knowledge thereof, but in no event later than [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 an Event of Default under Section 9.1.

The Seller shall deliver to the Trustee, the [Credit Enhancer] and the Rating Agencies, promptly after having obtained knowledge thereof, but in no event later than [5] Business Days thereafter, written notice in an Officer's Certificate of any event which with the giving of notice or lapse of time, or both, would become an Event of Default under clause (ii) of Section 9.1.

The Trustee shall deliver to each Certificateholder a copy of each notice delivered to it by the Servicer or the Seller pursuant to this Section 3.10(b).

SECTION 3.11. Annual Independent Certified Public Accountant's Report. The Servicer shall cause a firm of nationally recognized independent certified public accountants, who may also render other services to the Servicer or to the Seller, to deliver to the Trustee, the Certificateholders and the [Credit Enhancer] on or before July 31 of each year beginning [ ], a report dated as of March 31 of such year and reviewing the Servicer's activities during the preceding 12-month period (or, in the case of the first such report, the period from the Cutoff Date to [ ]), addressed to the Board of Directors of the Servicer and to the Trustee and the [Credit Enhancer], 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 Audit 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 (1) a review in accordance with agreed upon procedures was made of three randomly selected Servicer Certificates; (2) except as disclosed in the report, no exceptions or errors in the Servicer Certificates were found; and (3) the delinquency and loss information, relating to the Receivables contained in the Servicer Certificates were found to be accurate.

The Report will also indicate that the firm is independent of the Servicer within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

SECTION 3.12. Reserved.

SECTION 3.13. Servicer Expenses. The Servicer shall be required to pay all expenses incurred by it in connection with its activities hereunder, including fees and disbursements of independent accountants, taxes imposed on the Servicer, and expenses incurred in connection with distributions and reports to Certificateholders.

[SECTION 3.14. Retention and Termination of Servicer. The Servicer hereby covenants and agrees to act as such under this Agreement for an initial term of ninety (90) days, commencing on the Closing Date, which term shall be automatically extended by the [Credit Enhancer] for successive terms of ninety (90) days each as specified in a writing delivered by the [Credit Enhancer] prior to the expiration of each current term to the Servicer and the Trustee which provides that the Servicer will be automatically extended for a succeeding ninety (90) day term unless an Event of Default shall have occurred and be continuing, in which case [the Credit Enhancer] may extend the Servicer in its sole discretion (or, at the discretion of [the Credit Enhancer] 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 the termination of the Trust. Each such notice (including each notice pursuant to standing instructions, which shall be deemed delivered at successive ninety (90) day intervals for so long as such instructions are in effect) (a "Servicer Extension Notice") shall be delivered by [the Credit Enhancer] 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. At such time as the Class A Certificates have been paid in full and all outstanding Reimbursement Obligations and other amounts owed to

[the Credit Enhancer] have been paid in full, the term of the Servicer's appointment hereunder shall be deemed to have been extended until the termination of the Trust (unless such appointment is terminated sooner in accordance with the terms of this Agreement).]

SECTION 3.15. Access to Certain Documentation and Information Regarding Receivables. The Servicer shall provide to representatives of the Trustee, the Certificateholders and the [Credit Enhancer] reasonable access to documentation and computer systems and information regarding the Receivables. The Servicer shall provide such access to any Certificateholder only (i) in such cases where the Servicer is required by applicable statutes or regulations (whether applicable to the Servicer or to such Certificateholder) to permit such Certificateholder to review such materials and (ii) if an [Enhancement Default] shall have occurred and be continuing. In each case, such access shall be afforded without charge but only upon reasonable request and during normal business hours. Nothing in this Section 3.15 shall derogate from the obligation of the Servicer to observe any applicable law prohibiting disclosure of information regarding the Obligor, and the failure of the Servicer to provide access as provided in this Section 3.15 as a result of such obligation shall not constitute a breach of this Section 3.15.

SECTION 3.16. 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 Standby Servicer] a computer diskette (or other electronic transmission) in a format acceptable to the Trustee and [the Standby Servicer] containing information with respect to the Receivables as of the close of business on the last day of the preceding Collection Period which information is necessary for preparation of the Servicer's Certificate. [The Standby Servicer] shall use such computer diskette (or other electronic transmission) to verify certain information specified in Section 3.16(b) contained in the Servicer's Certificate delivered by the Servicer, and [the Standby Servicer] shall notify the Servicer and the [Credit Enhancer] of any discrepancies on or before the second Business Day following the Determination Date. In the event that [the Standby Servicer] reports any discrepancies, the Servicer and [the Standby Servicer] shall attempt to reconcile such discrepancies prior to the second Business Day prior to the related Distribution 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 Distribution Date. In the event that [the Standby Servicer] and the Servicer are unable to reconcile discrepancies with respect to a Servicer's Certificate by the related Distribution Date, the Servicer shall cause 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 Standby Servicer] shall have no obligations hereunder, including, without limitation, to supervise, verify, monitor or administer the performance of the Servicer. [The Standby Servicer] shall have no liability for any actions taken or omitted by the Servicer. The duties and obligations of [the Standby 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 Standby Servicer].

(b) [the Standby Servicer] shall review each Servicer's Certificate delivered pursuant to Section 3.16(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 Standby Servicer]) received from the Servicer pursuant to Section 3.16(a) hereof, confirm that such computer diskette is in a readable form and calculate and confirm the Principal Balance of each Receivable for the most recent Distribution Date;

(iii) confirm that the Total Distribution Amount, the Class A Distributable Amount, the Class A Principal Distributable Amount, the Class A Interest Distributable Amount, the Class B Distributable Amount, the Class B Interest Distributable Amount, the Class B Principal Distributable Amount, the [Standby Fee], the Servicing Fee, the Trustee Fee and the amount on deposit in the Spread Account in the Servicer's Certificate are accurate based solely on the recalculation of the Servicer's Certificate; and

(iv) confirm the calculation of the performance tests set forth in the Spread Account Agreement.

SECTION 3.17. 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 3.18. 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 12.11 and (unless an [Enhancement Agreement Event of Default] shall have occurred and be continuing or [ ] shall then be the Servicer) the Holders of Class B Certificates evidencing at least [ ]% of the Class B Certificate Balance; 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; and provided further, that the consent of the Holders of the requisite percentage of the Class B Certificate Balance shall not be unreasonably withheld or delayed and shall be deemed to have been given unless, on or before the Objection Date, the Trustee shall have received Objection Notices from Holders of Class B Certificates representing more than [ ]% of the Class B Certificate Balance. Upon written request of the Servicer, the Trustee shall deliver to each Class B Certificateholder of record as of the most recent Record Date a notice (a "Delegation Notice") prepared by the Servicer (i) specifying the duties the Servicer proposes to delegate, (ii) identifying the sub-contractor to whom it proposes to delegate such duties and (iii) informing such Class B Certificateholder that if it wishes to object to the proposed delegation of duties, it must deliver a written notice of objection (specifying in reasonable detail the reasons for its objection; such notice of objection an "Objection Notice") on or before the date specified in such Delegation Notice (the "Objection Date"), which Objection Date shall be a date which is not more than [10] Business Days after the date the Servicer delivers such Delegation Notice to the Trustee.

#### ARTICLE IV

##### Distributions, Spread Account; Statements to Certificateholders

SECTION 4.1. Accounts; Post-Office Box. (a) The Trustee shall establish the Lock-Box Account in the name of the Trustee for the benefit of the Certificateholders, provided that pursuant to the Lock-Box Agreement, the Lock-Box Processor and no other person, save the Trustee, has authority to direct disposition of funds on deposit in the Lock-Box Account consistent with the provisions of this Agreement and the Lock-Box Agreement. The Trustee shall have no liability or responsibility with respect to the Lock-Box Processor's directions or activities as set forth in the preceding sentence. The Lock-Box Account shall be established pursuant to and maintained in accordance with the Lock-Box Agreement and shall be a demand deposit account initially established and maintained with Bank of America, or at the request of the [Credit Enhancer] (unless an [Enhancement 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 [Credit Enhancer] in the location of the Lock-Box Account. The Trustee shall establish and maintain the Post-Office Box at a United States Post Office Branch in the name of the Trustee for the benefit of the Certificateholders and the [Credit Enhancer].

In the event the Servicer shall for any reason no longer be acting as such, [the Standby Servicer] or a successor Servicer shall thereupon assume all of the rights and obligations of the outgoing Servicer under the Lock-Box Agreement. 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 Lock-Box Agreement to the same extent as if such Lock-Box 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 Lock-Box Bank under such Lock-Box 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 Lock-Box Agreement and an accounting of amounts collected and held by the Lock-Box Bank and otherwise use its best efforts to effect the orderly and efficient transfer of any Lock-Box Agreement to the successor Servicer. In the event that the [Credit Enhancer] (so long as an [Enhancement Default] shall not have occurred and be continuing) or Holders of Certificates evidencing more than [ ]% of the Class A Certificate Balance (if an [Enhancement Default] shall have occurred and be continuing) shall elect to change the identity of the Lock-Box Bank, the Servicer, at its expense, shall cause the Lock-Box Bank to deliver, at the direction of the [Credit Enhancer] (so long as an [Enhancement Default] shall not have occurred and be continuing) or Holders of Certificates evidencing more than [ ]% of the Class A Certificate Balance (if an [Enhancement Default] shall have occurred and be continuing) to the Trustee or a successor Lock-Box Bank, all documents and records relating to the Receivables and all amounts held (or thereafter received) by the Lock-Box Bank (together with an accounting of such amounts) and shall otherwise use its best efforts to effect the orderly and efficient transfer of the lock-box arrangements.

In addition, the Trustee shall establish, with itself, the Collection Account, [the Credit Enhancement Account], and the Certificate Account in the name of the Trustee for the benefit of the Certificateholders. In addition, the Trustee shall establish with itself the Payahead Account in the name of the Trustee for the benefit of Obligor of Rule of 78's Receivables who make payments thereon in excess of Scheduled Payments and applicable late fees and for the benefit, to the extent of earnings on investments of funds in the Payahead Account, of the Certificateholders. The Payahead Account shall not be included

in the Trust. The Collection Account, [the Credit Enhancement Account], the Certificate Account and the Payahead Account shall be Eligible Accounts initially established with the Trustee; provided, however, if any of such accounts shall cease to be an Eligible Account, the Servicer, with the consent of the [Credit Enhancer], within 5 Business Days shall, cause such accounts to be moved to an institution so that such account meets the definition of Eligible Account. The Servicer shall promptly notify the Rating Agencies of any change in the location of any of the aforementioned accounts.

All amounts held in the Collection Account and the Payahead Account shall be invested by the Trustee at the written direction of the Servicer in Eligible Investments in the name of the Trustee as trustee of the Trust and shall mature no later than one Business Day immediately preceding the Distribution Date next succeeding the date of such investment. Such written direction shall certify that any such investment is authorized by this Section. No investment may be sold prior to its maturity. Amounts in [the Credit Enhancement Account] and the Certificate Account shall not be invested. The amount of earnings on investments of funds in the Collection and Payahead Accounts during the Collection Period related to each Distribution Date shall be deposited into the Certificate Account, on each Distribution Date, and shall be available for distribution pursuant to Section 4.6(c).

(b) The Trustee shall on or prior to each Distribution Date (and prior to the transfer from the Collection Account to the Certificate Account described in Section 4.6(a)) transfer from the Collection Account to the Payahead Account all Payaheads as described in Section 4.3 received by the Servicer during the Collection Period.

SECTION 4.2. Collections. On each Business Day, pursuant to the Lock-Box Agreement, the Lock-Box Processor will transfer any payments from Obligors received in the Post-Office Box to the Lock-Box Account. Within [two] Business Days of receipt of funds into the Lock-Box Account, the Servicer shall cause the Lock-Box Bank to transfer funds from the Lock-Box 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 Lock-Box Account or the Collection Account.

SECTION 4.3. 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, in the case of a Rule of 78's Receivable, first, to the Scheduled Payment of such Rule of 78's Receivable and, second, to any late fees accrued with respect to such Rule of 78's Receivable and, in the case of a Simple Interest Receivable, to interest and principal in accordance with the Simple Interest Method. With respect to any Rule of 78's Receivable, any remaining excess shall be added to the Payahead Balance, and shall be applied to prepay the Rule of 78's Receivable, but only if the sum of such excess and the previous Payahead Balance shall be sufficient to prepay the Rule of 78's Receivable in full. Otherwise, any such remaining excess payments with respect to a Rule of 78's Receivable shall constitute a Payahead, and shall increase the Payahead Balance.

SECTION 4.4. Payaheads. As of the close of business on the last day of each Collection Period, if the payments by or on behalf of the Obligor on a Rule of 78's Receivable (other than a Purchased Receivable) shall be less than the Scheduled Payment and accrued late fees with respect to such Receivable, the Payahead Balance of an Obligor shall be applied by the Servicer to the extent of the shortfall and such Payahead Balance shall be reduced accordingly.

SECTION 4.5. 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 the Servicer shall deposit therein all amounts to be paid under Section 11.2. All such deposits shall be made, in immediately available funds, on the Business Day preceding the Determination Date. On or before the third Business Day preceding each Distribution Date, the Trustee shall remit to the Collection Account any amounts delivered to the Trustee by the [Collateral Agent] pursuant to Section 4.7.

SECTION 4.6. Distributions; [Credit Enhancement Claims]. (a) On each Distribution Date, the Trustee shall cause to be made the following transfers and distributions based solely on the amounts set forth in the Servicer's Certificate for the related Distribution Date:

(i) From the Collection Account to the Certificate Account, in immediately available funds, those funds that were deposited in the Collection Account, plus earnings on investments of funds in the Collection Account pursuant to Section 4.1(a), for the Collection Period related to such Distribution Date.

(ii) From the Payahead Account, to the Certificate Account, in immediately available funds, the aggregate

previous Payaheads to be applied to Scheduled Payments on Rule of 78's Receivables or prepayments for the related Collection Period pursuant to Sections 4.3 and 4.4, plus earnings on investments of funds in the Payahead Account, for the related Collection Period, pursuant to Section 4.1 (a).

(b) Prior to each Distribution Date, the Servicer shall on the related Determination Date calculate the Total Distribution Amount, the Class A Distributable Amount, the Class A Interest Distributable Amount, the Class A Principal Distributable Amount, the Class B Interest Distributable Amount and the Class B Principal Distributable Amount, and, based on the Total Distribution Amount, and the other distributions to be made on such Distribution Date, determine the amount distributable to the Certificateholders of each class.

(c) On each Distribution Date, the Trustee (based on the information contained in the Servicer's Certificate delivered on the related Determination Date pursuant to Section 3.9) shall, subject to subsection (d) hereof, make the following distributions in the following order of priority:

(i) to the Servicer, from the Total Distribution Amount, any amount deposited into the Collection Account pursuant to Section 4.7(a), and any amount deposited into the Collection Account pursuant to Section 4.11(i) in respect of Servicing Fees, the Servicing Fee and all unpaid Servicing Fees from prior Collection Periods; provided, however, that as long as CPS is the Servicer and [ ], is [the Standby Servicer], the Trustee shall first pay to [the Standby Servicer] out of the Servicing Fee otherwise payable to CPS an amount equal to the [Standby Fee];

(ii) in the event [the Standby Servicer] becomes the successor Servicer, to [the Standby Servicer], from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clause (i) above) and any amount deposited into the Collection Account pursuant to Section 4.7(a), to the extent not previously paid by the predecessor Servicer pursuant to Section 9.2, reasonable transition expenses (up to a maximum of \$[ ]) incurred in acting as successor Servicer;

(iii) to the Trustee, 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 into the Collection Account pursuant to Section 4.7(a), and any amount deposited into the Collection Account pursuant to Section 4.11(i) in respect of Trustee Fees and reasonable out-of-pocket expenses of the Trustee,



the Trustee Fee and all reasonable out-of-pocket expenses (including counsel fees and expenses) and all unpaid Trustee Fees and all unpaid reasonable out-of-pocket expenses (including counsel fees and expenses) from prior Collection Periods; provided, however, that unless an Event of Default shall have occurred and be continuing, expenses payable to the Trustee pursuant to this clause (iii) and expenses payable to the [Collateral Agent] pursuant to clause (iv) below, shall be limited to \$[ ] per annum;

(iv) to the [Collateral Agent], from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (iii) above), any amount deposited into the Collection Account pursuant to Section 4.7(a), and any amount deposited into the Collection Account pursuant to Section 4.11(i) in respect of fees and expenses of the [Collateral Agent], all fees and expenses payable to the [Collateral Agent] with respect to such Distribution Date pursuant to the Spread Account Agreement;

(v) to the Class A Certificateholders, 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 into the Collection Account pursuant to Section 4.7(a) and 4.11(iii), an amount equal to the sum of the Class A Interest Distributable Amount and any Class A Interest Carryover Shortfall as of the close of the preceding Distribution Date;

(vi) to the Class B Certificateholders, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (v) above) and any amount deposited into the Collection Account pursuant to Sections 4.7(c) and (d), an amount equal to the sum of the Class B Interest Distributable Amount and any Class B Interest Carryover Shortfall as of the close of the preceding Distribution Date;

(vii) to the Class A Certificateholders, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (vi) above), any amount deposited into the Collection Account pursuant to Section 4.7(a), and any amount deposited into the Collection Account pursuant to Section 4.11(ii) or (iii), an amount equal to the sum of the Class A Principal Distributable Amount and any Class A Principal Carryover Shortfall as of the close of the preceding Distribution Date with respect to each Distribution Date;

(viii) to the [Credit Enhancer], 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 into the Collection Account pursuant to Section 4.7(a), an amount equal to the Reimbursement Obligations;

(ix) to any successor Servicer, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (viii) above) and any amount deposited into the Collection Account pursuant to Section 4.7(a), to the extent not previously paid by the predecessor Servicer pursuant to Section 9.2, or in the case of [the Standby Servicer], pursuant to clause (ii) above, reasonable transition expenses (up to a maximum of \$[ ] ) incurred in acting as successor Servicer;

(x) to the Class B Certificateholders, from the Total Distribution Amount (as such Total Distribution Amount has been reduced by payments pursuant to clauses (i) through (ix) above) and any amount deposited into the Collection Account pursuant to Sections 4.7(c) and (d), an amount equal to the sum of the Class B Principal Distributable Amount and any Class B Principal Carryover Shortfall as of the close of the preceding Distribution Date; and

(xi) to the [Collateral Agent], for deposit into the Spread Account, the remaining Total Distribution Amount, if any.]

(d) The rights of the Class B Certificateholders to receive distributions in respect of the Class B Certificates pursuant to Section 4.6(c) (vi) on a Distribution Date shall be and hereby are subordinated to the payment of the amounts distributable pursuant to Sections 4.6(c) (i) through (v) except to the extent of monies deposited in the Collection Account from [the Reserve Fund] pursuant to Section 4.7(d) hereof and [the Reserve Fund Agreement]. The rights of the Class B Certificateholders to receive distributions in respect of the Class B Certificates pursuant to Section 4.6(c) (x) on a Distribution Date shall be and hereby are subordinated to the payment of the amounts distributable pursuant to Sections 4.6(c) (i) through (ix) except to the extent of monies deposited in the Collection Account from [the Reserve Fund] pursuant to Section 4.7(d) hereof and [the Reserve Fund Agreement]. At such time as the Class A Certificates are paid in full and the [Credit Enhancer] has received payment in full for all outstanding Reimbursement Obligations and any other amounts owed to the [Credit Enhancer], the Class B Certificateholders shall be entitled to exercise all rights granted to the Class A Certificateholders under this

Agreement to the extent that the exercise of such rights does not conflict with the provisions of the Spread Account Agreement. In no event shall the Class A Certificateholders be entitled to any amounts deposited in the Collection Account pursuant to Section 4.7(d) hereof and [the Reserve Fund Agreement].

(e) [mechanics for drawing on [the Credit Enhancement]]

(f) Subject to Section 11.1 respecting the final payment upon retirement of each Certificate, the Servicer shall on each Distribution Date instruct the Trustee to distribute to each Certificateholder of record on the preceding Record Date either by wire transfer, in immediately available funds to the account of such Holder at a bank or other entity having appropriate facilities therefor, if such Certificateholder shall have provided to the Trustee appropriate instructions prior to the Record Date for such Distribution Date and such Holder's Certificates in the aggregate evidence an original principal balance of at least \$[1,000,000], or, if not, by check mailed to such Certificateholder at the address of such Holder appearing in the Certificate Register, the amounts to be distributed to such Certificateholder pursuant to such Holder's Certificates.

[SECTION 4.7. Withdrawals from [Spread Account] and [Reserve Fund]. (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 (taking into account the application of the Total Distribution Amount to the payment required to be made on the related Distribution Date pursuant to Section 4.6(c) (vi)) to make the payments required to be made on the related Distribution Date pursuant to Section 4.6(c) (i), (ii), (iii), (iv), (v), (vii), (viii) or (ix) (such deficiency being a "Deficiency Claim Amount"), then on the [ ] Business Day immediately preceding the related Distribution Date, the Trustee shall deliver to the [Collateral Agent], [the Credit Enhancer], and the Servicer, by hand delivery, telex or facsimile transmission, a written notice (a "Deficiency Notice") specifying the Deficiency Claim Amount for such Distribution 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 Spread Account Agreement]) to the Trustee for deposit in the Collection Account and distribution pursuant to Sections 4.6(c) (i), (ii), (iii), (iv), (v), (vii), (viii) and/or (ix), as applicable.

(b) Any Deficiency Notice shall be delivered by [ ], on the [ ] Business Day preceding such Distribution 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 4.5.

(c) 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 Distribution Date pursuant to Section 4.6(c)(vi) or (x) (such deficiency being a "Class B Deficiency"), then on the [ ] Business Day immediately preceding the related Distribution Date, the Trustee shall deliver to the [Collateral Agent] and the Servicer, by hand delivery, telex or facsimile transmission, a written notice specifying the amount of the Class B Deficiency for such Distribution Date. Such notice shall direct the [Collateral Agent] to remit to the Trustee an amount equal to such Class B Deficiency (but only to the extent that, pursuant to the Spread Account Agreement, funds are required to be released from [the Spread Account] to the Seller on the related Distribution Date) for deposit into the Collection Account and distribution pursuant to Section 4.6(c)(vi) and/or Section 4.6(c)(x), as applicable, and any funds so remitted to the Trustee shall be deemed to have been released to the Seller and paid to the Trustee at the direction of the Seller.

(d) In the event that there are insufficient funds to cure any Class B Deficiency pursuant to subsection (c) above, the [Collateral Agent] shall instruct the [Reserve Fund Collateral Agent] to withdraw an amount up to the remaining Class B Deficiency from [the Reserve Fund] in accordance with the terms of the [Reserve Fund Agreement] for deposit in the Collection Account and distribution pursuant to Sections 4.6(c)(vi) and (x), as applicable.]

SECTION 4.8. Statements to Certificateholders; Tax Returns. (a) With each distribution from the Certificate Account to the Certificateholders made on a Distribution Date, the Servicer shall provide to the [Credit Enhancer] and to the Trustee for the Trustee to forward to each Certificateholder of record a statement (prepared by the Servicer) substantially in the form of Exhibit D hereto setting forth at least the following information as to the Certificates to the extent applicable:

(i) the amount of such distribution allocable to principal of the Class A Certificates and the Class B Certificates, respectively;

(ii) the amount of such distribution allocable to interest on the Class A Certificates and the Class B Certificates, respectively;

(iii) the Pool Balance, the Class A Pool Factor and the Class B Pool Factor as of the close of business on the last day of the preceding Collection Period;

(iv) the Class A Certificate Balance and the Class B Certificate Balance as of the close of business on the last day of the preceding Collection Period, after giving effect to payments allocated to principal reported under (i) above;

(v) the amount of the Servicing Fee (inclusive of the [Standby Fee] paid to [the Standby Servicer]) paid to the Servicer with respect to the related Collection Period, the Class A Percentage of the Servicing Fee (inclusive of the [Standby Fee]), the Class B Percentage of the Servicing Fee (inclusive of the [Standby Fee]) and the amount of any unpaid Servicing Fees (inclusive of the [Standby Fee]) and the change in such amount from that of the prior Distribution Date;

(vi) the amount of the Class A Interest Carryover Shortfall, if applicable, on such Distribution Date and the Class A Principal Carryover Shortfall, if applicable, on such Distribution Date, and the change in such amounts from the prior Distribution Date;

(vii) the amount of the Class B Interest Carryover Shortfall, if applicable, on such Distribution Date and the amount of the Class B Principal Carryover Shortfall, if applicable, on such Distribution Date, and the change in such amounts from the prior Distribution Date;

(viii) the amount paid, if any, to Class A Certificateholders from funds received under [the Credit Enhancement] for such Distribution Date;

(ix) the amount distributable to the [Credit Enhancer] on such Distribution Date;

(x) the aggregate amount in the Payahead Account, the [Spread Account] and [the Reserve Fund] and the change in such amount from the preceding Distribution 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 are delinquent in making scheduled payments between [31 and 59 days and 60] days or more;

(xii) the number and the aggregate Purchase Amount of Receivables that became Purchased Receivables during the related Collection Period and summary information as to losses and delinquencies with respect to the Receivables; and

(xiii) the cumulative amount of Liquidated Receivables net, of Recoveries, since the Cutoff Date to the last day of the related Collection Period.

Each amount set forth pursuant to subclauses (i), (ii), (v) and (vi) above shall be expressed as a dollar amount per \$1,000 of original principal balance of a Certificate.

(b) Within thirty days after the end of each calendar year, the Trustee shall, provided it has received the necessary information from the Servicer, furnish to each Person who at any time during such calendar year was a Certificateholder of record and received any payment thereon (a) a report (prepared by the Servicer) as to the aggregate of amounts reported pursuant to (i), (ii) and (v) of this Section 4.8 for such calendar year or applicable portion thereof during which such person was a Certificateholder, and (b) such information as may be reasonably requested by the Certificateholders or required by the Internal Revenue Code and regulations thereunder, to enable such Holders to prepare their Federal and State income tax returns. The obligation of the Trustee set forth in this paragraph shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Servicer pursuant to any requirements of the Code.

(c) The Servicer, at its own expense, shall cause a firm of nationally recognized accountants to prepare any tax returns required to be filed by the Trust, and the Trustee shall execute and file such returns if requested to do so by the Servicer. The Trustee upon request, will furnish the Servicer with all such information known to the Trustee as may be reasonably required in connection with the preparation of all tax returns of the Trust.

[SECTION 4.9. Credit Enhancement; Subrogation. (a) The Trustee shall keep a complete and accurate record of the amount of payments made under [the Credit Enhancement] in reduction of the Class A Certificate Balance and in payment of the Class A Interest Distributable Amount and Class A Principal Distributable Amount pursuant to [the Credit Enhancement]. The [Credit Enhancer] shall have the right to inspect such records at reasonable times upon one Business Day's prior notice to the Trustee.

(b) Subject to and conditioned upon payment of any interest or principal with respect to the Class A Certificates by or on behalf of the [Credit Enhancer], the Trustee on behalf of the Class A Certificateholders shall assign, and the Class A Certificateholders, by reason of their acquisition and holding of the Class A Certificates, are hereby deemed to have assigned to the [Credit Enhancer] all rights to the payment of the Class A Interest Distributable Amount and Class A Principal Distributable

Amount which are then due for payment to the extent of all payments made by the [Credit Enhancer]. The [Credit Enhancer] (for so long as no [Enhancement Default] shall have occurred and be continuing) may exercise any option, vote, right, power or the like with respect to the Class A Certificates to the extent it has made a principal payment pursuant under [the Credit Enhancement]. The Trustee and the Class A Certificateholders, by reason of their acquisition and holding of the Class A Certificates, agree that the [Credit Enhancer] shall be subrogated to all of the rights to payment of the Class A Certificateholders or in relation thereto to the extent that any payment of principal or interest was made to such Class A Certificateholders with payments made under [the Credit Enhancement] by the [Credit Enhancer] in accordance with the provisions hereof.]

SECTION 4.10. Reliance on Information from the Servicer.

Notwithstanding anything to the contrary contained in this Agreement, all distributions from any of the accounts described in this Article IV and any transfer of amounts between such accounts shall be made by the Trustee in reliance on information provided to the Trustee by the Servicer in writing, whether by way of a Servicer's Certificate or otherwise.

SECTION 4.11. Reserved.

ARTICLE V

Reserved.

ARTICLE VI

The Certificates

SECTION 6.1. The Certificates. The Trustee shall, upon written order or request signed in the name of the Seller by one of its officers authorized to do so and delivered to an Authorized Officer of the Trustee, execute on behalf of the Trust, authenticate and deliver the Certificates to or upon the order of the Seller in the aggregate principal amount and denominations as set forth in such written order or request. Each of the Class A Certificates and Class B Certificates shall be issuable in minimum denominations of \$1,000 and integral multiples thereof; provided, however, that one Class A Certificate and one Class B Certificate respectively, may be issued in a denomination that represents the residual amount of the Original Class A Principal Balance and the original Class B Principal Balance, respectively (each, a "Residual Certificate"). Upon initial issuance, the Class A Certificates and the Class B Certificates shall be substantially in the form of Exhibit A and

Exhibit B, respectively, in an aggregate amount equal to the Original Class A Principal Balance and the Original Class B Principal Balance, respectively. The Certificates shall be executed by the Trustee on behalf of the Trust by manual or facsimile signature of an Authorized Officer of the Trustee under the Trustee's seal imprinted thereon. Certificates bearing the manual or facsimile signatures of individuals who were, at the time when such signatures shall have been affixed, authorized to sign on behalf of the Trust, notwithstanding that such individuals shall have ceased to be so authorized prior to the authentication and delivery of such Certificates or did not hold such offices at the date of such Certificates.

[SECTION 6.2A. Appointment of Paying Agent. The Trustee may act as or appoint one or more paying agents (each, a "Paying Agent"). The Paying Agent shall make distributions to Certificateholders from amounts delivered by the Trustee to the Paying Agent from amounts on deposit in the Certificate Account pursuant to Article IV. Either the Trustee or the [Credit Enhancer] may remove the Paying Agent if such Person determines in its sole discretion that the Paying Agent shall have failed to perform its obligations under this Agreement in any material respect. The Paying Agent shall initially be the Trustee. A co-paying agent may be chosen by the Trustee. Any co-paying agent or any successor Paying Agent shall be permitted to resign as Paying Agent, co-paying agent or successor Paying Agent, as the case may be, upon 30 days' written notice to the Trustee, the Seller and the [Credit Enhancer]. In the event that the Trustee, any co-paying agent or any successor Paying Agent shall no longer be the Paying Agent, co-paying agent or successor Paying Agent, as the case may be, the Trustee, with the [Credit Enhancer]'s reasonable consent, shall appoint a successor to act as Paying Agent or co-paying agent. The Trustee shall cause each Paying Agent and each successor Paying Agent or any additional Paying Agent appointed by the Trustee (other than the Trustee, which hereby agrees) to execute and deliver to the Trustee an instrument in which such Paying Agent, successor Paying Agent or additional Paying Agent shall agree with the Trustee that, as Paying Agent, such Paying Agent, successor Paying Agent or additional Paying Agent will hold all sums, if any, held by it for payment to the Certificateholders in trust for the benefit of the Certificateholders entitled thereto in an Eligible Account (which may be maintained with such Paying Agent) until such sums shall be paid to such Certificateholders and shall promptly notify the Trustee of any default in making such payment. The Paying Agent shall return all unclaimed funds to the Trustee and upon removal of a Paying Agent shall also return all funds in its possession to the Trustee. The provisions of Sections 10.4 and 10.5 shall apply to each Paying Agent in its role as Paying Agent. The fees of any Paying Agent or co-paying agent shall be



paid by the Trustee. Each Paying Agent and co-paying agent must be acceptable to the Seller.]

[SECTION 6.2B. Authenticating Agent. (a) The Trustee may appoint one or more authenticating agents with respect to the Certificates which shall be authorized to act on behalf of the Trustee in authenticating the Certificates in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Certificates (the "Authenticating Agent"). Whenever reference is made in this Agreement to the authentication of Certificates by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent must be acceptable to the Seller and the [Credit Enhancer]. The Trustee is hereby appointed as the initial Authenticating Agent.

(b) Any institution succeeding to the corporate agency business of an Authenticating Agent shall continue to be an Authenticating Agent without the execution or filing of any paper or any further act on the part of the Trustee or such Authenticating Agent.

(c) Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and to the Seller. The Trustee may at any time terminate the agency of an Authenticating Agent by giving notice of termination to such Authenticating Agent and to the Seller. Upon receiving such a notice of resignation or upon such a termination, or in case at any time an Authenticating Agent shall cease to be acceptable to the Trustee or the Seller or the [Credit Enhancer], the Trustee may appoint a successor Authenticating Agent. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless acceptable to the Trustee, the Seller and the [Credit Enhancer].

(d) The Trustee agrees to pay to each Authenticating Agent from its own funds from time to time reasonable compensation for its services under this Section 6.2B.

(e) The provisions of Sections 10.4 and 10.5 shall be applicable to any Authenticating Agent.

(f) Pursuant to an appointment made under this Section 6.2B, the Certificates may have endorsed thereon, in lieu of the Trustee's certificate of authentication, an alternate certificate of authentication in substantially the following form:

This is one of the Certificates described in the Pooling and Servicing Agreement.

[ \_\_\_\_\_ ]  
as Authenticating Agent for the Trustee,

By  
Authorized Signatory]]

SECTION 6.2. Authentication of Certificates. The Trustee shall cause the Certificates to be executed on behalf of the Trust, authenticated, and delivered to or upon the written order of the Seller, signed by its chairman of the board, its president, or any vice president, without further corporate action by the Seller, in authorized denominations, pursuant to this Agreement. No Certificate shall entitle its Holder to any benefit under this Agreement, or shall be valid for any purpose, unless there shall appear on such Certificate a certificate of authentication substantially in the form set forth in Exhibit A or Exhibit B hereto or in Section 6.2B, as the case may be, executed by the Trustee by manual signature; such authentication shall constitute conclusive evidence that such Certificate shall have been duly authenticated and delivered hereunder. All Certificates issued on the Closing Date shall be dated the Closing Date. All Certificates issued upon transfer or exchange thereafter shall be dated the date of their authentication.

SECTION 6.3. Registration of Transfer and Exchange of Certificates.

(a) The Certificate Registrar shall keep or cause to be kept, at the office or agency maintained pursuant to Section 6.7, a Certificate Register in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration of Certificates and of transfers and exchanges of Certificates as herein provided. The Trustee shall be the initial Certificate Registrar.

(b) Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office, the Trustee shall execute, authenticate and the Trustee shall deliver, in the name of the designated transferee or transferees, one or more new Certificates in authorized denominations of a like aggregate amount dated the date of authentication. At the option of a Holder, Certificates may be exchanged for other Certificates in authorized denominations of a like aggregate amount upon surrender of the Certificates to be exchanged at the Corporate Trust Office.

Every Certificate presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder or his attorney duly authorized in writing. Each Certificate surrendered for registration of transfer and exchange shall be canceled and subsequently disposed of by the Trustee in accordance with its customary procedures.

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

SECTION 6.4. Mutilated, Destroyed, Lost or Stolen Certificates. If (a) any mutilated Certificate shall be surrendered to the Certificate Registrar, or if the Certificate Registrar shall receive evidence to its satisfaction of the destruction, loss, or theft of any Certificate and (b) there shall be delivered to the Certificate Registrar, the Trustee and the [Credit Enhancer] such security or indemnity as may be required by them to save each of them harmless, then in the absence of notice that such Certificate shall have been acquired by a bona fide purchaser, the Trustee on behalf of the Trust shall execute, authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like tenor and denomination. In connection with the issuance of any new Certificate under this Section 6.4, the Trustee and the Certificate Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Certificate issued pursuant to this Section 6.4 shall constitute conclusive evidence of ownership in the Trust, as if originally issued, whether or not the lost, stolen, or destroyed Certificate shall be found at any time.

SECTION 6.5. Persons Deemed Owners. Prior to due presentation of a Certificate for registration of transfer, the Trustee or the Certificate Registrar may treat the Person in whose name any Certificate shall be registered as the owner of such Certificate for the purpose of receiving distributions pursuant to Section 4.6 and for all other purposes whatsoever, and neither the Trustee nor the Certificate Registrar shall be bound by any notice to the contrary.

SECTION 6.6. Access to List of Certificateholders' Names and Addresses. The Trustee shall furnish or cause to be furnished to the Servicer or the [Credit Enhancer], at the expense of the Trust, within 15 days after receipt by the Trustee of a request therefor from the Servicer or the [Credit Enhancer],

as the case may be, in writing, a list of the names and addresses of the Certificateholders as of the most recent Record Date. If three or more Class A Certificateholders, or one or more Holders of Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance apply in writing to the Trustee, and such application states that the applicants desire to communicate with other Certificateholders with respect to their rights under this Agreement or under the Certificates and such application shall be accompanied by a copy of the communication that such applicants propose to transmit, then the Trustee shall, within [five] Business Days after the receipt for such application, afford such applicants access during normal business hours to the current list of Certificateholders. Each Holder, by receiving and holding a Certificate, shall be deemed to have agreed to hold none of the Servicer, the [Credit Enhancer] or the Trustee accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

SECTION 6.7. Maintenance of Office or Agency. The Trustee shall maintain in [ ], an office or offices or agency or agencies where Certificates may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Trustee in respect of the Certificates and this Agreement may be served. The Trustee initially designates its office located at [ ], as its office for such purposes. The Trustee shall give prompt written notice to the Servicer and to Certificateholders of any change in the location of the Certificate Register or any such office or agency.

SECTION 6.8. Book-Entry Certificates. The Certificates, upon original issuance (except for the Residual Certificate), will be issued in the form of typewritten Certificates representing the Book-Entry Certificates, to be delivered to The Depository Trust Company, the initial Clearing Agency, by, or on behalf of, the Seller. The Certificates delivered to the Depository Trust Company shall initially be registered on the Certificate Register in the name of CEDE & Co., the nominee of the initial Clearing Agency, and no Certificate Owner will receive a definitive certificate representing such Certificate Owner's interest in the Certificates, except as provided in Section 6.10. Unless and until definitive, fully registered Certificates (the "Definitive Certificates") have been issued to Certificate Owners pursuant to Section 6.10;

(i) the provisions of this Section 6.8 shall be in full force and effect;

(ii) the Seller, the Servicer, the Certificate Registrar, and the Trustee may deal with the Clearing Agency for all purposes (including the making of distributions on

the Certificates) as the authorized representative of the Certificate Owners;

(iii) to the extent that the provisions of this Section 6.8 conflict with any other provisions of this Agreement, the provisions of this Section 6.8 shall control;

(iv) the rights of Certificate Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Certificate Owners and the Clearing Agency and/or the Clearing Agency Participants. Pursuant to the Depository Agreement, unless and until Definitive Certificates are issued pursuant to Section 6.10, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal and interest on the Certificates to such Clearing Agency Participants; and

(v) whenever this Agreement requires or permits actions to be taken based upon instructions or directions of Holders of Certificates evidencing a specified percentage of the Class A Principal Balance or Class B Principal Balance, as the case may be, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Certificate Owners and/or Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in Certificates and has delivered such instructions to the Trustee.

SECTION 6.9. Notices to Clearing Agency. Whenever notice or other communication to the Certificateholders is required under this Agreement, other than to the Holder of the Residual Certificate, unless and until Definitive Certificates shall have been issued to Certificate Owners pursuant to Section 6.10, the Trustee and the Servicer shall give all such notices and communications specified herein to be given to Holders of the Certificates to the Clearing Agency.

SECTION 6.10. Definitive Certificates. If (i) (A) the Seller advises the Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities under the Depository Agreement and (B) the Trustee or the Seller is unable to locate a qualified successor, (ii) the Seller 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 Servicing Termination, Certificate Owners representing beneficial interests aggregating not less than [ ]% of the Clearing Agency through the Clearing Agency Participants in writing that the

continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Certificate Owners, than the Trustee shall notify the Clearing Agency and request that the Clearing Agency notify all Certificate Owners of the occurrence of any such event and of the availability of Definitive Certificates to Certificate Owners requesting the same. Upon surrender to the Trustee of the Certificates by the Clearing Agency, accompanied by registration instructions from the Clearing Agency for registration, the Trustee shall issue the Definitive Certificates and deliver such Definitive Certificates in accordance with the instructions of the Clearing Agency. Neither the Seller, the Certificate Registrar nor 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 Certificates, the Trustee shall be protected in relying on, such instructions. Upon the issuance of Definitive Certificates, the Trustee shall recognize the Holders of the Definitive Certificates as Certificateholders hereunder. The Trustee shall not be liable if the Trustee or the Seller is unable to locate a qualified successor Clearing Agency.

## ARTICLE VII

### The Seller

SECTION 7.1. Representations of Seller. The Seller makes the following representations to the [Credit Enhancer] and the Trustee, on which the [Credit Enhancer] relied in executing and delivering [the Credit Enhancement] and on which the Trustee on behalf of itself and the Certificateholders relied in accepting the Receivables in trust and executing and authenticating the Certificates. The representations speak as of the execution and delivery of this Agreement and shall survive the sale of the Receivables to the Trustee.

(i) Organization and Good Standing. The Seller has been duly organized and is validly existing as a [ ] in good standing under the laws of [ ], with power and authority to execute, deliver and perform its obligations under this Agreement and to own its properties and to conduct its business as such properties shall be currently owned and such business is presently conducted, and had at all relevant times, and shall have, power, authority, and legal right to acquire and own the Receivables.

(ii) 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 shall require such qualifications.

(iii) Power and Authority. The Seller has the power and authority to execute and deliver this Agreement and to carry out its terms; the Seller has full power and authority to sell and assign the property sold and assigned to and deposited with the Trustee as part of the Trust and has duly authorized such sale and assignment to the Trustee by all necessary corporate action; and the execution, delivery, and performance of this Agreement has been duly authorized by the Seller by all necessary corporate action.

(iv) Valid Sale; Binding Obligation. This Agreement effects a valid sale, transfer and assignment of the Receivables and the other property conveyed to the Trust pursuant to Section 2.2, enforceable against creditors of and purchasers from the Seller; and this Agreement shall constitute a legal, valid and binding obligation of the Seller enforceable in accordance with its terms.

(v) No Violation. The execution, delivery and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the articles 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 any of its properties are subject; nor result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust, or other instrument (other than this Agreement); nor 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 its properties.

(vi) No Proceedings. There are no proceedings or investigations pending, or to the Seller's best knowledge, threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Seller or its properties: (A) asserting the invalidity of this Agreement or the Certificates, (B) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement, (C) seeking any determination or ruling that might materially and adversely





cases executes an agreement of assumption to perform every obligation of the Seller under this Agreement, shall be the successor to the Seller hereunder without the execution or filing of any document or any further act by any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 2.5 shall have been breached and no Event of Default, and no event that, after notice or lapse of time, or both, would become an Event of Default shall have happened and be continuing, (ii) the Seller shall have delivered to the [Credit Enhancer] and the Trustee an Officer's Certificate and an Opinion of Counsel each stating that such consolidation, merger, or succession and such agreement or assumption comply with this Section 7.3 and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with, (iii) the Seller shall have delivered to the [Credit Enhancer] and the Trustee an Opinion of Counsel either (A) stating that, in the opinion of such counsel, all financing statements and continuation statements and amendments thereto have been executed and filed that are necessary fully to preserve and protect the interest of the Trustee in the Receivables, and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest and (iv) immediately after giving effect to such transaction, no [Enhancement Agreement Event of Default] and no event that, after notice or lapse of time, or both, would become an [Enhancement Agreement Event of Default] shall have happened and be continuing. The Seller shall provide notice of any merger, consolidation or succession pursuant to this Section 7.3 to each Rating Agency and shall have received confirmation from each Rating Agency that the then current rating of the Class A Certificates or the Class B Certificates will not be downgraded as a result of such merger, consolidation or succession. Notwithstanding anything herein to the contrary, the execution of the foregoing agreement of assumption and compliance with clause (i), (ii), (iii) or (iv) above shall be conditions to the consummation of the transactions referred to in clause (a), (b) or (c) above.

SECTION 7.4. 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 hereunder. The Seller shall not be under any obligation to appear in, prosecute, or defend any legal action that shall not be incidental to its obligations under this Agreement, and that in its opinion may involve it in any expense or liability.

SECTION 7.5. Seller May Own Certificates. The Seller and any Person controlling, controlled by, or under common control

with the Seller may in its individual or any other capacity become the owner or pledgee of Certificates with the same rights as it would have if it were not the Seller or an affiliate thereof, except as otherwise provided in the definition of "Certificateholder" specified in Section 1.1 and in Section 1.6. Certificates so owned by or pledged to the Seller or such controlling or commonly controlled Person shall have an equal and proportionate benefit under the provisions of this Agreement, without preference, priority, or distinction as among all of the Certificates except as otherwise provided herein or by the definition of Certificateholder.

#### ARTICLE VIII

##### The Servicer

SECTION 8.1. Representations of Servicer. The Servicer makes the following representations to the [Credit Enhancer] and the Trustee, on which the [Credit Enhancer] relies in executing and delivering [the Credit Enhancement], and on which the Trustee on behalf of itself and the Certificateholders relies in accepting the Receivables in trust and executing and authenticating the Certificates. The representations speak as of the execution and delivery of this Agreement and shall survive the sale of the Receivables to the Trustee.

(i) Organization and Good Standing. The Servicer has been duly organized and is validly existing as a corporation 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 shall be 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.

(ii) Due Qualification. The Servicer is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business (including the servicing of the Receivables as required by this Agreement) shall require such qualifications.

(iii) Power and Authority. The Servicer has the power and authority to execute and deliver this Agreement and to carry out its terms; and the execution, delivery, and performance of this Agreement has been duly authorized by the Servicer by all necessary corporate action.

(iv) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Servicer enforceable in accordance with its terms.

(v) No Violation. The execution, delivery and performance by the Servicer of this Agreement and the consummation of the transactions contemplated hereby and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the articles of incorporation or by-laws 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; nor result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any indenture, agreement, mortgage, deed of trust, or other instrument (other than this Agreement); nor 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 its properties.

(vi) No Proceedings. There are no proceedings or investigations pending, or to the Servicer's best knowledge, threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Servicer or its properties: (A) asserting the invalidity of this Agreement or the Certificates, (B) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement, (C) seeking any determination or ruling that might materially and adversely affect the performance by the Servicer of its obligations under, or the validity or enforceability of, this Agreement or the Certificates, or (D) relating to the Servicer and which might adversely affect the Federal or State income, excise, franchise or similar tax attributes of the Certificates.

(vii) 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 Certificates or the consummation of the other transactions contemplated by this Agreement, except such as have been duly made or obtained.

(viii) Taxes. The Servicer has filed on a timely basis all tax returns required to be filed by it and paid all taxes, to the extent that such taxes have become due.

(ix) 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: 2 Ada, Suite 100, Irvine, California.

SECTION 8.2. Indemnities of Servicer. (a) The Servicer shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Servicer under this Agreement and the representations made by the Servicer herein.

(i) The Servicer shall defend, indemnify, and hold harmless the Trustee, [the Standby Servicer], the [Collateral Agent], the Trust, the [Credit Enhancer], the Certificateholders and the Seller, from and against any and all costs, expenses, losses, damages, claims, and liabilities, arising out of or resulting from the use, ownership, or operation by the Servicer or any affiliate thereof of a Financed Vehicle.

(ii) The Servicer shall indemnify, defend and hold harmless the Trustee, [the Standby Servicer], the [Collateral Agent], the Trust, the [Credit Enhancer] and the Seller from and against any taxes that may at any time be asserted against the Trustee, [the Standby Servicer], the [Collateral Agent], the Trust, the [Credit Enhancer] or the Seller, with respect to the transactions contemplated herein including, without limitation, any sales, gross receipts, general corporation, tangible personal property, privilege, or license taxes and costs and expenses in defending against the same.

(iii) The Servicer shall indemnify, defend, and hold harmless the Trustee, [the Standby Servicer], the [Collateral Agent], the Seller, the [Credit Enhancer], the Trust and the Certificateholders 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 Trustee, [the Standby Servicer], the [Collateral Agent], the Seller, the Trust or the Certificateholders through, the negligence, willful misfeasance, or bad faith of the Servicer in the performance of its duties under this Agreement or by reason of reckless disregard of its obligations and duties under this Agreement.

(iv) The Servicer shall indemnify, defend, and hold harmless the Trustee, [the Standby 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, 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 Standby Servicer] or [Collateral Agent], as applicable; (b) relates to any tax other than the taxes with respect to which the Servicer shall be required to indemnify the Trustee, [the Standby Servicer] or the [Collateral Agent]; or (c) shall arise from the Trustee's breach of any of its representations or warranties set forth in Section 10.13.

(v) Notwithstanding the foregoing, the Servicer shall not be obligated to defend, indemnify, and hold harmless any Certificateholder for any losses, claims, damages or liabilities incurred by any Certificateholders 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 Certificate by such Certificateholder with the assets of a plan subject to such provisions of ERISA or the Code or the servicing, management and operation of the Trust.

(b) For purposes of this Section, in the event of the termination of the rights and obligations of a Servicer (or any successor thereto pursuant to Section 8.3) as Servicer pursuant to Section 9.1, 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 9.2. The provisions of this Section 8.2(b) shall in no way affect the survival pursuant to Section 8.2(c) of the indemnification by the Servicer provided by Section 8.2(a).

(c) Indemnification under this Section 8.2 shall survive the termination of this Agreement and any resignation or removal of CPS as Servicer and shall include reasonable fees and expenses of counsel and expenses of litigation. If the Servicer shall have made any indemnity payments pursuant to this Section and the recipient thereafter collects any of such amounts from others, the recipient shall promptly repay such amounts to the Servicer, without interest.

SECTION 8.3. Merger or Consolidation of, or Assumption of the Obligations of, Servicer or Standby Servicer. (a) Any Person (a) into which the Servicer may be merged or consolidated, (b) which may result from any merger or consolidation to which the Servicer shall be a party, or (c) which may succeed to the properties and assets of the Servicer substantially as a whole, shall execute an agreement of assumption to perform every obligation of the Servicer hereunder, and whether or not such assumption agreement is executed, shall be the successor to the

Servicer under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default shall have happened and be continuing, (ii) the Servicer shall have delivered to the Trustee and the [Credit Enhancer] 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 8.3 and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with, (iii) the Servicer shall have delivered to the Trustee and the [Credit Enhancer] an Opinion of Counsel either (A) stating that, in the opinion of such counsel, all financing statements and continuation statements and amendments thereto have been executed and filed that are necessary fully to preserve and protect the interest of the Trustee in the Receivables and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest and (iv) nothing herein shall be deemed to release the Servicer from any obligation. Notwithstanding anything herein to the contrary, the execution of the foregoing agreement of assumption and compliance with clauses (i), (ii) or (iii) above shall be conditions to the consummation of the transactions referred to in clause (a), (b) or (c) above.

(b) Any Person (a) into which [the Standby Servicer] may be merged or consolidated, (b) which may result from any merger or consolidation to which [the Standby Servicer] shall be a party, or (c) which may succeed to the properties and assets of [the Standby Servicer] substantially as a whole, shall execute an agreement of assumption to perform every obligation of the Servicer hereunder, and whether or not such assumption agreement is executed, shall be the successor to [the Standby Servicer] under this Agreement without further act on the part of any of the parties to this Agreement; provided, however, that nothing herein shall be deemed to release [the Standby Servicer] from any obligation.

SECTION 8.4. Limitation on Liability of Servicer and Others. Neither the Servicer nor any of the directors or officers or employees or agents of the Servicer shall be under any liability to the Trust or the Certificateholders, except as provided under 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 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 or by reason of reckless disregard of obligations and duties under this Agreement. The Servicer and

any director or officer or employee or agent of the Servicer may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising under this Agreement.

Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute, or defend any legal action that shall not be incidental to its duties to service the Receivables in accordance with this Agreement, and that in its opinion may involve it in any expense or liability.

SECTION 8.5. Servicer and Standby Servicer Not to Resign. Subject to the provisions of Section 8.3, neither the Servicer nor [the Standby Servicer] may resign from the obligations and duties hereby imposed on it as Servicer or Standby Servicer, as the case may be, under this Agreement except upon 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 result in a material adverse effect on the Servicer or [the Standby Servicer], as the case may be, and the [Credit Enhancer] does not elect to waive the obligations of the Servicer or [the Standby Servicer], as the case may be, to perform the duties which render it legally unable to act or does not elect to delegate those duties to another Person. Notice of any such determination permitting the resignation of the Servicer or [the Standby Servicer], as the case may be, shall be communicated to the Trustee and the [Credit Enhancer] at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time) and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to and satisfactory to the Trustee and the [Credit Enhancer] concurrently with or promptly after such notice. No such resignation of the Servicer shall become effective until a successor servicer shall have assumed the responsibilities and obligations of CPS in accordance with Section 9.2 and [the Servicing Assumption Agreement], if applicable. No such resignation of [the Standby Servicer] shall become effective until an entity acceptable to the [Credit Enhancer] shall have assumed the responsibilities and obligations of [the Standby Servicer]; provided, however, that if no such entity shall have assumed such responsibilities and obligations of [the Standby Servicer] within [60] days of the resignation of [the Standby Servicer], [the Standby Servicer] may petition a court of competent jurisdiction for the appointment of a successor to [the Standby Servicer].

ARTICLE IX

Default

SECTION 9.1. Events of Default. If any one of the following events ("Events of Default") shall occur and be continuing:

(i) Any failure by the Servicer to deliver to the Trustee for distribution to Certificateholders any proceeds or payment required to be so delivered under the terms of the Certificates and this Agreement that shall continue unremedied for a period of [two] Business Days (or, in the case of a payment or deposit to be made no later than a Distribution Date, the failure to make such payment or deposit by such Distribution Date); or the certificate required by Section 3.9, the statement required by Section 3.10, or the report required by Section 3.11 shall not have been delivered within [five (5)] days after the date such certificates or statements or reports, as the case may be, are required to be delivered; or

(ii) Failure on the part of the Servicer, or the Seller, as the case may be, duly to observe or to perform in any material respect any other covenants or agreements of the Servicer or the Seller (as the case may be) set forth in the Certificates or in this Agreement, which failure shall continue unremedied for a period of [30] days after the date on which written notice of such failure requiring the same to be remedied, shall have been given (1) to the Servicer or the Seller (as the case may be), by the [Credit Enhancer] or the Trustee, or (2) to the Servicer or the Seller, (as the case may be), and to the Trustee and the [Credit Enhancer] by the Holders of Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance or, after the Class A Certificates have been paid in full and all outstanding Reimbursement Obligations and other amounts due to the [Credit Enhancer] have been paid in full, by the Holders of Class B Certificates evidencing not less than [ ]% of the Class B Certificate Balance; or

(iii) The entry of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver, or liquidator for the Servicer or the Seller (or, so long as CPS is Servicer, any of the Servicer's Affiliates) in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings, or for the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of [60] consecutive days; or



(iv) The consent by the Servicer or the Seller (or, so long as CPS is Servicer, any of the Servicer's Affiliates) to the appointment of a conservator, trustee, receiver or liquidator in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of or relating to the Servicer or the Seller (or, so long as CPS is Servicer, any of the Servicer's Affiliates) of or relating to substantially all of its property; or the Servicer or the Seller (or, so long as CPS is Servicer, any of the Servicer's Affiliates) shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations; or

(v) The occurrence of an [Enhancement Agreement Event of Default];

then, and in each and every case, so long as an Event of Default shall not have been remedied, provided (i) no [Enhancement Default] shall have occurred and be continuing, the [Credit Enhancer] in its sole and absolute discretion, or (ii) if an [Enhancement Default] shall have occurred and be continuing, then either the Trustee or the Holders of Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance or (iii) if the Class A Certificates have been paid in full and either (A) all outstanding Reimbursement Obligations and other amounts due to the [Credit Enhancer] have been paid in full or (B) an [Enhancement Default] shall have occurred and be continuing, then either the Trustee or the Holders of Class B Certificates evidencing not less than [ ]% of the Class B Certificate Balance, by notice then given in writing to the Servicer (and to the Trustee if given by the [Credit Enhancer] or by the Certificateholders) may terminate all of the rights and obligations of the Servicer under this Agreement. The Servicer shall be entitled to its pro rata share of the Servicing Fee for the number of days in the Collection Period prior to the effective date of its termination. On or after the receipt by the Servicer of such written notice, all authority and power of the Servicer under this Agreement, whether with respect to the Certificates or the Receivables or otherwise, shall, without further action, pass to and be vested in (i) [the Standby Servicer] or (ii) such successor Servicer as may be appointed under Section 9.2; provided, however, that the successor Servicer shall have no liability with respect to any obligation which was required to be performed by the predecessor Servicer prior to the date the successor Servicer becomes the Servicer or any claim of a third party (including a Certificateholder) based on any alleged action or inaction of the predecessor Servicer as Servicer; and, without limitation, the Trustee is hereby

authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination, whether to complete the transfer and endorsement of the Receivables and related documents, or otherwise. The predecessor Servicer shall cooperate with the successor Servicer and the Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the successor Servicer for administration by it of all cash amounts that shall at the time be held or should have been held by the predecessor Servicer for deposit, or shall thereafter be received with respect to a Receivable and the delivery to the successor Servicer of all files and records concerning the Receivables and a computer tape in readable form containing all information necessary to enable the successor Servicer to service the Receivables and the other property of the Trust. All reasonable costs and expenses (including attorneys' fees) incurred in connection with transferring the Receivable Files to the successor Servicer and amending this Agreement to reflect such succession as Servicer pursuant to this Section 9.1 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 4.6(c) hereof. Upon receipt of notice of the occurrence of an Event of Default, the Trustee shall give notice thereof to the Rating Agencies. The predecessor Servicer shall grant the Trustee, [the Standby Servicer] and the [Credit Enhancer] reasonable access to the predecessor Servicer's premises at the predecessor Servicer's expense. If requested by the [Credit Enhancer], [the Standby Servicer] or successor Servicer shall terminate any arrangements relating to (i) the Lock-Box Account with the Lock-Box Bank, (ii) the Post-Office Box or (iii) the Lock-Box Agreement, and direct the Obligors to make all payments under the Receivables directly to the Servicer at the predecessor Servicer's expense (in which event the successor Servicer shall process such payments directly, or, through a Lock-Box Account with a Lock-Box Bank at the direction of the [Credit Enhancer]).

SECTION 9.2. Appointment of Successor. (a) Upon the Servicer's receipt of notice of termination pursuant to Section 9.1, the Servicer's resignation in accordance with the terms of this Agreement or expiration or non-renewal of the term of the Servicer hereunder in accordance with Section 3.14, 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, [ ], as Standby 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 [Credit Enhancer] shall have determined that a Person other than [the Standby Servicer] shall be the successor Servicer in accordance with Section 9.2(c), on the date of the execution of a written assumption agreement by such Person to serve as successor Servicer. Notwithstanding [the Standby 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 Standby Servicer] shall not be deemed to have assumed or to become liable for, or otherwise have any liability for, any duties, responsibilities, obligations or liabilities of CPS or any predecessor Servicer arising on or before the Assumption Date, whether provided for by the terms of this Agreement, arising by operation of law or otherwise, including, without limitation, any liability for, any duties, responsibilities, obligations or liabilities of CPS or any predecessor Servicer arising on or before the Assumption Date under Sections 3.7, 4.4 or 8.2 of this Agreement, regardless of when the liability, duty, responsibility or obligation of CPS or any predecessor Servicer therefore arose, whether provided by the terms of this Agreement, arising by operation of law or otherwise. In addition, if [the Standby Servicer] shall be legally unable to act as Servicer and an [Enhancement Default] shall have occurred and be continuing, [the Standby Servicer], the Trustee or Class A Certificateholders holding Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance (or, if the Class A Certificates have been paid in full, Class B Certificateholders holding Class B Certificates evidencing not less than [ ]% of the Class B Certificate Balance) may petition a court of competent jurisdiction to appoint any successor to the Servicer. Pending appointment pursuant to the preceding sentence, [the Standby Servicer] shall act as successor Servicer unless it is legally unable to do so, in which event the predecessor Servicer shall continue to act as Servicer until a successor has been appointed and accepted such appointment. In the event that a successor Servicer has not been appointed at the time when the predecessor

Servicer has ceased to act as Servicer in accordance with this Section 9.2, then the [Credit Enhancer], in accordance with Section 9.2(c) shall appoint, or petition a court of competent jurisdiction to appoint a successor to the Servicer under this Agreement.

(b) Upon appointment, the successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties, and liabilities arising thereafter relating thereto placed on the predecessor Servicer, and shall be entitled to the Servicing Fee and all of the rights granted to the predecessor Servicer, by the terms and provisions of this Agreement.

(c) Subject to Section 12.11, the [Credit Enhancer] may exercise at any time its right to appoint as Standby Servicer or as successor Servicer a Person other than the Person serving as Standby Servicer at the time, and shall have no liability to the Trustee, CPS, the Seller, the Person then serving as Standby Servicer, any Certificateholder or any other person if it does so. Subject to Section 8.5, no provision of this Agreement shall be construed as relieving [the Standby Servicer] of its obligation to succeed as successor Servicer upon the termination of the Servicer pursuant to Section 9.1 or resignation of the Servicer pursuant to Section 8.5. If upon any such resignation or termination, the [Credit Enhancer] appoints a successor Servicer other than [the Standby Servicer], [the Standby Servicer] shall not be relieved of its duties as Standby Servicer hereunder.

SECTION 9.3. Reserved.

SECTION 9.4. Notification to Certificateholders. Upon any termination of, or appointment of a successor to, the Servicer pursuant to this Article IX, the Trustee shall give prompt written notice thereof to Certificateholders at their respective addresses appearing in the Certificate Register and to each of the Rating Agencies.

[SECTION 9.5. Direction of Insolvency Proceedings by [Credit Enhancer]. (a) In the event that the Trustee has received a certified copy of an order of the appropriate court that any Class A Guaranteed Distribution Amount paid on a Class A Certificate has been avoided in whole or in part as a preference payment under applicable bankruptcy law, the Trustee shall so notify the [Credit Enhancer], shall comply with the provisions of [the Credit Enhancement] to obtain payment by the [Credit Enhancer] of such avoided Class A Guaranteed Distribution Amount payment, and shall, at the time it provides notice to the [Credit Enhancer], notify Holders of the Class A Certificates by mail that, in the event that any Class A Certificateholder's payment

is so recoverable, such Class A Certificateholder will be entitled to payment pursuant to the terms of [the Credit Enhancement]. Pursuant to the terms of [the Credit Enhancement], the [Credit Enhancer] will make such payment on behalf of the Class A Certificateholder to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the order and not to the Trustee or any Class A Certificateholder directly (unless a Class A Certificateholder has previously paid such payment to the receiver, conservator, debtor-in-possession or trustee in bankruptcy, in which case the [Credit Enhancer] will make such payment to the Trustee for distribution to such Class A Certificateholder upon proof of such payment reasonably satisfactory to the [Credit Enhancer]).

(b) Upon knowledge of any of the following events, the Trustee shall promptly notify the [Credit Enhancer] of (i) the commencement of any of the events or proceedings described in Section 9.1 (iii) or (iv) in respect of the Seller or the Servicer or any such event or proceedings applicable to an Obligor under a Receivable (any such event or proceedings, an "Insolvency Proceeding") and (ii) the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer (a "Preference Claim") with regard to any payment of principal of, or interest on a Class A Certificate. Each Class A Certificateholder, by its purchase of Class A Certificates, and the Trustee hereby agree that, the [Credit Enhancer] may, provided an [Enhancement Default] has not occurred, at any time during the continuation of an Insolvency Proceeding direct all matters relating to such Insolvency Proceeding, including, without limitation, (i) all matters relating to any Preference Claim, (ii) the direction of any appeal of any order relating to any Preference Claim and (iii) the posting of any surety, supersedeas or performance bond pending any such appeal at the expense of the [Credit Enhancer], but subject to reimbursement as provided in the [Enhancement Agreement]. In addition, and without limitation of the foregoing, as set forth in Section 4.9, the [Credit Enhancer] shall be subrogated to, and each Class A Certificateholder and the Trustee hereby delegate and assign, to the fullest extent permitted by law, the rights of the Trustee and each Class A Certificateholder 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.]

SECTION 9.6. Action Upon Certain Failures of the Servicer. In the event that the Trustee shall have knowledge of any failure of the Servicer specified in Section 9.1 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 [Credit Enhancer]. For all purposes of this Agreement, the Trustee shall not be deemed to have knowledge of any failure of the Servicer as specified in Section 9.1 unless notified thereof in writing by the Servicer, the [Credit Enhancer] or by a Certificateholder. The Trustee shall be under no duty or obligation to investigate or inquire as to any potential failure of the Servicer specified in Section 9.1.

#### ARTICLE X

##### The Trustee

SECTION 10.1. Duties of Trustee. The Trustee, both prior to the occurrence of an Event of Default and after an Event of Default shall have been cured or waived, shall undertake to perform such duties and only such duties as are specifically set forth in this Agreement. If an Event of Default shall have occurred and shall not have been cured or waived, the Trustee shall exercise such of the rights and powers vested in it by this Agreement and shall use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee that shall be specifically required to be furnished pursuant to any provision of this Agreement, shall examine them to determine whether they conform to the requirements of this Agreement.

The Trustee shall take and maintain custody of the Receivable Files (except as otherwise provided herein) and the Schedule of Receivables included as an exhibit to this Agreement and shall retain copies of all Servicer's Certificates prepared hereunder.

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own bad faith; provided, however, that:

(i) Prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default that may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, the Trustee shall not be liable except for the performance of such duties and obligations as shall be specifically set forth in this Agreement, no implied covenants or obligations shall be read

into this Agreement against the Trustee and, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely on the truth of the statements and the correctness of the opinions expressed in any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement;

(ii) The Trustee shall not be liable for an error of judgment made in good faith by a Trustee Officer, unless it shall be proved that the Trustee shall have been negligent in ascertaining the pertinent facts;

(iii) The Trustee shall not be liable with respect to any action taken, suffered, or omitted to be taken in good faith in accordance with this Agreement or at the direction of the [Credit Enhancer] or, after an [Enhancement Default], the Holders of Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance or, after the Class A Certificates have been paid in full and either (A) all outstanding Reimbursement Obligations and other amounts due to the [Credit Enhancer] have been paid in full or (B) an [Enhancement Default] shall have occurred and be continuing, the Holders of Class B Certificates evidencing not less than [ ]% of the Class B Certificate Balance, relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement;

(iv) The Trustee shall not be charged with knowledge of any Event of Default, unless a Trustee Officer assigned to the Trustee's Corporate Trust Office receives written notice of such Event of Default from the Servicer or the Seller, as the case may be, the [Credit Enhancer] or, after an [Enhancement Default], the Holders of Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance or, after the Class A Certificates have been paid in full and either (A) all outstanding Reimbursement Obligations and other amounts due to the [Credit Enhancer] have been paid in full or (B) an [Enhancement Default] shall have occurred and be continuing, the Holders of Class B Certificates evidencing not less than [ ]% of the Class B Certificate Balance (such notice shall constitute actual knowledge of an Event of Default by the Trustee); and

(v) The Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement.

The Trustee shall not be required 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 there shall be reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability shall not be reasonably assured to it, and none of the provisions contained in this Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Servicer under this Agreement except during such time, if any, as the Trustee, in its capacity as Standby Servicer, shall be the successor to, and be vested with the rights, duties, powers, and privileges of, the Servicer in accordance with the terms of this Agreement.

Except for actions expressly authorized by this Agreement, 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.

All information obtained by the Trustee regarding the Obligors and the Receivables, whether upon the exercise of its rights under this Agreement or otherwise, shall be maintained by the Trustee in confidence and shall not be disclosed to any other Person, unless such disclosure is required by this Agreement or any applicable law or regulation.

SECTION 10.2. Trustee's Certificate. On or as soon as practicable after each Distribution Date on which Receivables shall be assigned to CPS or the Servicer, as applicable, pursuant to this Agreement, based on amounts deposited to the Collection Account, notices received pursuant to this Agreement and the information contained in the Servicer's Certificate for the related Collection Period, identifying the Receivables purchased by CPS pursuant to Section 2.6 or 2.8 or purchased by the Servicer pursuant to Section 3.7 or 11.2, the Trustee shall execute a Trustee's Certificate (in the form of Exhibit C-1 or C-2, as applicable), and shall deliver such Trustee's Certificate, accompanied by a copy of the Servicer's Certificate for such Collection Period to CPS or the Servicer, as the case may be. The Trustee's Certificate submitted with respect to such Distribution Date shall operate, as of such Distribution Date, as an assignment, without recourse, representation, or warranty, to CPS or the Servicer, as the case may be, of all the Trustee's right, title, and interest in and to such repurchased Receivable, and all security and documents relating thereto, such assignment being an assignment outright and not for security.

SECTION 10.3. Reserved.



SECTION 10.4. Certain Matters Affecting Trustee. Except as otherwise provided in Section 10.1:

(i) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officer's Certificate, Servicer's Certificate, certificate of auditors, or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(ii) The Trustee may consult with counsel, and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it under this Agreement in good faith and in accordance with such Opinion of Counsel.

(iii) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct, or defend any litigation under this Agreement or in relation to this Agreement, at the request, order or direction of any of the Certificateholders or the [Credit Enhancer] pursuant to the provisions of this Agreement, unless such Certificateholders or the [Credit Enhancer] shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities that may be incurred therein or thereby; nothing contained in this Agreement, however, shall relieve the Trustee of the obligations, upon the occurrence of an Event of Default (that shall not have been cured or waived), to exercise such of the rights and powers vested in it by this Agreement, and to use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(iv) Prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred, the Trustee shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, or other paper or document (other than for its duties pursuant to Section 2.8), unless requested in writing to do so by the [Credit Enhancer] or Holders of Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance or, after the Class A Certificates have been paid in full and either (A) all outstanding Reimbursement Obligations and other amounts due to the [Credit Enhancer] have been paid in full or (B) an

[Enhancement Default] shall have occurred and be continuing, the Holders of Class B Certificates evidencing not less than [ ]% of the Class B Certificate Balance; 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 shall be, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this 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. Nothing in this clause (iv) shall affect the obligation of the Servicer to observe any applicable law prohibiting disclosure of information regarding the Obligor.

(v) The Trustee may execute any of the trusts or powers hereunder or perform any duties under this Agreement either directly or by or through agents or attorneys or a custodian. The Trustee shall not be responsible for any misconduct or negligence of any such agent or custodian appointed with due care by it hereunder or of the Servicer in its capacity as Servicer or custodian.

(vi) Except as may be required by Sections 2.8 and 10.1, subsequent to the sale of the Receivables by the Seller to the Trust, the Trustee shall have no duty of independent inquiry, and the Trustee may rely upon the representations and warranties and covenants of the Seller and the Servicer contained in this Agreement with respect to the Receivables and the Receivable Files.

(vii) The Trustee may rely, as to factual matters relating to the Seller or the Servicer, on an Officer's Certificate of the Seller or Servicer, respectively.

(viii) The Trustee shall not be required to take any action or refrain from taking any action under this Agreement, or any related documents referred to herein, nor shall any provision of this Agreement, or any such related document be deemed to impose a duty on the Trustee to take action, if the Trustee shall have been advised by counsel that such action is contrary to (i) the terms of this Agreement, (ii) any such related document or (iii) law.

SECTION 10.5. Trustee Not Liable for Certificates or Receivables. The recitals contained herein and in the Certificates (other than the certificate of authentication on the Certificates) shall be taken as the statements of the Seller or

the Servicer, as the case may be, and the Trustee assumes no responsibility for the correctness thereof. The Trustee shall make no representations as to the validity or sufficiency of this Agreement or of the Certificates (other than the certificate of authentication on the Certificates), or of any Receivable or related document. The Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity, and enforceability of any security interest in any Financed Vehicle or any Receivable, or the perfection and priority of such a security interest or the maintenance of any such perfection and priority, or for or with respect to the efficacy of the Trust or its ability to generate the payments to be distributed to Certificateholders under this Agreement, including, without limitation: the existence, condition, location, and ownership of any Financed Vehicle; the existence and enforceability of any physical damage insurance thereon; except as required by Section 2.8, the existence, contents and completeness of any Receivable or any Receivable File or any computer or other record thereof; the validity of the assignment of any Receivable to the Trust or of any intervening assignment; except as required by Section 2.8, the performance or enforcement of any Receivable; the compliance by the Seller or the Servicer with any warranty or representation made under this Agreement or in any related document and the accuracy of any such warranty or representation prior to the Trustee's receipt of notice or other discovery of any noncompliance therewith or any breach thereof; any investment of monies by or at the direction of the Servicer or the [Credit Enhancer] or any loss resulting therefrom (it being understood that the Trustee shall remain responsible for any Trust Property that it may hold); the acts or omissions of the Seller, the Servicer, or any Obligor; any action of the Servicer taken in the name of the Trustee; or any action by the Trustee taken at the instruction of the Servicer; provided, however, that the foregoing shall not relieve the Trustee of its obligation to perform its duties under this Agreement. Except with respect to a claim based on the failure of the Trustee to perform its duties under this Agreement or based on the Trustee's negligence or willful misconduct, no recourse shall be had for any claim based on any provision of this Agreement, the Certificates, or any Receivable or assignment thereof against the Trustee in its individual capacity, the Trustee shall not have any personal obligation, liability, or duty whatsoever to any Certificateholder or any other Person with respect to any such claim, and any such claim shall be asserted solely against the Trust or any indemnitor who shall furnish indemnity as provided in this Agreement. The Trustee shall not be accountable for the use or application by the Seller of any of the Certificates or of the proceeds of such Certificates, or for the use or application of any funds paid to the Servicer in respect of the Receivables. The Seller hereby certifies to the Trustee that the Rating Agencies rating the Class A Certificates are [ ] and that

their addresses are as set forth in Section 12.5. The Trustee may rely on the accuracy of such certification until it receives from the Seller an Officer's Certificate superseding such certification.

SECTION 10.6. Trustee May Own Certificates. The Trustee in its individual or any other capacity may become the owner or pledgee of Certificates and may deal with the Seller and the Servicer in banking transactions with the same rights as it would have if it were not Trustee.

SECTION 10.7. Indemnity of Trustee. The Servicer shall indemnify the Trustee for, and hold it harmless against any loss, liability, or expense incurred without willful misfeasance, negligence, or bad faith on its part, arising out of or in connection with the acceptance or administration of the Trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. Additionally the Seller, pursuant to Section 7.2, shall indemnify the Trustee with respect to certain matters, the Servicer, pursuant to Section 8.2, shall indemnify the Trustee with respect to certain matters, and Certificateholders, pursuant to Section 10.4 shall, upon the circumstances therein set forth, indemnify the Trustee under certain circumstances. The provisions of this Section 10.7 shall survive the termination of this Agreement or any resignation or removal of CPS as Servicer.

SECTION 10.8. Eligibility Requirements for Trustee. The Trustee under this Agreement shall at all times be organized and doing business under the laws of the United States of America; authorized under such laws to exercise corporate trust powers; having a combined capital and surplus of at least \$[ ] and subject to supervision or examination by Federal or State authorities; and having a rating, both with respect to long-term and short-term unsecured obligations, of not less than investment grade by the Rating Agencies. If such corporation shall publish reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 10.8, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 10.8, the Trustee shall resign immediately in the manner and with the effect specified in Section 10.9.

SECTION 10.9. Resignation or Removal of Trustee. The Trustee may at any time resign and be discharged from the trusts hereby created by giving [30] days' prior written notice thereof

to the Servicer. Upon receiving such notice of resignation, with the prior written consent of (a) the [Credit Enhancer] and the Holders of Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance or (b) if the Class A Certificates have been paid in full and all outstanding Reimbursement Obligations and other amounts owing to the [Credit Enhancer] have been paid in full, with the prior written consent of the Holders of Class B Certificates evidencing not less than [ ]% of the Class B Certificate Balance, the Servicer shall promptly appoint a successor Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no successor Trustee shall have been so appointed and have accepted appointment within [30] days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee. The Trustee may be removed at any time by written demand of the [Credit Enhancer] delivered to the Trustee and the Servicer.

If at any time the Trustee shall cease to be eligible in accordance with the provisions of Section 10.8 and shall fail to resign after written request therefor by the Servicer, or if at any time the Trustee shall be legally unable to act, or shall be adjudged bankrupt or insolvent, or a receiver, conservator or liquidator of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Servicer may remove the Trustee. If the Servicer shall remove the Trustee under the authority of the immediately preceding sentence, the Servicer shall promptly appoint a successor Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee, and pay all fees and expenses owed to the outgoing Trustee.

Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 10.9 shall not become effective until acceptance of appointment by the successor Trustee pursuant to Section 10.10 and payment of all fees and expenses owed to the outgoing Trustee. The Servicer shall provide notice of such resignation or removal of the Trustee to each of the Rating Agencies.

SECTION 10.10. Successor Trustee. Any successor Trustee appointed pursuant to Section 10.9 shall execute, acknowledge, and deliver to the Servicer, the [Credit Enhancer] and to its predecessor Trustee an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall

become fully vested with all the rights, powers, duties, and obligations of its predecessor under this Agreement, with like effect as if originally named as Trustee. The predecessor Trustee shall upon payment of its fees and expenses deliver to the successor Trustee all documents and statements and monies held by it under this Agreement; and the Servicer and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Trustee all such rights, powers, duties, and obligations.

No successor Trustee shall accept appointment as provided in this Section 10.10 unless at the time of such acceptance such successor Trustee shall be eligible pursuant to Section 10.8.

Upon acceptance of appointment by a successor Trustee pursuant to this Section 10.10, the Servicer shall mail notice of the successor of such Trustee under this Agreement to all Holders of Certificates at their addresses as shown in the Certificate Register and to the Rating Agencies. If the Servicer shall fail to mail such notice within [10] days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Servicer.

SECTION 10.11. Merger or Consolidation of Trustee. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be eligible pursuant to Section 10.8, without the execution or filing of any instrument or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided further that the Trustee shall mail notice of such merger or consolidation to the Rating Agencies.

SECTION 10.12. Co-Trustee; Separate Trustee. Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust or any Financed Vehicle may at the time be located, the Servicer, the [Credit Enhancer] (provided an [Enhancement Default] shall not have occurred and be continuing) and the Trustee acting jointly shall have the power and shall execute and deliver all instruments to appoint one or more persons approved by the Trustee to act as co-trustee, jointly with the Trustee, or separate trustee or separate trustees, of all or any part of the Trust, and to vest in such Person, in such capacity and for the benefit of the Certificateholders, such title to the Trust, or any part thereof,

and, subject to the other provisions of this Section 10.12, such powers, duties, obligations, rights, and trusts as the Servicer, the [Credit Enhancer] and the Trustee may consider necessary or desirable. If the Servicer and the [Credit Enhancer] shall not have joined in such appointment within [15] days after the receipt by it of a request so to do, or in the case an Event of Default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment. No co-trustee or separate trustee under this Agreement shall be required to meet the terms of eligibility as a successor trustee pursuant to Section 10.8, except that the co-trustee or its parent shall comply with the rating requirements set forth therein, and no notice of a successor trustee pursuant to Section 10.10 and no notice to Certificateholders of the appointment of any co-trustee or separate trustee shall be required pursuant to Section 10.10.

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

(i) All rights, powers, duties, and obligations conferred or imposed upon the Trustee shall be conferred 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 (whether as Trustee under this Agreement or, in its capacity as Standby Servicer, as successor to the Servicer under this Agreement), 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 under this Agreement shall be personally liable by reason of any act or omission of any other trustee under this Agreement; and

(iii) Provided no [Enhancement Default] shall have occurred and be continuing, the [Credit Enhancer] may, and, in the event an [Enhancement Default] shall have occurred and be continuing, then, the Servicer and the Trustee acting jointly may, at any time accept the resignation of or remove any separate trustee or co-trustee.

Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the other 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 X. 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 Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Each such instrument shall be filed with the Trustee and a copy thereof given to the Servicer.

Any separate trustee or co-trustee may at any time appoint 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, 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 10.13. Representations and Warranties of Trustee. The Trustee shall make the following representations and warranties on which the Seller, the [Credit Enhancer] and Certificateholders shall rely:

(i) The Trustee is a banking corporation duly organized, validly existing, and in good standing under the laws of its place of incorporation.

(ii) The Trustee has full corporate power authority and legal right to execute, deliver, and perform this Agreement and shall have taken all necessary action to authorize the execution, delivery and performance by it of this Agreement.

(iii) This Agreement shall have been duly executed and delivered by the Trustee and this Agreement constitutes a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms, subject to (x) applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor's rights generally and (y) general principles of equity.

SECTION 10.14. No Bankruptcy Petition. The Trustee covenants and agrees that prior to the date which is one year and one day after the payment in full of all securities issued by the Seller or by a trust for which the Seller was the depositor it will not institute against, or join any other Person in



instituting against, the Seller or the Trust any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any Federal or State bankruptcy or similar law.

SECTION 10.15. Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under this Agreement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as Trustee. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Certificateholders in respect of which such judgment has been obtained.

SECTION 10.16. Rights of [Credit Enhancer] to Direct Trustee; Class B Certificateholder's Right of First Refusal. (a) The [Credit Enhancer], after giving written notice to the Trustee, shall have the right to direct the time, method and place at or by which the Trustee conducts any proceeding for any remedy available to the Trustee, or exercises any such trust or power conferred upon the Trustee.

(b) If in the exercise of its rights, powers and remedies under Subsection (a) above, the [Credit Enhancer] directs the Trustee to liquidate Receivables with an aggregate Principal Balance exceeding [ ]% of the aggregate Principal Balance of all Receivables by selling such Receivables to one or more third parties in one or more substantially contemporaneous sales, the [Credit Enhancer] shall notify the Rating Agencies thereof and shall direct the Trustee, prior to contracting to sell any such Receivables to a third party, to notify any Holder of Class B Certificates evidencing in the aggregate more than [ ]% of the Class B Certificate Balance of its intent to sell such Receivables and of the amount of the highest bid the Trustee has received to purchase such Receivables (the "Strike Bid"). The Class B Certificateholders or their designee shall have [ten (10)] Business Days from the date of notification to submit a bid equal to or greater than the Strike Bid. If the Trustee has not received a bid from such Class B Certificateholders or their designee within such ten (10) Business Day period, the [Credit Enhancer] shall be entitled to direct the Trustee to consummate the purchase at the Strike Bid. If the Trustee receives a bid equal to or greater than the Strike Bid from the Class B Certificateholders or their designee within such ten (10) Business Day period the [Credit Enhancer] shall direct the Trustee to accept such bid of the Class B Certificateholders or their designee.

(c) Notwithstanding anything to the contrary contained in subsections (a) or (b) above, the Trustee shall have the right to decline to follow any such direction of the [Credit Enhancer] if the Trustee, being advised by counsel, determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a responsible officer of the Trustee, determine that the proceedings so directed would be illegal or involve it in personal liability or be unduly prejudicial to the rights of Certificateholders; provided, that nothing in this Agreement shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction of the [Credit Enhancer].

## ARTICLE XI

### Termination

SECTION 11.1. Termination of the Trust. The respective obligations and responsibilities of the Seller, the Servicer, and the Trustee created hereby and the Trust created by this Agreement shall terminate upon the payment to Certificateholders of all amounts required to be paid to them pursuant to this Agreement or [the Credit Enhancement] (including all amounts required to reduce the Class A Certificate Balance to zero and to pay in full any unpaid Class A Interest Distributable Amount), satisfaction of all Reimbursement Obligations, and the expiration of any preference period related thereto and the disposition of all property held as part of the Trust; provided, however, that in no event shall the trust created by this Agreement continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, the late ambassador of the United States of America to the Court of St. James, living on the date of this Agreement. The Servicer shall promptly notify the Trustee and the [Credit Enhancer] of any prospective termination pursuant to this Section 11.1.

Notice of any termination, specifying the Distribution Date upon which the Certificateholders may surrender their Certificates to the Trustee for payment of the final distribution and cancellation, shall be given promptly by the Trustee by letter to Certificateholders mailed not earlier than the 15th day and not later than the 25th day of the month next preceding the specified Distribution Date stating (A) the Distribution Date upon which final payment of the Certificates shall be made upon presentation and surrender of the Certificates at the office of the Trustee therein designated, (B) the amount of any such final payment, and (C) if applicable, that the Record Date otherwise applicable to such Distribution Date is not applicable, payments being made only upon presentation and surrender of the Certificates at the office of the Trustee therein specified. The

Trustee shall give such notice to the Certificate Registrar (if other than the Trustee) at the time such notice is given to Certificateholders. Upon presentation and surrender of the Certificates, the Trustee shall cause to be distributed to Certificateholders amounts distributable on such Distribution Date pursuant to Section 4.6. Notwithstanding the foregoing, if on the Distribution Date upon which final payment of the Certificates is to be made, there are only six or less initial Certificateholders of record, the amounts distributable to such initial Certificateholders pursuant to Section 4.6 will be paid on the final Distribution Date by wire transfer or check as set forth in Section 4.6(f), and each such initial Certificateholder shall present and surrender its Certificates at the office of the Trustee designated in the notice referred to above within [30 days] after such Distribution Date.

In the event that all of the Certificateholders shall not surrender their Certificates for cancellation within six months after the date specified in the above-mentioned written notice, the Trustee shall give a second written notice to the remaining Certificateholders to surrender their Certificates for cancellation and receive the final distribution with respect thereto. If within one year after the second notice all the Certificates shall not have been surrendered for cancellation, the Trustee shall take appropriate steps, or may appoint an agent to take appropriate steps, to contact the remaining Certificateholders concerning surrender of their Certificates, and the cost thereof shall be paid out of the funds and other assets that shall remain subject to this Agreement or, if none, from CPS. Any funds remaining in the Trust after exhaustion of such remedies shall be distributed by the Trustee to the American Red Cross.

SECTION 11.2. Optional Purchase of All Receivables. On the last day of any Collection Period as of which the Pool Balance shall be less than or equal to the Optional Purchase Percentage multiplied by the Original Pool Balance, the Servicer shall have the option to purchase the corpus of the Trust (with the consent of the [Credit Enhancer], if such purchase would result in a claim under [the Credit Enhancement] or would result in any amount owing to the [Credit Enhancer] or to the Holders of the Class A Certificates remaining unpaid); provided, however, that the Servicer may not effect any such purchase unless the Trustee shall have received an Opinion of Counsel to the effect that such purchase would not constitute a fraudulent conveyance. To exercise such option the Servicer (or the [Credit Enhancer], if applicable) shall deposit pursuant to Section 4.5 in the Collection Account an amount equal to the aggregate Purchase Amount for the Receivables (including defaulted Receivables), 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 [Credit Enhancer] and the Trustee, and shall succeed to all interests in and to the Trust. For purposes of this Section, the Purchase Amount shall not be less than the sum of the Class A Certificate Balance and the Class B Certificate Balance.

## ARTICLE XII

### Miscellaneous Provisions

SECTION 12.1. Amendment. This Agreement may be amended from time to time by the Seller, the Servicer, and the Trustee with the consent of the [Credit Enhancer] and with the consent (which consent of any Holder of a Certificate given pursuant to this Section or pursuant to any other provision of this Agreement shall be conclusive and binding on such Holder and on all future Holders of such Certificate and of any Certificate issued upon the transfer thereof or in exchange thereof or in lieu thereof whether or not notation of such consent is made upon the Certificate) of the Holders of Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance and the Holders of Class B Certificates evidencing not less than [ ]% of the Class B Certificate Balance for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement, or of modifying in any manner the rights of the Holders of Certificates; provided, however, that no such amendment shall (a) increase or reduce in any manner the amount of, or accelerate or delay the timing of, or change the allocation or priority of, collections of payments on Receivables or distributions that shall be required to be made on any Certificate or change the Class A Pass-Through Rate or the Class B Pass-Through Rate without the consent of each Certificateholder affected thereby, (b) reduce the aforesaid percentage of the Class A Certificate Balance or Class B Certificate Balance required to consent to any such amendment, without the consent of the Holders of all Certificates of the applicable class then outstanding, (c) result in a downgrade or withdrawal of the then current rating of the Class A Certificates by either of the Rating Agencies without the consent of all the Class A Certificateholders or (d) result in a downgrade or withdrawal of the then current rating of the Class B Certificates by either of the Rating Agencies without the consent of all the Class B Certificateholders.

Promptly after the execution of any such amendment or consent, the Trustee shall furnish a copy of such amendment or consent to each Certificateholder and each of the Rating Agencies.

Prior to the execution of any amendment to this Agreement, 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 12.2(i)(1). The Trustee may, but shall not be obligated to, enter into any such amendment which affects the Trustee's own rights, duties or immunities under this Agreement or otherwise.

SECTION 12.2. Protection of Title to Trust. (a) The Seller or Servicer or both shall execute and file such financing statements and cause to be executed 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 Certificateholders and the Trustee in the Receivables and the other Trust Assets and in the proceeds thereof. The Seller or Servicer or both shall deliver (or cause to be delivered) to 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, 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 ss. 9-402(7) of the UCC, unless it shall have given the Trustee and the [Credit Enhancer] at least [five] days' prior written notice thereof, shall have promptly filed appropriate amendments to all previously filed financing statements or continuation statements and shall have delivered an Opinion of Counsel (A) stating that, in the opinion of such counsel, all amendments to all previously filed financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the interest of the Trustee in the Receivables and the other Trust Assets, and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest.

(c) Each of the Seller and the Servicer shall have an obligation to give the Trustee and the [Credit Enhancer] at least [60] days' prior written notice of any relocation of its principal executive office if, as a result of such relocation, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement, shall promptly file any such amendment and shall deliver an Opinion of Counsel (A) stating that, in the opinion of such counsel, all amendments to all previously filed financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the interest of the Trustee in the

Receivables, and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest. The Servicer shall at all times maintain each office from which it shall service Receivables, and its principal executive office, within the United States of America.

(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 Certificate Account and Payahead 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 Trustee, the Servicer's master computer records (including any back-up archives) that refer to a Receivable shall indicate clearly the interest of CPS Auto Grantor Trust 199[ ]-[ ] in such Receivable and that such Receivable is owned by the Trust. Indication of the Trust's ownership of a Receivable shall be deleted from or modified on the Servicer's computer systems when, and only when, such 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 back-up archives) that, if they shall refer in any manner whatsoever to any Receivable, shall indicate clearly that such Receivable has been sold to and is owned by the Trust.

(g) The Servicer shall permit the Trustee, [the Standby Servicer] and the [Credit Enhancer] 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 Trustee, [the Standby Servicer] or to the [Credit Enhancer], within [five] Business Days, a list of all Receivables (by contract number and name of Obligor) then held as part of the Trust, 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 Trust.

(i) The Servicer shall deliver to the Trustee and the [Credit Enhancer]:

(1) promptly after the execution and delivery of this Agreement and of each amendment hereto and after the execution and delivery of each amendment to any financing statement, an Opinion of Counsel either (A) stating that, in the opinion of such counsel, all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the interest of the 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) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest; and

(2) within 90 days after the beginning of each calendar year beginning with the first calendar year beginning more than three months after the Cutoff Date, an Opinion of Counsel, dated as of a date during such 90-day period either (A) stating that, in the opinion of such counsel, all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the interest of the 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) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest.

Each Opinion of Counsel referred to in clause (i) (1) or (i) (2) above shall specify any action necessary (as of the date of such opinion) to be taken in the following year to preserve and protect such interest.

(j) For the purpose of facilitating the execution of this Agreement and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

(k) In the event any of the events described in Section 9.1 (iii) or (iv) shall have occurred, or in the event CPS shall have been removed or replaced as Servicer for any reason, then CPS and/or the Servicer shall immediately cause each Certificate of Title for a Financed Vehicle to be marked to reflect the security interest of the Trustee in the Financed Vehicle, and CPS hereby appoints the Trustee its attorney-in-fact to effect such marking, and the Trustee hereby accepts such appointment. The appointment of the Trustee hereunder shall not operate to relieve CPS and/or the Servicer of its obligations to mark each Certificate of Title

under this provision. CPS shall be liable for all costs, fees and expenses incurred under this Section 12.2(k).

SECTION 12.3. Limitation on Rights of Certificateholders. The death or incapacity of any Certificateholder shall not operate to terminate this Agreement or the Trust, nor entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations and liabilities of the parties to this Agreement or any of them.

No Certificateholder shall have any right to vote (except as specifically provided herein including in Section 12.1) or in any manner otherwise control the operation and management of the Trust, or the obligations of the parties to this Agreement, nor shall anything in this Agreement set forth, or contained in the terms of the Certificates, be construed so as to constitute the Certificateholders from time to time as partners or members of an association; nor shall any Certificateholder be under any liability to any third person by reason of any action taken pursuant to any provision of this Agreement.

No Class A Certificateholder shall have any right by virtue or by availing itself of any provisions of this Agreement to institute any suit, action, or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Holder previously shall have given to the Trustee a written notice of default and of the continuance thereof, and unless also the Holders of Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee under this Agreement and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses, and liabilities to be incurred therein or thereby and the Trustee, for [30] days after its receipt of such notice, request, and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and during such [30]-day period no request or waiver inconsistent with such written request has been given to the Trustee pursuant to this Section or Section 9.5; no one or more Holders of Class A Certificates shall have any right in any manner whatever by virtue or by availing itself or themselves of any provisions of this Agreement to affect, disturb, or prejudice the rights of the Holders of any other of the Class A Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right, under this Agreement except in the manner provided in this Agreement and for the equal, ratable, and common benefit of all Class A Certificateholders. For the protection and enforcement of the provisions of this Section 12.3, each Class A



Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity. Nothing in this Agreement shall be construed as giving the Class A Certificateholders any direct right to make a claim under [the Credit Enhancement].

No Class B Certificateholder shall have any right by virtue or by availing itself of any provisions of the Agreement to institute any suit, action, proceeding in equity or at law upon or under or with respect to the Agreement, unless it has the prior written consent of the [Credit Enhancer] and, if any Class A Certificate shall remain outstanding, the prior written consent of the Holders of Class A Certificates evidencing not less than[ ]% of the Class A Certificate Balance; provided that, this sentence shall be inoperative from and after such time as the Class A Certificates have been paid in full and all outstanding Reimbursement Obligations and other amounts due to the [Credit Enhancer] have been paid in full.

SECTION 12.4. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

SECTION 12.5. Notices. All demands, notices, and communications upon or to the Seller, the Servicer, the Trustee, the [Credit Enhancer], [the rating agency] under this Agreement shall be in writing, and delivered (a) personally, (b) by certified mail, return receipt requested, (c) by Federal Express or similar overnight courier service or (d) by telecopy, and shall be deemed to have been duly given upon receipt (a) in the case of the Seller, to the agent for service as specified in this Agreement, at the following address: [ ], or at such other address as shall be designated by the Seller in a written notice to the Trustee, (b) in the case of the Servicer, to Secretary, 2 Ada, Suite 100, Irvine, California 92718 (Telecopy: 714-753-6805), (c) in the case of the Trustee, at [ ], (d) in the case of [rating agency], at the following address: [ ], (e) in the case of [rating agency] at [ ]; and (f) in the case of [Credit Enhancer], at the following address: [ ]. Any notice required or permitted to be mailed to a Certificateholder shall be given by Federal Express or similar overnight courier service, postage prepaid, at the address of such Holder as shown in the Certificate Register. Any notice so mailed within the time prescribed in this Agreement shall be conclusively presumed to have been duly given, whether or not the Certificateholder shall receive such notice.

The Trustee shall give prompt written notice to each of the Rating Agencies and each Class A Certificateholder of (i) any

amendments to the [Enhancement Agreement] or [the Credit Enhancement] (upon receipt of written notice of any such amendments from the Seller or the Servicer), (ii) any change in the identity of the Paying Agent and (iii) any failure to make payment under [the Credit Enhancement].

SECTION 12.6. Severability of Provisions. If any one or more of the covenants, agreements, provisions, or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or the rights of the Holders thereof.

SECTION 12.7. Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Sections 7.3 and 8.3 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 [Credit Enhancer], the Trustee and the Holders of Certificates evidencing not less than [ ]% of the Pool Balance, the Holders of Class A Certificates evidencing not less than [ ]% of the Class A Certificate Balance and the Holders of Class B Certificates evidencing not less than [ ]% of the Class B Certificate Balance.

SECTION 12.8. Certificates Nonassessable and Fully Paid. Certificateholders shall not be personally liable for obligations of the Trust. The interests represented by the Certificates shall be nonassessable for any losses or expenses of the Trust or for any reason whatsoever, and upon authentication thereof by the Trustee pursuant to Section 6.2 or 6.3, Certificates shall be deemed fully paid.

SECTION 12.9. Nonpetition Covenant. (a) None of the Seller, the Servicer, the Trustee, [the Standby Servicer] or CPS shall petition or otherwise invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Trust or the Seller 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 Trust or the Seller or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Trust or the Seller.

(b) The Servicer shall not, nor cause the Seller to, petition or otherwise invoke the process of commencing or sustaining a case against the Seller 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 Seller or any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Seller.

SECTION 12.10. Third Party Beneficiaries. Except as otherwise specifically provided herein with respect to Certificateholders, the parties to this Agreement hereby manifest their intent that no third party other than the [Credit Enhancer] and the [Collateral Agent] with respect to the indemnification provisions set forth herein, shall be deemed a third party beneficiary of this Agreement, and specifically that the Obligors are not third party beneficiaries of this Agreement.

[SECTION 12.11. [The Credit Enhancer] as Controlling Party. Each Certificateholder by purchase of the Certificates held by it acknowledges that the Trustee, as partial consideration of the issuance of [the Credit Enhancement], has agreed that the [Credit Enhancer] shall have certain rights hereunder for so long as no [Enhancement Default] shall have occurred and be continuing. So long as an [Enhancement Default] has occurred and is continuing, any provision giving the [Credit Enhancer] 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 [Enhancement Default] and such right shall instead vest in the Trustee acting at the direction of the Holders of Class A Certificates evidencing, unless otherwise specified, not less than [ ]% of the Class A Certificate Balance. From and after such time as the Class A Certificates have been paid in full and all outstanding Reimbursement Obligations and other amounts due to the [Credit Enhancer] have been paid in full, any provision giving the [Credit Enhancer] or the Class A Certificateholders 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 Holders of Class B Certificates evidencing, unless otherwise specified, not less than [ ]% of the Class B Certificate Balance. [The Credit Enhancer may disclaim any of its rights and powers under this Agreement (but not its duties and obligations under [the Credit Enhancement]) upon delivery of a written notice to the Trustee. [The Credit Enhancer] may give or withhold any consent hereunder in its sole and absolute discretion.]

SECTION 12.12. Agent for Service. The agent for service for the Seller shall be [ ]. The Seller hereby designates CT Corporation System, 1633 Broadway, New York, New York 10019 (212) 644-1666 as agent for service of process in all matters pertaining to the Seller in New York.

IN WITNESS WHEREOF, the Seller, the Servicer, the Trustee and [the Standby Servicer] have caused this Pooling and Servicing Agreement to be duly executed by their respective officers as of the day and year first above written.

[ \_\_\_\_\_ ],  
as Seller

By: \_\_\_\_\_  
Name:  
Title:

CONSUMER PORTFOLIO SERVICES, INC.,  
as Servicer

By: \_\_\_\_\_  
Name:  
Title:

[ \_\_\_\_\_ ]  
as Trustee [and Standby Servicer]

By: \_\_\_\_\_  
Name:  
Title:

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Agreement

FORM OF CLASS A CERTIFICATE

SEE REVERSE FOR  
CERTAIN  
DEFINITIONS

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, 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.

CPS AUTO GRANTOR TRUST 199[ ]  
[ ] ASSET BACKED CERTIFICATE  
CLASS A

evidencing a beneficial ownership interest in the Trust, as defined below, the property of which includes a pool of retail installment sale contracts secured by new and used automobiles, light trucks, vans and minivans and sold to the Trust by [Seller].

(This Certificate does not represent an interest in or obligation of [Seller], Consumer Portfolio Services, Inc., the Trustee or any of their respective affiliates, except to the extent described below.)

NUMBER R-[ ]

CUSIP No. [ ]

[\$ [ ] Final Scheduled Distribution Date: [ ]

THIS CERTIFIES THAT CEDE & CO. is the registered owner of a [ ] dollar nonassessable, fully-paid, fractional undivided ownership interest in the CPS Auto Grantor Trust 199[ ]-[ ] (the "Trust") formed by Consumer Portfolio Services, Inc. (the "Servicer"). The Trust was created pursuant to a Pooling and Servicing Agreement dated as of [ ] (the "Agreement") among the Seller, Consumer Portfolio Services, Inc., as servicer (the "Servicer"), and [ ] as trustee (the "Trustee") [and Standby Servicer], a summary of

certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "[ ]% Asset Backed Certificates, Class A" (herein called the "Class A Certificates"). Also issued under the Agreement are Certificates designated as "[ ]% Asset Backed Certificates, Class B" (the "Class B Certificates"). The Class B Certificates and the Class A Certificates are hereinafter collectively called the "Certificates". The aggregate beneficial ownership interests in the Trust evidenced by all Class A Certificates is [ ]%. This Class A Certificate is issued under and is subject to the terms, provisions, and conditions of the Agreement, to which Agreement the Holder of this Class A Certificate by virtue of the acceptance hereof assents and by which such Holder is bound. The property of the Trust includes (i) a pool of retail installment sale contracts for new and used automobiles, light trucks, vans and minivans (the "Receivables"), with respect to Rule of 78's Receivables, all monies due or to become due thereon after [ ] (the "Cutoff Date") and, with respect to Simple Interest Receivables, all amounts received with respect thereto after the Cutoff Date, security interests in the vehicles financed thereby, proceeds from claims on certain insurance policies and certain other rights under the Agreement, certain bank accounts and the proceeds thereof, all right, title and interest of the Seller in and to the Purchase Agreement, all right, title and interest of the Seller in and to certain refunds, the Receivable File related to each Receivable and the proceeds of any or all of the foregoing; and (ii) [Credit Enhancement] issued for the benefit of the Class A Certificateholders by [Credit Enhancer] [(the "Credit Enhancement")].

Under the Agreement, there will be distributed on the 15th day of each month or, if such [ ] day is not a Business Day, the next Business Day (the "Distribution Date"), commencing on [ ], to the person in whose name this Class A Certificate is registered at the close of business on the [ ] day of the calendar month in which such Distribution Date occurs (the "Record Date"), such Class A Certificateholder's percentage interest (determined by dividing the denominations of this Class A Certificate by the aggregate original denomination of all Class A Certificates) in the amounts distributed to Class A Certificateholders pursuant to the Agreement.

[Credit Enhancement is provided pursuant to the Enhancement Agreement.]

Distributions on this Class A Certificate will be made by the Trustee by check or money order mailed to the Class A Certificateholder of record in the Certificate Register without the presentation or surrender of this Class A Certificate or the making of any notation hereon except that with respect to Class A Certificates registered in the name of Cede & Co., the nominee for the Clearing Agency, distributions will be made in the form of immediately available funds. Except as otherwise provided in the Agreement and notwithstanding the

above, the final distribution on this Class A Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Class A Certificate at the office or agency maintained for that purpose by the Trustee in the Borough of Manhattan, The City of New York. The Record Date otherwise applicable to such distribution shall not be applicable.

Reference is hereby made to the further provisions of this Class A Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Trustee, by manual signature, this Class A Certificate shall not entitle the Holder hereof to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Trustee on behalf of the Trust and not in its individual capacity has caused this Class A Certificate to be duly executed.

CPS AUTO GRANTOR TRUST 199[ ]-[ ]

By: [ ]  
not in its individual  
capacity but solely in its  
capacity as Trustee

By:/s/\_\_\_\_\_  
Authorized Signatory

Dated: [ ]

This is one of the Class A Certificates  
referred to in the within-mentioned Agreement.

[  
not in its individual capacity but  
solely in its capacity as Trustee

By: /s/ \_\_\_\_\_  
Authorized Signatory

[REVERSE OF CERTIFICATE]

The Certificates do not represent an obligation of, or an interest in, the Seller, the Servicer, the Trustee or any affiliate of any of them. The Certificates are limited in right of payment to certain collections and recoveries respecting the Receivables [and claims made under the [Credit Enhancement], all as more specifically set forth in the Agreement. A copy of the Agreement may be examined during normal business hours at the principal office of the Seller, and at such other places, if any, designated by the Seller, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Seller and the rights of the Certificateholders under the Agreement at any time by the Seller, the Servicer and the Trustee with the consent of the [Credit Enhancer] and with the consent of the Holders of Certificates evidencing not less than [ ]% of the Class A Certificate Balance and [ ]% of the Class B Certificate Balance. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and on all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate.

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Certificate Registrar, or by any successor Certificate Registrar, accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate interest in the Trust will be issued to the designated transferee.

The Class A Certificates are issuable only as registered Certificates without coupons in minimum denominations of \$1,000 and integral multiples thereof; however, one certificate may be issued in the residual amount. As provided in the Agreement and subject to certain limitations set forth therein, Certificates are exchangeable for new Certificates of authorized denominations evidencing the same aggregate denomination, as requested by the Holder surrendering the same. No service charge will be made for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or governmental charges payable in connection therewith.

The Trustee, the Certificate Registrar, and any agent of the Trustee or the Authenticating Agent may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Trustee, the Certificate Registrar, nor any such agent shall be affected by any notice to the contrary.

The obligations and responsibilities created by the Agreement and the Trust created thereby shall terminate upon the payment to Certificateholders of all amounts required to be paid to them pursuant to the Agreement, the payment of all Reimbursement Obligations, and the expiration of any preference period with respect thereto and the disposition of all property held as part of the Trust. The Servicer of the Receivables may at its option purchase the corpus of the Trust at a price specified in the Agreement, and such purchase of the Receivables and other property of the Trust will effect early retirement of the Certificates; however, such right of purchase is exercisable only as of the last day of any Collection Period as of which the Pool Balance is less than or equal to 10% of the original aggregate principal balance of the Receivables.



ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY  
OR OTHER IDENTIFYING NUMBER  
OF ASSIGNEE

-----  
(Please print or typewrite name and address, including postal zip code, of assignee)

-----  
the within Certificate, and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_ Attorney to transfer said Certificate on the books of the Certificate Registrar, with full power of substitution in the premises.

Dated:

\_\_\_\_\_ \*

\_\_\_\_\_ \*

\* NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration, enlargement or any change whatever.

Exhibit B to the  
Pooling and Servicing  
Agreement

FORM OF CLASS B CERTIFICATE

SEE REVERSE FOR  
CERTAIN  
DEFINITIONS

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, 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.

CPS AUTO GRANTOR TRUST 199[ ]  
[ ] ASSET BACKED CERTIFICATE  
CLASS B

evidencing a beneficial ownership interest in the Trust, as defined below, the property of which includes a pool of retail installment sale contracts secured by new and used automobiles, light trucks, vans and minivans and sold to the Trust by [Seller].

(This Certificate does not represent an interest in or obligation of [Seller], Consumer Portfolio Services, Inc., the Trustee or any of their respective affiliates, except to the extent described below.)

NUMBER R-[ ] CUSIP No. [ ]

\$( [ ] Final Scheduled Distribution Date: [ ]

THIS CERTIFIES THAT CEDE & CO. is the registered owner of a [ ] dollar nonassessable, fully-paid, fractional undivided ownership interest in the CPS Auto Grantor Trust 199[ ]-[ ] (the "Trust") formed by Consumer Portfolio Services, Inc. (the "Servicer"). The Trust was created pursuant to a Pooling and Servicing Agreement dated as of [ ] (the "Agreement") among the Seller, Consumer Portfolio Services, Inc., as servicer (the "Servicer"), and [ ] as trustee (the "Trustee") [and Standby Servicer], a summary

of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "[ ]% Asset Backed Certificates, Class B" (herein called the "Class B Certificates"). Also issued under the Agreement are Certificates designated as "[ ]% Asset Backed Certificates, Class A" (the "Class A Certificates"). The Class B Certificates and the Class A Certificates are hereinafter collectively called the "Certificates". The aggregate beneficial ownership interests in the Trust evidenced by all Class B Certificates is [ ]%. This Class B Certificate is issued under and is subject to the terms, provisions, and conditions of the Agreement, to which Agreement the Holder of this Class B Certificate by virtue of the acceptance hereof assents and by which such Holder is bound. The property of the Trust includes (i) a pool of retail installment sale contracts for new and used automobiles, light trucks, vans and minivans (the "Receivables"), with respect to Rule of 78's Receivables, all monies due or to become due thereon after [ ] (the "Cutoff Date") and, with respect to Simple Interest Receivables, all amounts received with respect thereto after the Cutoff Date, security interests in the vehicles financed thereby, proceeds from claims on certain insurance policies and certain other rights under the Agreement, certain bank accounts and the proceeds thereof, all right, title and interest of the Seller in and to the Purchase Agreement, all right, title and interest of the Seller in and to certain refunds, the Receivable File related to each Receivable and the proceeds of any or all of the foregoing; and (ii) [Credit Enhancement] issued for the benefit of the Class A Certificateholders by [Credit Enhancer] [(the "Credit Enhancement")].

Under the Agreement, there will be distributed on the 15th day of each month or, if such [ ] day is not a Business Day, the next Business Day (the "Distribution Date"), commencing on [ ]

[ ], to the person in whose name this Class B Certificate is registered at the close of business on the [ ] day of the calendar month in which such Distribution Date occurs (the "Record Date"), such Class B Certificateholder's percentage interest (determined by dividing the denominations of this Class B Certificate by the aggregate original denomination of all Class B Certificates) in the amounts distributed to Class B Certificateholders pursuant to the Agreement.

Distributions on this Class B Certificate will be made by the Trustee by check or money order mailed to the Class B Certificateholder of record in the Certificate Register without the presentation or surrender of this Class B Certificate or the making of any notation hereon except that with respect to Class B Certificates registered in the name of Cede & Co., the nominee for the Clearing Agency, distributions will be made in the form

of immediately available funds. Except as otherwise provided in the Agreement and notwithstanding the above, the final distribution on this Class B Certificate will be made after due notice by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Class B Certificate at the office or agency maintained for that purpose by the Trustee in the Borough of Manhattan, The City of New York. The Record Date otherwise applicable to such distribution shall not be applicable.

Reference is hereby made to the further provisions of this Class B Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Trustee, by manual signature, this Class B Certificate shall not entitle the Holder hereof to any benefit under the Agreement or be valid for any purpose.

IN WITNESS WHEREOF, the Trustee on behalf of the Trust and not in its individual capacity has caused this Class B Certificate to be duly executed.

CPS AUTO GRANTOR TRUST 199[ ]-[ ]

By: [ ]  
not in its individual capacity  
but solely in its capacity as  
Trustee

By: \_\_\_\_\_  
Authorized Signatory

Dated: [ ]



[REVERSE OF CERTIFICATE]

The Certificates do not represent an obligation of, or an interest in, the Seller, the Servicer, the Trustee or any affiliate of any of them. The Certificates are limited in right of payment to certain collections and recoveries respecting the Receivables [and claims made under the [Credit Enhancement], all as more specifically set forth in the Agreement. A copy of the Agreement may be examined during normal business hours at the principal office of the Seller, and at such other places, if any, designated by the Seller, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Seller and the rights of the Certificateholders under the Agreement at any time by the Seller, the Servicer and the Trustee with the consent of the [Credit Enhancer] and with the consent of the Holders of Certificates evidencing not less than [ ]% of the Class A Certificate Balance and [ ]% of the Class B Certificate Balance. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and on all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate.

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Certificate Registrar, or by any successor Certificate Registrar, accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate interest in the Trust will be issued to the designated transferee.

The Class B Certificates are issuable only as registered Certificates without coupons in minimum denominations of \$1,000 and integral multiples thereof; however, one certificate may be issued in the residual amount. As provided in the Agreement and subject to certain limitations set forth therein, Certificates are exchangeable for new Certificates of authorized denominations evidencing the same aggregate denomination, as requested by the Holder surrendering the same. No service charge will be made for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or governmental charges payable in connection therewith.

The Trustee, the Certificate Registrar, and any agent of the Trustee or the Authenticating Agent may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Trustee, the Certificate Registrar, nor any such agent shall be affected by any notice to the contrary.

The obligations and responsibilities created by the Agreement and the Trust created thereby shall terminate upon the payment to Certificateholders of all amounts required to be paid to them pursuant to the Agreement, the payment of all Reimbursement Obligations, and the expiration of any preference period with respect thereto and the disposition of all property held as part of the Trust. The Servicer of the Receivables may at its option purchase the corpus of the Trust at a price specified in the Agreement, and such purchase of the Receivables and other property of the Trust will effect early retirement of the Certificates; however, such right of purchase is exercisable only as of the last day of any Collection Period as of which the Pool Balance is less than or equal to 10% of the original aggregate principal balance of the Receivables.



ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY  
OR OTHER IDENTIFYING NUMBER  
OF ASSIGNEE

-----  
(Please print or typewrite name and address, including postal zip code, of assignee)  
-----

the within Certificate, and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_ Attorney to transfer said Certificate on the books of the Certificate Registrar, with full power of substitution in the premises.

Dated:

\_\_\_\_\_\*  
  
\_\_\_\_\_\*

\* NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration, enlargement or any change whatever.

Trustee's Certificate  
Pursuant to Section 10.2 of  
the Pooling and Servicing Agreement

[ ], as trustee (the "Trustee") of the CPS Auto Grantor Trust 199[ ]-[ ] created pursuant to the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), dated as of [ ], among [ ], as Seller, Consumer Portfolio Services, Inc., as Servicer, and [ ], as Trustee [and Standby Servicer], does hereby sell, transfer, assign, and otherwise convey to Consumer Portfolio Services, Inc., without recourse, representation, or warranty, all of the Trustee's right, title, and interest in and to all of the Receivables (as defined in the Pooling and Servicing Agreement) identified in the attached Servicer's Certificate as "Purchased Receivables," which are to be repurchased by Consumer Portfolio Services, Inc. pursuant to Section 2.6 and all security and documents relating thereto.

IN WITNESS WHEREOF I have hereunto set my hand this \_\_ day of \_\_\_\_, 19\_\_.

By: \_\_\_\_\_  
Name:  
Title:

Exhibit C-2 to  
Pooling and Servicing  
Agreement

Trustee's Certificate  
Pursuant to Section 10.2 of  
the Pooling and Servicing Agreement

[ ], as trustee (the "Trustee") of the CPS Auto Grantor Trust 199[ ]-[ ] created pursuant to the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), dated as of [ ], among [ ], as Seller, [ ], as Servicer (the "Servicer"), and [ ], as Trustee [and Standby Servicer], does hereby sell, transfer, assign, and otherwise convey to the Servicer, without recourse, representation, or warranty, all of the Trustee's right, title, and interest in and to all of the Receivables (as defined in the Pooling and Servicing Agreement) identified in the attached Servicer's Certificate as "Purchased Receivables," which are to be repurchased by the Servicer pursuant to Section 3.7 and all security and documents relating thereto.

IN WITNESS WHEREOF I have hereunto set my hand this \_\_ day of \_\_\_\_, 19\_\_.

By: \_\_\_\_\_

Name:

Title:

Exhibit D to  
Pooling and Servicing  
Agreement

Form of Monthly  
Certificateholder Statement

[To be delivered by Servicer at Closing]

Exhibit E-1 to  
Pooling and Servicing  
Agreement

Trust Receipt  
Pursuant to Section 2.9 of  
the Pooling and Servicing Agreement

[ ], as Servicer (the "Servicer") of the CPS Auto Grantor Trust 199[ ]-[ ] created pursuant to the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement"), dated as of [ ], among [ ], as Seller, [ ], the Servicer, and [ ], as Trustee [and Standby Servicer], does hereby acknowledge receipt of the documents relating to Receivables, each of which documents and the Receivables they related to are listed on the attached Schedule 1 hereto. Servicer furthermore agrees to return such documents to the Trustee in accordance with the terms of the Pooling and Servicing Agreement.

IN WITNESS WHEREOF I have hereunto set my hand this \_\_ day of \_\_\_\_, 19\_\_.

[ ],  
as Servicer

By: \_\_\_\_\_  
Name:  
Title:

Acknowledged By:

[ ],  
as Trustee

By: \_\_\_\_\_  
Name:  
Title:

Exhibit E-2 to  
Pooling and Servicing  
Agreement

Form of Servicing  
Officer's Certificate

[To be delivered by Servicer at Closing]

[FORM OF PURCHASE AGREEMENT]

PURCHASE AGREEMENT dated as of this [ ] by and between CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "Seller"), having its principal executive office at 2 Ada, Suite 100, Irvine, California 92718, and CPS RECEIVABLES CORP. a California corporation (the "Purchaser"), having its principal executive office at 2 Ada, Suite 100, Irvine, California 92718.

WHEREAS, in the regular course of its business, the Seller purchases and services through its auto loan programs certain motor vehicle retail installment sale contracts secured by new and used automobiles, light trucks, vans or minivans acquired from motor vehicle dealers.

WHEREAS, the Seller and the Purchaser wish to set forth the terms pursuant to which the Receivables (as hereinafter defined), are to be sold by the Seller to the Purchaser, which Receivables will be transferred by the Purchaser, pursuant to the Pooling and Servicing Agreement (as hereinafter defined) to CPS Auto Trust 199[ ]-[ ] to be created thereunder, which Trust will issue certificates representing beneficial ownership interests in the Receivables and the other property of the Trust (the "Class A Certificates" and the "Class B Certificates", together, the "Certificates").

NOW, THEREFORE, in consideration of the foregoing, other good and valuable consideration, and the mutual terms and covenants contained herein, the parties hereto agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

Terms not defined in this Agreement shall have the meaning set forth in the Pooling and Servicing Agreement. As used in this Agreement, the following terms shall, unless the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms of the terms defined):

"Agreement" means this Purchase Agreement and all amendments hereof and supplements hereto.

"Assignment" means the document of assignment attached to this Agreement as Exhibit A.

"Base Prospectus" means the Prospectus dated [ ], 1996 with respect to CPS Auto Trusts.

"Closing Date" means [ ], [ ].

"Cutoff Date" means [ ], [ ].

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

"Obligor(s)" means the purchaser or co-purchasers of a Financed Vehicle or any other person who owes or may be liable for payments under a Receivable.

"Offering Documents" means the Prospectus Supplement and related Base Prospectus and the Private Placement Memorandum.

"Pooling and Servicing Agreement" means the Pooling and Servicing Agreement dated as of [ ] among CPS Receivables Corp., as seller, Consumer Portfolio Services, Inc., as originator of the Receivables and servicer, and [ ] as trustee and standby servicer.

"Private Placement Memorandum" means the Private Placement Memorandum, dated [ ], relating to the private placement of the Class B Certificates and any amendment or supplement thereto.

"Prospectus Supplement" means the Prospectus Supplement dated [ ], [ ], relating to the public offering of the Class A Certificates and any amendment or supplement thereto.

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

"Receivable" means each retail installment sale contract for a Financed Vehicle that appears on the Schedule of Receivables.

"Receivables Purchase Price" means \$ an amount net of any underwriting fees as described in the Underwriting Agreements).

"Repurchase Event" shall have the meaning specified in Section 6.2 hereof.

"Schedule of Receivables" means the list of Receivables annexed hereto as Exhibit B.

"Seller" means Consumer Portfolio Services, Inc., a California corporation, in its capacity as seller of the Receivables and the other Transferred Property relating thereto, and its successors and assigns.

"Servicer" means Consumer Portfolio Services, Inc., a California corporation, in its capacity as Servicer of the Receivables, its successors and assigns.



"Transferred Property" shall have the meaning specified in Section 2.1(a) hereof.

"Trust" means the CPS Auto Grantor Trust 199[ ]-[ ] created by the Pooling and Servicing Agreement.

"UCC" means the Uniform Commercial Code, as in effect from time to time in the relevant jurisdictions.

"Underwriter" means [ ].

"Underwriting Agreements" means the (a) Underwriting Agreement, dated [ ] among the Underwriter, the Seller and the Purchaser relating to the Class A Certificates and (b) the Certificate Purchase Agreement, dated [ ] among the Underwriter, the Seller and the Purchaser relating to the Class B Certificates.

## ARTICLE II

### PURCHASE AND SALE OF RECEIVABLES

2.1. Purchase and Sale of Receivables. On the Closing Date, subject to the terms and conditions of this Agreement, the Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller, without recourse (subject to the obligations in this Agreement and the Pooling and Servicing Agreement), all of the Seller's right, title and interest in, to and under the Receivables and the other Transferred Property relating thereto. The conveyance to the Purchaser of the Receivables and other Transferred Property relating thereto is intended as a sale free and clear of all liens and it is intended that the Transferred Property and other property of the Purchaser 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.

(a) Transfer of Receivables. On the Closing Date and simultaneously with the transactions to be consummated pursuant to the Pooling and Servicing Agreement, the Seller shall sell, transfer, assign, grant, set over and otherwise convey to the Purchaser, without recourse (subject to the obligations herein and in the Pooling and Servicing Agreement), (i) all right, title and interest of the Seller in and to the Receivables listed in the Schedule of Receivables and, with respect to Rule of 78's Receivables, all monies due or to become due thereon after the Cutoff Date (including Scheduled Payments due after the Cutoff Date (including principal prepayments relating to such Scheduled Payments) but received by the Seller before the Cutoff Date) and, with respect to Simple Interest Receivables, all monies received thereunder after the Cutoff Date and all Liquidation Proceeds and Recoveries received with respect to such Receivables; (ii) all right, title and interest of the Seller in and to the security

interests in the Financed Vehicles granted by Obligors pursuant to the Receivables and any other interest of the Seller in the Financed Vehicles, including, without limitation, the certificates of title or, with respect to Financed Vehicles in the State of Michigan, such other evidence of ownership with respect to Financed Vehicles; (iii) all right, title and interest of the Seller in and to any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles or the Obligors thereunder; (iv) all right, title and interest of the Seller in and to refunds for the costs of extended service contracts with respect to Financed Vehicles, 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 for any of the foregoing; (v) the Receivable File related to each Receivable; and (vi) the proceeds of any and all of the foregoing (collectively, the "Transferred Property").

(b) Receivables Purchase Price. In consideration for the Receivables and other Transferred Property described in Section 2.1(a), the Purchaser shall, on the Closing Date, pay to the Seller the Receivables Purchase Price. The Receivables Purchase Price shall be paid by federal wire transfer (same day) funds.

2.2. The Closing. The sale and purchase of the Receivables shall take place at a closing (the "Closing") at the offices of Mayer, Brown & Platt, 1675 Broadway, New York, New York 10019 on the Closing Date, simultaneously with the closings under: (a) the Pooling and Servicing Agreement pursuant to which (i) the Purchaser will assign all of its right, title and interest in and to the Receivables and the other Transferred Property to the Trustee for the benefit of the Certificateholders and (ii) the Trust will issue and deliver to the Purchaser in exchange for the Transferred Property and related transferred property the Certificates and (b) the Underwriting Agreements pursuant to which the Underwriters shall purchase the Class A Certificates and the Class B Certificates from the Purchaser.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

3.1. Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Seller as of the date hereof and as of the Closing Date:

(a) Organization and Good Standing. The Purchaser has been duly organized and is validly existing as a corporation 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 shall be currently owned and such business is presently conducted, and had at all relevant times, and shall have, power, authority and legal right to acquire and own the Receivables.

(b) Due Qualification. The Purchaser 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 shall require such qualifications.

(c) Power and Authority. The Purchaser has the power and authority to execute and deliver this Agreement and to carry out its terms and the execution, delivery and performance of this Agreement has been duly authorized by the Purchaser by all necessary corporate action.

(d) Binding Obligation. This Agreement shall constitute a legal, valid and binding obligation of the Purchaser enforceable in accordance with its terms.

(e) No Violation. The execution, delivery and performance by the Purchaser of this Agreement and the consummation of the transactions contemplated hereby and the fulfillment of the terms hereof do not conflict with, result in a breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the articles of incorporation or by-laws of the Purchaser, or any indenture, agreement, mortgage, deed of trust, or other instrument to which the Purchaser is a party or by which it is bound or to which any of its properties are subject; nor result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any indenture, agreement, mortgage, deed of trust, or other instrument (other than the Pooling and Servicing Agreement); nor violate any law, order, rule or regulation applicable to the Purchaser of any court or of any Federal or State regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Purchaser or its properties.

(f) No Proceedings. There are no proceedings or investigations pending, or to the Purchaser's best knowledge, threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Purchaser or its properties: (A) asserting the invalidity of this Agreement or the Certificates; (B) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement; (C) seeking any determination or ruling that might materially and adversely affect the performance by the Purchaser of its obligations under, or the validity or enforceability of, this Agreement or the Certificates; or (D) relating to Purchaser and which might adversely affect the Federal or State income, excise, franchise or similar tax attributes of the Certificates.

(g) No Consents. No consent, approval, authorization or order of or declaration or filing with any governmental authority is required to be obtained by the Purchaser for the issuance or sale of the Certificates or the consummation of the other transactions contemplated by this Agreement or the Pooling and Servicing Agreement, except such as have been duly made or obtained.

3.2. Representations and Warranties of the Seller. (a) The Seller hereby represents and warrants to the Purchaser as of the date hereof and as of the Closing Date:

(i) Organization and Good Standing. The Seller has been duly organized and is validly existing as a corporation 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 shall be 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.

(ii) 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 (including the origination and the servicing of the Receivables as required by the Pooling and Servicing Agreement) shall require such qualifications.

(iii) Power and Authority. The Seller has the power and authority to execute and deliver this Agreement and to carry out its terms; the Seller has full power and authority to sell and assign the property sold and assigned to the Purchaser and has duly authorized such sale and assignment to the Purchaser by all necessary corporate action; and the execution, delivery and performance of this Agreement has been duly authorized by the Seller by all necessary corporate action.

(iv) Valid Sale; Binding Obligation. This Agreement effects a valid sale, transfer and assignment of the Receivables and the other Transferred Property conveyed to the Purchaser pursuant to Section 2.1, enforceable against creditors of and purchasers from the Seller; and this Agreement shall constitute a legal, valid and binding obligation of the Seller enforceable in accordance with its terms.

(v) No Violation. The execution, delivery and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, nor

constitute (with or without notice or lapse of time) a default under, the articles of incorporation, as amended, 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 to which any of its properties are subject; nor result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust, or other instrument (other than this Agreement and the Pooling and Servicing Agreement); nor 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 its properties.

(vi) No Proceedings. There are no proceedings or investigations pending, or to the Seller's best knowledge, threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Seller or its properties: (A) asserting the invalidity of this Agreement or the Certificates; (B) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by this Agreement; (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 the Certificates; or (D) relating to the Seller and which might adversely affect the Federal or State income, excise, franchise or similar tax attributes of the Certificates.

(vii) 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 Certificates or the consummation of the other transactions contemplated by this Agreement or the Pooling and Servicing Agreement, except such as have been duly made or obtained.

(viii) 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 this Agreement to give any preference to any creditor or class of creditors, and this transaction will not leave the Seller with remaining assets which are unreasonably small compared to its ongoing operations.

(ix) Fraudulent Conveyance. The Seller is not selling the Receivables to the Purchaser 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 Purchaser.

(b) The Seller makes the following representations and warranties as to the Receivables and the other Transferred Property relating thereto on which the Purchaser relies in accepting the Receivables and the other Transferred Property relating thereto. Such representations and warranties speak as of the execution and delivery of this Agreement, but shall survive the sale, transfer, and assignment of the Receivables and the other Transferred Property relating thereto to the Purchaser and the subsequent assignment and transfer pursuant to the Pooling and Servicing Agreement:

(i) Origination Date. Each Receivable has an origination date on or after [ ].

(ii) Principal Balance/Number of Contracts. As of the Cutoff Date, the total aggregate principal balance of the Receivables was \$[ ]. The Receivables are evidenced by [ ] Contracts.

(iii) Maturity of Receivables. Each Receivable has an original term to maturity of not less than 24 months and not more than 60 months; the weighted average original term to maturity of the Receivables is [ ] months as of the Cutoff Date; the remaining term to maturity of each Receivable was 60 months or less as of the Cutoff Date; the weighted average remaining term to maturity of the Receivables was [ ] months as of the Cutoff Date.

(iv) Characteristics of Receivables. (a) Each Receivable (1) has been originated in the United States of America by a Dealer for the retail sale of a Financed Vehicle in the ordinary course of such Dealer's business, has been fully and properly executed by the parties thereto and has been purchased by the Seller in connection with the sale of Financed Vehicles by the Dealers, (2) has created a valid, subsisting, and enforceable first priority security interest in favor of the Seller in the Financed Vehicle, which security interest has been assigned by the Seller to the Purchaser, which in turn has assigned such security interest to the Trustee pursuant to the Pooling and Servicing Agreement, (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, (4) provides for level monthly payments that fully amortize the Amount Financed over the original term (except for the last payment, which may be different from the level payment) and yield interest at the Annual Percentage Rate, (5) has an Annual Percentage Rate of not less than [ %], (6) that is a Rule of 78's Receivable provides for, in the event that

such contract is prepaid, a prepayment that fully pays the Principal Balance and includes a full month's interest, in the month of prepayment, at the Annual Percentage Rate, (7) is a Rule of 78's Receivable or a Simple Interest Receivable, and (8) was originated by a Dealer and was sold by the Dealer without any fraud or misrepresentation on the part of such Dealer.

(b) Approximately [ %] of the aggregate Principal Balance of the Receivables, constituting [ %] of the number of contracts, as of the Cutoff Date, represents financing of used automobiles, light trucks, vans or minivans; the remainder of the Receivables represent financing of new automobiles, light trucks, vans or minivans; approximately [ %] of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated in the State of California; approximately [ %] of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS alpha program; approximately [ %] of the aggregate Principal Balance of the Receivables as of the Cutoff Date were originated under the CPS delta program; the remainder of the Receivables were originated under the CPS standard program; no Receivable shall have a payment that is more than 30 days overdue as of the Cutoff Date; [ %] of the Receivables are Rule of 78's Receivables and [ %] of the Receivables are Simple Interest Receivables; each Receivable shall have a final scheduled payment due no later than [ ]; each Receivable has an original term to maturity of at least 24 months and not more than 60 months and a remaining term to maturity of not less than [ ] months nor greater than 60 months; and each Receivable was originated on or before the Cutoff Date.

(v) Scheduled Payments. Each Receivable had an original principal balance of not less than [\$ ] nor more than [\$ ] and, has an outstanding principal balance as of the Cutoff Date of not less than [\$ ] and not more than [\$ ] and has a first Scheduled Payment due on or prior to [ ].

(vi) Characteristics of Obligors. As of the date of each Obligor's application for the loan from which the related Receivable arises, each Obligor on any Receivable (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, (b) was not the subject of any Federal, State or other bankruptcy, insolvency or similar proceeding pending on the date of application that is not 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.

(vii) Origination of Receivables. Based on the billing address of the Obligors and the Principal Balances as of the Cutoff Date, approximately [ %] of the Receivables were originated in California, approximately [ %] of the Receivables were originated in Florida, approximately [ %] of the Receivables were originated in Pennsylvania, approximately [ %] of the Receivables were originated in Texas and the remaining [ %] of the Receivables were originated in all other states.

(viii) Post-Office Box. On or prior to the next billing period after the Cutoff Date, the Seller will notify each Obligor to make payments with respect to its respective Receivables after the Cutoff Date directly to the Post- Office Box, and will provide each Obligor with a monthly statement in order to enable such Obligors to make payments directly to the Post-Office Box.

(ix) Location of Receivable Files. A complete Receivable File with respect to each Receivable has been or prior to the Closing Date will be delivered to the Trustee at the location listed in Schedule B to the Pooling and Servicing Agreement.

(x) Schedule of Receivables; Selection Procedures. The information with respect to the Receivables set forth in the Schedule of Receivables is true and correct in all material respects as of the close of business on the Cutoff Date, and no selection procedures adverse to the Certificateholders have been utilized in selecting the Receivables.

(xi) 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 service contracts complied at the time the related Receivable was originated or made and at the execution of this Agreement complies in all material respects with all requirements of applicable Federal, State and local laws, and regulations thereunder including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Soldiers' and Sailors' Civil Relief Act of 1940, 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 other consumer credit laws and equal credit opportunity and disclosure laws.

(xii) Binding Obligation. Each Receivable represents the genuine, legal, valid and binding payment



obligation in writing of the Obligor, enforceable by the holder thereof in accordance with its terms.

(xiii) 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.

(xiv) Security Interest in Financed Vehicle. Immediately prior to the sale, assignment, and transfer thereof, each Receivable shall be secured by a validly perfected first security interest in the Financed Vehicle in favor of the Seller as secured party, and such 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).

(xv) 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.

(xvi) No Waiver. No provision of a Receivable has been waived.

(xvii) No Amendments. 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.

(xviii) No Defenses. As of the Closing Date, 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 or subject to any such right of rescission, setoff, counterclaim, or defense.

(xix) No Liens. As of the Cutoff Date, 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.

(xx) No Default; Repossession. Except for payment delinquencies continuing for a period of not more than thirty days as of the Cutoff Date, no default, breach, violation or event permitting acceleration under the terms of any Receivable has occurred; and no continuing condition that with notice or the lapse of time 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; and no Financed Vehicle shall have been repossessed as of the Cutoff Date.

(xxi) 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 that each Receivable requires the Obligor to obtain and maintain such insurance naming the Seller and its successors and assigns as an additional insured, (B) each Receivable that finances the cost of premiums for credit life and credit accident or health insurance is covered by an insurance policy and certificate of insurance naming the Seller 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.

(xxii) Title. It is the intention of the Seller that the transfer and assignment herein contemplated constitute a sale of the Receivables from the Seller to the Purchaser and that the beneficial interest in and title to such Receivables not be part of the debtor's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. No Receivable has been sold, transferred, assigned, or pledged by the Seller to any Person other than the Purchaser or any such pledge has been released on or prior to the Closing Date. Immediately prior to the transfer and assignment herein contemplated, the Seller had good and marketable title to each Receivable, 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 Purchaser 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.

(xxiii) 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 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.

(xxiv) All Filings Made. All filings (including, without limitation, UCC filings) necessary in any jurisdiction to give the Purchaser a first priority perfected ownership interest in the Receivables have been made.

(xxv) Receivable File; One Original. The Seller has delivered to the Trustee a complete Receivable File with respect to each Receivable. There is only one original executed copy of each Receivable.

(xxvi) Chattel Paper. Each Receivable constitutes "chattel paper" under the UCC.

(xxvii) Valid and Binding Obligation of Obligor. Each Receivable is the legal, valid and binding obligation 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; the terms of such Receivable have not been waived or modified in any respect.

(xxviii) Tax Liens. As of the Cutoff Date, there is no lien against the related Financed Vehicle for delinquent taxes.

(xxix) Title Documents. (A) If the Receivable was originated in a State in which notation of security interest on the title document of the related Financed Vehicle is required or permitted to perfect such security interest, the title document 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 will be received within 180 days and will show, the Seller 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 the Seller named as the original secured party under the related Receivable, and in either case, the Trustee 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. With respect to each Receivable for which the title document of the related Financed Vehicle has not yet been returned from the Registrar of Titles, the Seller has received written evidence from the related Dealer that such

title document showing the Seller as first lienholder has been applied for.

(xxx) Casualty. No Financed Vehicle related to a Receivable has suffered a Casualty.

(xxxii) Obligation to Dealers or Others. The Purchaser and its assignees will assume no obligation to Dealers or other originators or holders of the Receivables (including, but not limited to under dealer reserves) as a result of its purchase of the Receivables.

(xxxiii) 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 Receivable to borrow from any person additional funds secured by the Financed Vehicle.

(c) The representations and warranties contained in this Agreement shall not be construed as a warranty or guaranty by the Seller as to the future payments by any Obligor. The sale of the Receivables pursuant to this Agreement shall be "without recourse" except for the representations, warranties and covenants made by the Seller in this Agreement or the Pooling and Servicing Agreement.

#### ARTICLE IV

##### CONDITIONS

4.1. Conditions to Obligation of the Purchaser. The obligation of the Purchaser to purchase the Receivables is subject to the satisfaction of the following conditions:

(a) Representations and Warranties True. The representations and warranties of the Seller hereunder shall be true and correct on the Closing Date with the same effect as if then made, and the Seller shall have performed all obligations to be performed by it hereunder on or prior to the Closing Date.

(b) Computer Files Marked. The Seller shall, at its own expense, on or prior to the Closing Date, indicate in its computer files that the Receivables have been sold to the Purchaser pursuant to this Agreement and shall deliver to the Purchaser the Schedule of Receivables certified by the Chairman, the President, the Vice President or the Treasurer of the Seller to be true, correct and complete.

(c) Receivable Files Delivered. The Seller shall, at its own expense, deliver the Receivable Files to the Trustee at the offices specified in Schedule B to the Pooling and Servicing Agreement on or prior to the Closing Date.

(d) Documents to be delivered by the Seller at the Closing.

(i) The Assignment. At the Closing, the Seller will execute and deliver the Assignment. The Assignment shall be substantially in the form of Exhibit A hereto.

(ii) Evidence of UCC-1 Filing. On or prior to the Closing Date, the Seller shall record and file, at its own expense, a UCC-1 financing statement in each jurisdiction in which required by applicable law, executed by the Seller, as seller or debtor, and naming the Purchaser, as purchaser or secured party, naming the Receivables and the other Transferred Property conveyed hereafter as collateral, meeting the requirements of the laws of each such jurisdiction and in such manner as is necessary to perfect the sale, transfer, assignment and conveyance of such Receivables to the Purchaser. The Seller shall deliver a file-stamped copy, or other evidence satisfactory to the Purchaser of such filing, to the Purchaser on or prior to the Closing Date.

(iii) Evidence of UCC-2 Filing. On or prior to the Closing Date, the Seller shall cause to be recorded and filed, at its own expense, a UCC-2 termination statement executed by General Electric Capital Corporation ("GECC") in each jurisdiction in which required by applicable law, meeting the requirements of the laws of each such jurisdiction and in such manner as is necessary to release GECC's interest in the Receivables, including without limitation, the security interests in the Financed Vehicles securing the Receivables and any proceeds of such security interests or the Receivables. The Seller shall deliver a file-stamped copy, or other evidence satisfactory to the Purchaser of such filing, to the Purchaser on or prior to the Closing Date.

(iv) Other Documents. On or prior to the Closing Date, the Seller shall deliver such other documents as the Purchaser may reasonably request.

(e) Other Transactions. The transactions contemplated by the Pooling and Servicing Agreement and the Underwriting Agreements shall be consummated on the Closing Date.

4.2. Conditions to Obligation of the Seller. The obligation of the Seller to sell the Receivables to the Purchaser is subject to the satisfaction of the following conditions:

(a) Representations and Warranties True. The representations and warranties of the Purchaser hereunder shall be true and correct on the Closing Date with the same effect as if then made, and the Seller shall have performed all obligations to be performed by it hereunder on or prior to the Closing Date.

(b) Receivables Purchase Price. At the Closing Date, the Purchaser will deliver to the Seller the Receivables Purchase Price as provided in Section 2.1(b). The Seller hereby directs the Purchaser to wire [\$ ] the Receivables Purchase Price to [Bank of America, ABA: 121000358, Account #1458425131,] Consumer Portfolio Services, Inc. pursuant to wire instructions to be delivered to the Purchaser on or prior to the Closing Date.

#### ARTICLE V

##### COVENANTS OF THE SELLER

The Seller agrees with the Purchaser as follows; provided, however, that to the extent that any provision of this ARTICLE V conflicts with any provision of the Pooling and Servicing Agreement, the Pooling and Servicing Agreement shall govern:

##### 5.1. Protection of Right, Title and Interest.

(a) Filings. The Seller shall cause all financing statements and continuation statements and any other necessary documents covering the right, title and interest of the Purchaser in and to the Receivables and the other Transferred Property to be promptly filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Purchaser hereunder to the Receivables and the other Transferred Property. The Seller shall deliver to the Purchaser file stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recordation, registration or filing. The Purchaser shall cooperate fully with the Seller in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 5.1(a). In the event the Seller fails to perform its obligations under this subsection, the Purchaser or the Trustee may do so at the expense of the Seller.

(b) Name and Other Changes. At least 60 days prior to the date the Seller makes any change in its name, identity or corporate structure which would make any financing statement or continuation statement filed in accordance with paragraph (a) above seriously misleading within the applicable provisions of the UCC or any title statute, the Seller shall give the Trustee, the [Credit Enhancer] (so long as a [Credit Enhancer] Default shall not have occurred and be continuing) and the Purchaser written notice of any such change and no later than five days after the effective date thereof, shall file appropriate amendments to all previously filed financing statements or continuation statements. At least 60 days prior to the date of any relocation of its principal executive office, the Seller shall give the Trustee, the [Credit Enhancer] (so long as a [Credit Enhancer] Default shall not have occurred and be

continuing) and the Purchaser written notice thereof if, as a result of such relocation, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement and the Seller shall within five days after the effective date thereof, file any such amendment or new financing statement. The Seller shall at all times maintain each office from which it shall service Receivables, and its principal executive office, within the United States of America.

(c) Accounts and Records. The Seller shall maintain accounts and records as to each Receivable accurately and in sufficient detail to permit 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).

(d) Maintenance of Computer Systems. The Seller shall maintain its computer systems so that, from and after the time of sale hereunder of the Receivables to the Purchaser, the Seller's master computer records (including any back-up archives) that refer to a Receivable shall indicate clearly the interest of the Purchaser in such Receivable and that such Receivable is owned by the Purchaser. Indication of the Purchaser's ownership of a Receivable shall be deleted from or modified on the Seller's computer systems when, and only when, the Receivable shall have been paid in full or repurchased.

(e) Sale of Other Receivables. If at any time the Seller shall propose to sell, grant a security interest in, or otherwise transfer any interest in any automobile or light-duty truck receivables (other than the Receivables) to any prospective purchaser, lender, or other transferee, the Seller shall give to such prospective purchaser, lender, or other transferee computer tapes, records, or print-outs (including any restored from back-up archives) that, if they shall refer in any manner whatsoever to any Receivable, shall indicate clearly that such Receivable has been sold and is owned by the Purchaser unless such Receivable has been paid in full or repurchased.

(f) Access to Records. The Seller shall permit the Purchaser and its agents at any time during normal business hours to inspect, audit, and make copies of and abstracts from the Seller's records regarding any Receivable.

(g) List of Receivables. Upon request, the Seller shall furnish to the Purchaser, within five Business Days, a list of all Receivables (by contract number and name of Obligor) then owned by the Purchaser, together with a reconciliation of such list to the Schedule of Receivables.

5.2. Other Liens or Interests. Except for the conveyances hereunder and pursuant to the Pooling and Servicing Agreement, the Seller will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any

lien on any interest therein, and the Seller shall defend the right, title, and interest of the Purchaser in, to and under such Receivables against all claims of third parties claiming through or under the Seller; provided, however, that the Seller's obligations under this Section 5.2 shall terminate upon the termination of the Trust pursuant to the Pooling and Servicing Agreement.

5.3. Chief Executive Office. During the term of the Receivables, the Seller will maintain its chief executive office in one of the United States, except Louisiana or Vermont.

5.4. Costs and Expenses. The Seller agrees to pay all reasonable costs and disbursements in connection with the perfection, as against all third parties, of the Purchaser's right, title and interest in and to the Receivables.

5.5. Delivery of Receivable Files. On or prior to the Closing Date, the Seller shall deliver the Receivable Files to the Trustee at the location specified in Schedule B to the Pooling and Servicing Agreement. The Seller shall have until the last day of the second Collection Period following receipt from the Trustee of notification, pursuant to Section 2.8 of the Pooling and Servicing Agreement, that there has been a failure to deliver a file with respect to a Receivable or that a file is unrelated to the Receivables identified in Schedule A to the Pooling and Servicing Agreement or that any of the documents referred to in Section 2.7 of the Pooling and Servicing Agreement are not contained in a Receivable File, to deliver such file or any of the aforementioned documents required to be included in such Receivable File to the Trustee. 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 Seller hereby agrees to repurchase any such Receivable from the Trust as of such last day. In consideration of the purchase of the Receivable, the Seller shall remit the Purchase Amount in the manner specified in Section 4.5 of the Pooling and Servicing Agreement. The sole remedy hereunder of the Trustee, the Trust or the Certificateholders with respect to a breach of this Section 5.5, shall be to require the Seller to repurchase the Receivable pursuant to this Section 5.5. Upon receipt of the Purchase Amount, the Trustee shall release to the Seller or its designee the related Receivable File and shall execute and deliver all instruments of transfer or assignment, without recourse, as are prepared by the Seller and delivered to the Trustee and are necessary to vest in the Seller or such designee title to the Receivable.

5.6. Indemnification. (a) The Seller shall indemnify the Purchaser for any liability as a result of the failure of a Receivable to be originated in compliance with all requirements of law and for any breach of any of its representations and warranties contained herein.



(b) The Seller shall defend, indemnify, and hold harmless the Purchaser from and against any and all costs, expenses, losses, damages, claims, and liabilities, arising out of or resulting from the use, ownership, or operation by the Seller or any Affiliate thereof of a Financed Vehicle.

(c) The Seller shall defend, indemnify, and hold harmless the Purchaser from and against any and all taxes, except for taxes on the net income of the Purchaser, that may at any time be asserted against the Purchaser with respect to the transactions contemplated herein, including, without limitation, any sales, gross receipts, general corporation, tangible personal property, privilege, or license taxes and costs and expenses in defending against the same.

(d) The Seller shall defend, indemnify, and hold harmless the Purchaser from and against any and all costs, expenses, losses, damages, claims and liabilities to the extent that such cost, expense, loss, damage, claim or liability arose out of, or was imposed upon the Purchaser through, the negligence, willful misfeasance, or bad faith of the Seller in the performance of its duties under the Agreement, or by reason of reckless disregard of the Seller's obligations and duties under the Agreement.

(e) The Seller shall defend, indemnify, and hold harmless the Purchaser from and against all costs, expenses, losses, damages, claims and liabilities arising out of or incurred in connection with the acceptance or performance of the Seller's trusts and duties as Servicer under the Pooling and Servicing Agreement, except to the extent that such cost, expense, loss, damage, claim or liability shall be due to the willful misfeasance, bad faith, or negligence (except for errors in judgment) of the Purchaser.

Indemnification under this Section shall include reasonable fees and expenses of litigation and shall survive termination of the Trust. These indemnity obligations shall be in addition to any obligation that the Seller may otherwise have.

5.7. Sale. The Seller agrees to treat this conveyance for all purposes (including without limitation tax and financial accounting purposes) as a sale on all relevant books, records, tax returns, financial statements and other applicable documents.

5.8. Non-Petition. In the event of any breach of a representation and warranty made by the Purchaser hereunder, the Seller covenants and agrees that it will not take any action to pursue any remedy that it may have hereunder, in law, in equity or otherwise, until a year and a day have passed since the date on which all certificates issued by the Trust or a similar trust formed by the Purchaser have been paid in full. The Purchaser and the Seller agree that damages will not be an adequate remedy for such breach and that this covenant may be specifically

enforced by the Purchaser or by the Trustee on behalf of the Trust.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

6.1. Obligations of Seller. The obligations of the Seller under this Agreement shall not be affected by reason of any invalidity, illegality or irregularity of any Receivable.

6.2. Repurchase Events. The Seller hereby covenants and agrees with the Purchaser for the benefit of the Purchaser, the Trustee, the [Credit Enhancer] and the Certificateholders, that (i) the occurrence of a breach of any of the Seller's representations and warranties contained in Section 3.2(b) hereof (without regard to any limitations regarding the Seller's knowledge) and (ii) the failure of the Seller to timely comply with its obligations pursuant to Section 5.5 hereof, shall constitute events obligating the Seller to repurchase the affected Receivables hereunder ("Repurchase Events"), at the Purchase Amount from the Trust. Unless the breach of any of the Seller's representations and warranties shall have been cured by the last day of the second Collection Period following the discovery thereof by or notice to the Purchaser and the Seller of such breach, the Seller shall repurchase any Receivable if such Receivable is materially and adversely affected by the breach as of the last day of such second Collection Period (or, at the Seller'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 Trust is materially and adversely affected by such breach, unless the breach shall have been cured by such second Collection Period, the Seller 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. The provisions of this Section 6.2 are intended to grant the Trustee a direct right against the Seller to demand performance hereunder, and in connection therewith the Seller waives any requirement of prior demand against the Purchaser and waives any defaults it would have against the Purchaser with respect to such repurchase obligation. Any such purchase shall take place in the manner specified in Section 4.5 of the Pooling and Servicing Agreement. The sole remedy hereunder of the Certificateholders, the Trust, the [Credit Enhancer], the Trustee or the Purchaser against the Seller with respect to any Repurchase Event shall be to enforce the Seller's obligation to repurchase such Receivables pursuant to this Agreement; provided, however, that the Seller shall indemnify the Trustee, the [Credit Enhancer], the Trust and the Certificateholders 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, the Purchaser shall cause the Trustee to release the related Receivables File to the Seller and to execute and deliver all instruments of transfer or assignment, without recourse, as are necessary to vest in the Seller title to the Receivable. Notwithstanding the foregoing, if it is determined that consummation of the transactions contemplated by the Pooling and Servicing Agreement and the other transaction documents referenced in such Agreement, servicing and operation of the Trust pursuant to such Agreement and such other documents, or the ownership of a 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 ("Code") for which no statutory exception or administrative exemption applies, such violation shall not be treated as a Repurchase Event.

6.3. Seller's Assignment of Purchased Receivables. With respect to all Receivables repurchased by the Seller pursuant to this Agreement, the Purchaser shall assign, without recourse except as provided herein, representation or warranty, to the Seller all the Purchaser's right, title and interest in and to such Receivables, and all security and documents relating thereto.

6.4. Conveyance as Sale of Receivables Not Financing. The parties hereto intend that the conveyance hereunder be a sale of the Receivables and the other Transferred Property from the Seller to the Purchaser and not a financing secured by such assets; and the beneficial interest in and title to the Receivables and the other Transferred 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 any conveyance hereunder is for any reason not considered a sale, the parties intend that this Agreement constitute a security agreement under the UCC (as defined in the UCC as in effect in the State of California) and applicable law, and the Seller hereby grants to the Purchaser a first priority perfected security interest in, to and under the Receivables and the other Transferred Property being delivered to the Purchaser on the Closing Date, and other property conveyed hereunder and all proceeds of any of the foregoing for the purpose of securing payment and performance of the Certificates and the repayment of amounts owed to the Purchaser from the Seller.

6.5. Trust. The Seller acknowledges that the Purchaser will, pursuant to the Pooling and Servicing Agreement, sell the Receivables to the Trust and assign its rights under this Agreement to the Trustee for the benefit of the Certificateholders, and that the representations and warranties contained in this Agreement and the rights of the Purchaser under this Agreement, including under Sections 6.2 and 6.3 hereof are intended to benefit such Trust and the Certificateholders. The

Seller also acknowledges that the Trustee on behalf of the Certificateholders as assignee of the Purchaser's rights hereunder may directly enforce, without making any prior demand on the Purchaser, all the rights of the Purchaser hereunder including the rights under Section 6.2 and 6.3 hereof. The Seller hereby consents to such sale and assignment.

6.6. Amendment. This Agreement may be amended from time to time by a written amendment duly executed and delivered by the Seller and the Purchaser with the consent of the [Credit Enhancer]; provided, however, that (i) any such amendment that materially adversely affects the rights of the Class A Certificateholders under the Pooling and Servicing Agreement must be consented to by the holders of Class A Certificates representing [66-2/3%] or more of the Class A Certificate Balance and (ii) any such amendment that materially adversely affects the rights of the Class B Certificateholders under the Pooling and Servicing Agreement must be consented to by the holders of Class B Certificates representing [66-2/3%] or more of the Class B Certificate Balance.

6.7. Accountants' Letters. (a) [Accountants] will review the characteristics of the Receivables and will compare those characteristics to the information with respect to the Receivables contained in the Preliminary Memorandum and the Final Memorandum; (b) The Seller will cooperate with the Purchaser and [accountants] in making available all information and taking all steps reasonably necessary to permit such accountants to complete the review set forth in Section 6.7(a) above and to deliver the letters required of them under the Underwriting Agreements; and (c) [accountants] will deliver to the Purchaser a letter, dated the Closing Date, in the form previously agreed to by the Seller and the Purchaser, with respect to the financial and statistical information contained in the Offering Documents under the captions "CPS's Automobile Contract Portfolio" and "The Receivables Pool", certain information relating to the Receivables on magnetic tape obtained from the Seller and the Purchaser and with respect to such other information as may be agreed in the form of letter.

6.8. Waivers. No failure or delay on the part of the Purchaser in exercising any power, right or remedy under this Agreement or the Assignment shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy.

6.9. Notices. All communications and notices pursuant hereto to either party shall be in writing or by telegraph or telex and addressed or delivered to it at its address (or in case of telex, at its telex number at such address) shown in the opening portion of this Agreement or at such other address as may be designated by it by notice to the other party and, if mailed

or sent by telegraph or telex, shall be deemed given when mailed, communicated to the telegraph office or transmitted by telex.

6.10. Costs and Expenses. The Seller will pay all expenses incident to the performance of its obligations under this Agreement and the Seller agrees to pay all reasonable out-of-pocket costs and expenses of the Purchaser, excluding fees and expenses of counsel, in connection with the perfection as against third parties of the Purchaser's right, title and interest in and to the Receivables and security interests in the Financed Vehicles and the enforcement of any obligation of the Seller hereunder.

6.11. Representations of the Seller and the Purchaser. The respective agreements, representations, warranties and other statements by the Seller and the Purchaser set forth in or made pursuant to this Agreement shall remain in full force and effect and will survive the closing under Section 2.2 hereof.

6.12. Confidential Information. The Purchaser agrees that it will neither use nor disclose to any person the names and addresses of the Obligor, except in connection with the enforcement of the Purchaser's rights hereunder, under the Receivables, under the Pooling and Servicing Agreement or as required by law.

6.13. Headings and Cross-References. The various headings in this Agreement are included for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. References in this Agreement to Section names or numbers are to such Sections of this Agreement.

6.14. Third Party Beneficiaries. The parties hereto hereby expressly agree that each of the Trustee for the benefit of the Certificateholders and the [Credit Enhancer] shall be third party beneficiaries with respect to this Agreement, provided, however, that no third party other than the Trustee for the benefit of the Certificateholders and the [Credit Enhancer] shall be deemed a third-party beneficiary of this Agreement.

6.15. Governing Law. THIS AGREEMENT AND THE ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

6.16. Counterparts. This Agreement may be executed in two or more counterparts and by different parties on separate counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

[Rest of page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date and year first above written.

CPS RECEIVABLES CORP.

By: -----  
Name:  
Title:

CONSUMER PORTFOLIO SERVICES, INC.

By: -----  
Name:  
Title:

## ASSIGNMENT

For value received, in accordance with the Purchase Agreement dated as of [ ] between the undersigned and CPS Receivables Corp. (the "Purchaser") (the "Purchase Agreement"), the undersigned does hereby sell, transfer, assign and otherwise convey unto the Purchaser, without recourse (subject to the obligations in the Purchase Agreement and the Pooling and Servicing Agreement), (i) all right, title and interest of the Seller in and to the Receivables listed in the Schedule of Receivables and, with respect to Receivables which are Rule of 78's Receivables, all monies due or to become due thereon after the Cutoff Date (including Scheduled Payments due after the Cutoff Date (including principal prepayments relating to such Scheduled Payments) but received by the Seller before the Cutoff Date) and, with respect to Receivables which are Simple Interest Receivables, all monies received thereunder after the Cutoff Date and all Liquidation Proceeds and Recoveries received with respect to such Receivables; (ii) all right, title and interest of the Seller in and to the security interests in the Financed Vehicles granted by Obligors pursuant to the Receivables and any other interest of the Seller in the Financed Vehicles, including, without limitation, the certificates of title or, with respect to Financed Vehicles in the State of Michigan, such other evidence of ownership with respect to Financed Vehicles; (iii) all right, title and interest of the Seller in and to any proceeds from claims on any physical damage, credit life and credit accident and health insurance policies or certificates relating to the Financed Vehicles related to the Receivables or the Obligors thereunder; (iv) all right, title and interest of the Seller in and to refunds for the costs of extended service contracts with respect to Financed Vehicles related to Seller Financed Vehicles, refunds of unearned premiums with respect to credit life and credit accident and health insurance policies or certificates covering an Obligor under a Receivable or Financed Vehicle or his or her obligations with respect to a Financed Vehicle related to a Receivable and any recourse to Dealers for any of the foregoing; (v) the Receivable File related to each Receivable; and (vi) the proceeds of any and all of the foregoing. The foregoing sale does not constitute and is not intended to result in any assumption by the Purchaser of any obligation of the undersigned to the Obligors, insurers or any other person in connection with the Receivables, the Receivable Files, any insurance policies or any agreement or instrument relating to any of them.

This Assignment is made pursuant to and upon the representations, warranties and agreements on the part of the undersigned contained in the Purchase Agreement and is to be governed by the Purchase Agreement.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Purchase Agreement.

THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be duly executed as of [        ].

CONSUMER PORTFOLIO SERVICES, INC.

By: \_\_\_\_\_  
Name:  
Title:



Exhibit B  
Schedule of Receivables

[Delivered to the Trustee at Closing]

CONSUMER PORTFOLIO SERVICES, INC.

Power of Attorney

Each of the undersigned persons, in his or her capacity as an officer or director, or both, of Consumer Portfolio Services, Inc. (the "Company") hereby appoints Charles E. Bradley, Jr. and Jeffrey P. Fritz, and each of them, with full power of substitution and resubstitution and with full power in each to act without the other, his or her attorney-in-fact and agent for the following purposes:

1. To sign for him or her, in his or her name and in his or her capacity as an officer or director, or both, of the Company, a Registration Statement on Form S-3 and any amendments and post-effective amendments thereto (collectively, the "Registration Statement"), for the registration under the Securities Act of 1933, as amended (the "Act"), of asset backed certificates (the "Certificates") representing undivided interests in a trust, the property of which will include a pool of motor vehicle retail installment sale contracts and other assets to be transferred by the Company to such trust;

2. To file or cause to be filed such Registration Statement with the Securities and Exchange Commission;

3. To take all such other action as any such attorney-in-fact, or his or her substitute, may deem necessary or desirable in order to effect and maintain the registration of the Certificates; and

4. To sign for him or her, in his or her name and in his or her capacity as an officer or director, or both, of the Company, all such documents and instruments as any such attorney-in-fact, or his or her substitute, may deem necessary or advisable in connection with the registration, qualification or exemption of the Certificates under the securities laws of any state or other jurisdiction.

This power of attorney shall be effective as of July 31, 1996 and shall continue in full force and effect until revoked by the undersigned in a writing filed with the Secretary of the Company.

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Charles E. Bradley, Sr.

/s/ Charles E. Bradley, Jr.  
-----  
Charles E. Bradley, Jr.

/s/ William B. Roberts  
-----  
William B. Roberts

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John G. Poole

/s/ Thomas L. Chrystie  
-----  
Thomas L. Chrystie

/s/ Robert A. Simms  
-----  
Robert A. Simms