

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): May 27, 2008

CREDIT ACCEPTANCE CORPORATION

(Exact name of registrant as specified in its charter)

Michigan

(State or other jurisdiction
of incorporation)

000-20202

(Commission
File Number)

38-1999511

(I.R.S. Employer
Identification No.)

25505 West Twelve Mile Road, Suite 3000,
Southfield, Michigan

(Address of principal executive offices)

48034-8339

(Zip Code)

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

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

TABLE OF CONTENTS

[Item 1.01 Entry Into a Material Definitive Agreement](#)

[Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off- Balance Sheet Arrangement of a Registrant](#)

[Item 9.01 Financial Statements and Exhibits](#)

[SIGNATURES](#)

[Loan and Security Agreement dated May 23, 2008](#)

[Backup Servicing Agreement dated May 23, 2008](#)

[Contribution Agreement dated May 23, 2008](#)

[Intercreditor Agreement dated May 23, 2008](#)

[Press Release dated May 27, 2008](#)

Item 1.01 Entry Into a Material Definitive Agreement.

The information set forth below under Item 2.03 is hereby incorporated by reference into this Item 1.01.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off- Balance Sheet Arrangement of a Registrant.

On May 27, 2008, Credit Acceptance Corporation, (the "Company") entered into a \$50.0 million asset-backed non-recourse secured financing. The parties to this transaction are the Company, as servicer, CAC Warehouse Funding III, LLC ("Funding III"), as borrower, Fifth Third Bank (the "Agent"), as investor and agent, Relationship Funding Company LLC, as lender, and Systems & Services Technologies, Inc., as backup servicer. During the first two years of this financing, the Company may contribute loans to Funding III in exchange for the sole membership interest in Funding III, and cash in an aggregate amount of up to the lesser of \$50.0 million or 80% of the contributed loans.

The terms and conditions of this transaction are set forth in the agreements attached hereto as Exhibits 4(f)(109) through 4(f)(112), which agreements are incorporated herein by reference. This transaction is also summarized in a press release issued by the Company on May 27, 2008, which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On May 27, 2008, the Company conveyed loans having a net book value of approximately \$62.5 million to Funding III, which, in turn, issued \$50.0 million in notes to a qualified institutional investor in a private transaction exempt from the registration requirements of the Securities Act of 1933. Accordingly, such notes have not been and will not be registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Such notes will bear interest at a floating rate equal to the commercial paper rate plus 77.5 basis points. The floating portion of the rate is hedged using an interest rate cap with a maximum rate of 6.75%. The proceeds of the initial conveyance to Funding III were used by the Company to repay outstanding indebtedness. Through May 23, 2010, the Company may be required, and is likely, to convey additional loans to Funding III. After May 23, 2010, the debt outstanding under this facility will begin to amortize.

The secured financing creates loans for which Funding III is liable and which are secured by all the assets of Funding III. Such loans are non-recourse to the Company even though Funding III and the Company are consolidated for financial reporting purposes. The Company will receive a servicing fee of 6.0% of the cash flows related to the underlying consumer loans. The remaining 94.0%, less amounts due to dealer-partners for payments of dealer holdback, will be used to pay principal and interest on the notes as well as the ongoing costs of the financing. Except for the Company's servicing fee and payments due to dealer-partners, the Company does not receive, or have any rights in, any portion of such collections until Funding III's underlying indebtedness is paid in full, either through collections or through a prepayment of the indebtedness. Thereafter, remaining collections would be paid over to Funding III where they would be available to be distributed to the Company as the sole member of Funding III, or the Company may choose to cause Funding III to repurchase the remaining loans and then dissolve, whereby the Company would become the owner of such remaining collections.

The financing may be accelerated upon the occurrence of a "Termination Event." A Termination Event includes: a failure by Funding III in the payment of interest or principal when due; any breach of covenant or any material breach of representation or warranty that is not cured within the specified time following notice; the occurrence of certain insolvency events involving Funding III or the Company; the failure of collections on the transferred assets to be more than a threshold percentage of projected collections for three consecutive collection periods; the failure of the Agent, as agent for the secured parties, for any reason to have a first priority perfected security interest in the collateral free and clear of all liens.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 4(f)(109) Loan and Security Agreement dated May 23, 2008 among the Company, CAC Warehouse Funding III, LLC, Fifth Third Bank, Relationship Funding Company, LLC and Systems & Services Technologies, Inc.
- 4(f)(110) Backup Servicing Agreement dated May 23, 2008 among the Company, CAC Warehouse Funding III, LLC, Fifth Third Bank and Systems & Services Technologies, Inc.
- 4(f)(111) Contribution Agreement dated May 23, 2008 between the Company and CAC Warehouse Funding III, LLC .
- 4(f)(112) Intercreditor Agreement dated May 23, 2008 among the Company, CAC Warehouse Funding Corporation II, Credit Acceptance Funding LLC 2006-2, Credit Acceptance Auto Dealer Loan Trust 2006-2, Credit Acceptance Funding LLC 2007-1, Credit Acceptance Auto Dealer Loan Trust 2007-1, Credit Acceptance Funding LLC 2007-2, Credit Acceptance Auto Dealer Loan Trust 2007-2, Credit Acceptance Funding LLC 2008-1, Credit Acceptance Auto Loan Trust 2008-1, CAC Warehouse Funding III, LLC, Wachovia Capital Markets, LLC, as agent, Deutsche Bank Trust Company Americas, as agent, Wells Fargo Bank, National Association, as agent, Comerica Bank, as agent, and Fifth Third Bank, as agent.
- 99.1 Press Release dated May 27, 2008.
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SIGNATURES

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

CEDIT ACCEPTANCE CORPORATION

By: /s/ Kenneth S. Booth

Kenneth S. Booth
Chief Financial Officer

June 2, 2008

U.S. \$50,000,000

LOAN AND SECURITY AGREEMENT

Dated as of May 23, 2008

Among

CAC WAREHOUSE FUNDING III, LLC

as the Borrower

CREDIT ACCEPTANCE CORPORATION

as the Servicer and Custodian

FIFTH THIRD BANK

as an Investor, the Deal Agent, the Collateral Agent, and as the Liquidity Agent for the

FIFTH THIRD PURCHASER GROUP

RELATIONSHIP FUNDING COMPANY, LLC

as a CP Entity and a Lender

and

SYSTEMS & SERVICES TECHNOLOGIES, INC.

as the Backup Servicer

TABLE OF CONTENTS

| | Page |
|---|-------------|
| ARTICLE I DEFINITIONS | 1 |
| Section 1.1. Certain Defined Terms | 1 |
| Section 1.2. Other Terms | 28 |
| Section 1.3. Computation of Time Periods | 28 |
| Section 1.4. Interpretation | 28 |
| ARTICLE II THE LOAN FACILITY | 29 |
| Section 2.1. Funding of the Advance | 29 |
| Section 2.2. Grant of Security Interest; Acceptance by Collateral Agent | 30 |
| Section 2.3. Procedures for Funding of Advances | 32 |
| Section 2.4. Determination of Yield | 33 |
| Section 2.5. Reduction of the Facility Limit and a Purchaser Group Facility Limit; Repurchase | 33 |
| Section 2.6. Actions with Respect to Advance | 34 |
| Section 2.7. Settlement Procedures | 34 |
| Section 2.8. [Reserved.] | 37 |
| Section 2.9. Collections and Allocations | 37 |
| Section 2.10. Payments, Computations, Etc | 37 |
| Section 2.11. [Reserved.] | 38 |
| Section 2.12. Fees | 38 |
| Section 2.13. Increased Costs; Capital Adequacy; Illegality | 38 |
| Section 2.14. Taxes | 40 |
| Section 2.15. Assignment of the Contribution Agreement | 41 |
| Section 2.16. Servicer Clean-up Call | 41 |
| ARTICLE III CONDITIONS TO THE CLOSING AND EACH FUNDING | 42 |
| Section 3.1. Conditions to the Closing and the Initial Funding | 42 |
| Section 3.2. Conditions Precedent To All Fundings | 43 |
| Section 3.3. Conditions to Effectiveness of this Loan and Security Agreement | 45 |
| ARTICLE IV REPRESENTATIONS AND WARRANTIES | 45 |
| Section 4.1. Representations and Warranties of the Borrower | 45 |

TABLE OF CONTENTS
(continued)

| | Page |
|---|-------------|
| Section 4.2. Representations and Warranties of the Borrower Relating to the Loans and the Related Contracts | 50 |
| Section 4.3. Representations and Warranties of the Servicer | 51 |
| Section 4.4. Representations and Warranties of the Backup Servicer | 52 |
| Section 4.5. Breach of Representations and Warranties | 53 |
| ARTICLE V GENERAL COVENANTS | 54 |
| Section 5.1. Affirmative Covenants of the Borrower | 54 |
| Section 5.2. Negative Covenants of the Borrower | 59 |
| Section 5.3. Covenant of the Borrower Relating to the Hedging Agreement | 63 |
| Section 5.4. Affirmative Covenants of the Servicer | 63 |
| Section 5.5. Negative Covenants of the Servicer | 66 |
| Section 5.6. Negative Covenants of the Backup Servicer | 67 |
| ARTICLE VI ADMINISTRATION AND SERVICING OF CONTRACTS | 67 |
| Section 6.1. Servicing | 67 |
| Section 6.2. Duties of the Servicer and Custodian | 68 |
| Section 6.3. Rights After Designation of Successor Servicer | 71 |
| Section 6.4. Responsibilities of the Borrower | 71 |
| Section 6.5. Reports | 72 |
| Section 6.6. Additional Representations and Warranties of Credit Acceptance as Servicer | 73 |
| Section 6.7. Establishment of the Accounts | 73 |
| Section 6.8. Payment of Certain Expenses by Servicer | 74 |
| Section 6.9. Annual Independent Public Accountant's Servicing Reports | 74 |
| Section 6.10. The Servicer Not to Resign | 75 |
| Section 6.11. Servicer Termination Events | 75 |
| Section 6.12. Appointment of Successor Servicer | 76 |
| Section 6.13. Responsibilities of the Borrower | 77 |
| Section 6.14. Segregated Payment Account | 77 |
| ARTICLE VII BACKUP SERVICER | 77 |
| Section 7.1. Designation of the Backup Servicer | 78 |
| Section 7.2. Duties of the Backup Servicer | 78 |

TABLE OF CONTENTS
(continued)

| | Page |
|--|-------------|
| Section 7.3. Backup Servicing Compensation | 78 |
| ARTICLE VIII [Reserved] | 78 |
| ARTICLE IX SECURITY INTEREST | 78 |
| Section 9.1. Security Agreement | 78 |
| Section 9.2. Release of Lien | 78 |
| Section 9.3. Further Assurances | 79 |
| Section 9.4. Remedies | 79 |
| Section 9.5. Waiver of Certain Laws | 79 |
| Section 9.6. Power of Attorney | 79 |
| ARTICLE X TERMINATION EVENTS | 79 |
| Section 10.1. Termination Events | 79 |
| Section 10.2. Remedies | 82 |
| ARTICLE XI INDEMNIFICATION | 82 |
| Section 11.1. Indemnities by the Borrower | 82 |
| Section 11.2. Indemnities by the Servicer | 84 |
| Section 11.3. After-Tax Basis | 85 |
| ARTICLE XII THE DEAL AGENT AND THE LIQUIDITY AGENTS | 85 |
| Section 12.1. Authorization and Action | 85 |
| Section 12.2. Delegation of Duties | 86 |
| Section 12.3. Exculpatory Provisions | 87 |
| Section 12.4. Reliance | 88 |
| Section 12.5. Non-Reliance on Deal Agent, Liquidity Agents, Collateral Agent and Other Lenders | 89 |
| Section 12.6. Reimbursement and Indemnification | 89 |
| Section 12.7. Deal Agent, Liquidity Agents and Collateral Agent in their Individual Capacities | 89 |
| Section 12.8. Successor Deal Agent, Liquidity Agents or Collateral Agent | 90 |
| ARTICLE XIII ASSIGNMENTS; PARTICIPATIONS | 91 |
| Section 13.1. Assignments and Participations | 91 |
| ARTICLE XIV MISCELLANEOUS | 94 |
| Section 14.1. Amendments and Waivers | 94 |

TABLE OF CONTENTS
(continued)

| | Page |
|---|-------------|
| Section 14.2. Notices, Etc | 95 |
| Section 14.3. Ratable Payments | 95 |
| Section 14.4. No Waiver; Remedies | 95 |
| Section 14.5. Binding Effect; Benefit of Agreement | 95 |
| Section 14.6. Term of this Agreement | 95 |
| Section 14.7. Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue | 96 |
| Section 14.8. Waiver of Jury Trial | 96 |
| Section 14.9. Costs, Expenses and Taxes | 96 |
| Section 14.10. No Proceedings | 97 |
| Section 14.11. Recourse Against Certain Parties | 97 |
| Section 14.12. Protection of Right, Title and Interest in Assets; Further Action Evidencing the Funding | 98 |
| Section 14.13. Confidentiality; Tax Treatment Disclosure | 99 |
| Section 14.14. Execution in Counterparts; Severability; Integration | 100 |
| Section 14.15. Waiver of Setoff | 101 |

EXHIBITS

| | |
|-------------|---|
| EXHIBIT A | Form of Funding Notice |
| EXHIBIT B | Form of Assignment and Acceptance |
| EXHIBIT C | Form of Monthly Report |
| EXHIBIT D | Form of Joinder |
| EXHIBIT E | Form of Hedging Agreement (including Schedule and Confirmation) |
| EXHIBIT F | Form of Officer's Certificate |
| EXHIBIT G | Form of Release |
| EXHIBIT H | Form of Contribution Agreement |
| EXHIBIT I | Form of Variable Funding Note |
| EXHIBIT J-1 | Form 1 of Dealer Agreement |
| EXHIBIT J-2 | Form 2 of Dealer Agreement |
| EXHIBIT J-3 | Form 3 of Dealer Agreement |
| EXHIBIT J-4 | Form 4 of Dealer Agreement |
| EXHIBIT J-5 | Form 5 of Dealer Agreement |
| EXHIBIT J-6 | Form 6 of Dealer Agreement |
| EXHIBIT K | [Reserved] |
| EXHIBIT L | Forms of Contracts |
| EXHIBIT M | [Reserved] |
| EXHIBIT N | [Reserved] |
| EXHIBIT O | Form of Backup Servicing Agreement |
| EXHIBIT P | Form of Purchase Agreement |

SCHEDULES

| | |
|---------------|--|
| SCHEDULE I | Condition Precedent Documents |
| SCHEDULE II | Credit Guidelines |
| SCHEDULE III | Tradenames, Fictitious Names and "Doing Business As" Names |
| SCHEDULE IV | Location of Records and Contract Files |
| SCHEDULE V | Loan and Contract List |
| SCHEDULE VI | Collection Guidelines |
| SCHEDULE VII | Forecasted Collections |
| SCHEDULE VIII | Commitment Amount of Each Investor |
| SCHEDULE IX | List of Dealer Agreements and Pools |
| SCHEDULE X | Bank Holidays |

THIS LOAN AND SECURITY AGREEMENT (the "Agreement") is made as of May 23, 2008, among:

(1) CAC WAREHOUSE FUNDING III, LLC, a Delaware limited liability company (the "Borrower");

(2) CREDIT ACCEPTANCE CORPORATION, a Michigan corporation ("Credit Acceptance", the "Originator", the "Servicer" or the "Custodian");

(3) FIFTH THIRD BANK, an Ohio banking corporation ("Fifth Third"), as an investor for the Fifth Third Purchaser Group (an "Investor"), as deal agent ("Deal Agent"), as collateral agent (the "Collateral Agent"), and as the liquidity agent for the Fifth Third Purchaser Group (a "Liquidity Agent");

(4) RELATIONSHIP FUNDING COMPANY, LLC, a Delaware limited liability company (together with its successors and assigns "RFC", a "CP Entity" or a "Lender"); and

(5) SYSTEMS & SERVICES TECHNOLOGIES, INC., a Delaware corporation (the "Backup Servicer").

IT IS AGREED as follows:

ARTICLE I DEFINITIONS

Section 1.1. Certain Defined Terms.

(a) Certain capitalized terms used throughout this Agreement are defined above or in this Section 1.1.

(b) As used in this Agreement and its schedules, exhibits and other attachments, unless the context requires a different meaning, the following terms shall have the following meanings:

Accrual Period: The period commencing on (and including) the Funding Date for the Initial Funding and ending on (but excluding) the initial Payment Date (May 27, 2008), and each succeeding period thereafter commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) the next succeeding Payment Date (or in the case of the final such period, commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) the Collection Date).

Addition Date: (a) With respect to any open Pool, the date on which any additional Dealer Loans are added to such Pool and (b) with respect to any Purchased Loan, the date on which such Purchased Loan is contributed by Credit Acceptance to the Borrower pursuant to the Contribution Agreement.

Additional Amount: Defined in Section 2.14(a).

Additional Cut-Off Date: Each date on and after which Collections on an Additional Loan are to be transferred to the Collateral.

Additional Entity: Each commercial paper funded entity which satisfies the conditions set forth in the definition of “Eligible Assignee” and, except in the case of any RFC Affiliate, with the prior written consent of the Deal Agent (in its sole discretion), becomes party hereto by execution of a Joinder.

Additional Loans: All Loans that become part of the Collateral after the Initial Funding.

Adjusted Eurodollar Rate: For any Accrual Period, an interest rate per annum equal to the sum of 1.0% and a fraction, expressed as a percentage and rounded upwards (if necessary), to the nearest 1/100 of 1%, (i) the numerator of which is equal to the LIBOR Rate for such Accrual Period and (ii) the denominator of which is equal to 100% minus the Eurodollar Reserve Percentage for such Accrual Period.

Additional Principal Payment Amount: With respect to any Payment Date during the Amortization Period, the lesser of: (i) Capital as of the immediately preceding Payment Date (after giving effect to all payments in reduction of principal on such Payment Date); and (ii) Collections remaining after distribution of amounts described in Section 2.7 (a)(i) through (vii).

Advance: As defined in Section 2.1.

Affected Party: Each of the Lenders, each Investor, each Liquidity Bank, any assignee or participant of any Lender, Investor or Liquidity Bank, Fifth Third, any successor to Fifth Third as Deal Agent, any sub-agent of the Deal Agent, and any successor to any Liquidity Agent.

Affiliate: With respect to a Person, means any other Person that, directly or indirectly, controls, is controlled by or under common control with such Person, or is a director or officer of such Person. For purposes of this definition, “control” (including the terms “controlling,” “controlled by” and “under common control with”) when used with respect to any specified Person means the possession, direct or indirect, of the power to vote 5% or more of the voting securities of such Person or to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Agent’s Account: An account at Fifth Third in the name of the Deal Agent or at such other account as may be designated by the Deal Agent from time to time.

Aggregate Outstanding Eligible Loan Balance: On any date of determination, the sum of the Outstanding Balances of all Eligible Loans on such day.

Aggregate Outstanding Eligible Loan Net Balance: On any date of determination the Aggregate Outstanding Eligible Loan Balance less the related Loan Loss Reserves at the end of the most recent Collection Period.

Aggregate Unpaid: At any time, an amount, equal to the sum of all accrued and unpaid Capital, Yield, Breakage Costs, Hedge Breakage Costs, fees, indemnities and all other amounts owed by the Borrower hereunder, under any Hedging Agreement (including, without limitation,

payments in respect of the termination of any such Hedging Agreement) or under any other Transaction Document or by the Borrower or any other Person under any fee letter (including, without limitation, the Fee Letter) delivered in connection with the transactions contemplated by this Agreement (whether due or accrued) and any unpaid fees due to the Backup Servicer, both before and after the Assumption Date.

Alternative Rate: An interest rate per annum equal to the Adjusted Eurodollar Rate; provided, however, that the Alternative Rate shall be the Base Rate if a Eurodollar Disruption Event occurs.

Amortization Event: The occurrence of any of the following events: (i) the Weighted Average Original Advance Rate exceeds 50.0%; (ii) a Reserve Advance is made, except if on the date of such Reserve Advance, the Capital is zero; or (iii) Collections are less than 85.0% of Forecasted Collections for any two (2) consecutive Collection Periods.

Amortization Period: The period beginning on the earlier of (i) the occurrence of an Amortization Event, and (ii) the occurrence of the Termination Date, and ending on the Collection Date.

Applicable Law: For any Person, all existing and future applicable laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority (including, without limitation, usury laws, the Federal Truth in Lending Act, and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System), and applicable judgments, decrees, injunctions, writs, orders, or action of any Court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

Assignment and Acceptance: An assignment and acceptance entered into by a CP Entity or an Investor and an Eligible Assignee, and accepted by the Deal Agent and the Liquidity Agent for the related Purchaser Group, in substantially the form of Exhibit B hereto.

Assumption Date: Defined in the Backup Servicing Agreement.

Available Funds: With respect to any Payment Date: (i) all amounts deposited in the Collection Account during the Collection Period (other than Dealer Collections and Repossession Expenses) that ended on the last day of the calendar month immediately preceding the calendar month in which such Payment Date occurs and investment earnings thereon; (ii) all Reserve Advances (which shall be applied in accordance with Section 2.7(c) hereof); (iii) all amounts paid by the Borrower pursuant to Section 4.5 hereof during or with respect to the prior Collection Period in respect of Ineligible Loans; (iv) amounts paid by the Borrower pursuant to Section 2.16 hereof; (v) all amounts paid under any Dealer Agreement; and (vi) any other funds on deposit in the Collection Account on such date (other than Dealer Collections and Repossession Expenses).

Backup Servicer: SST.

Backup Servicing Fee: The fee payable by the Borrower to the Backup Servicer pursuant to the Backup Servicing Agreement and Section 7.3 hereof.

Bankruptcy Code: The United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.), as amended from time to time.

Base Rate: On any date, a fluctuating interest rate per annum equal to the higher of (a) the Prime Rate or (b) the Federal Funds Rate plus 2.0%.

Benefit Plan: Any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Borrower or any ERISA Affiliate of the Borrower is, or at any time during the immediately preceding six years was, an “employer” as defined in Section 3(5) of ERISA.

Borrower: CAC Warehouse Funding Corporation III, LLC, a Delaware limited liability company.

Borrowing Base: On any date of determination, the product of (i) the Aggregate Outstanding Eligible Loan Net Balance and (ii) the Net Advance Rate.

Breakage Costs: Any amount or amounts as shall compensate any Lender for any loss, cost or expense incurred by such Lender (as determined by such Lender in such Lender’s sole discretion) as a result of a prepayment by the Borrower of Capital or Yield, the failure by the Borrower to draw or accept any requested funds on any applicable borrowing date, or the failure of any Payment Date with respect to any loan or advance hereunder to occur on the maturity date of the applicable source of funds, the proceeds of which were used to fund or maintain such loan or advance (or portion thereof).

Bridge Loan Agreement: The Bridge Loan Agreement, dated as of the Closing Date, among RFC, Fifth Third, as agent and Bridge Loan Lender.

Bridge Loan Lender: Fifth Third and its successors and permitted assigns.

Business Day: Any day other than a Saturday or a Sunday or other day (a) on which banks are required or authorized to be closed in New York, New York or Delaware, (b) banks are required or authorized to be closed in Cincinnati, Ohio or Detroit, Michigan (which days are set forth in Schedule X hereto) and, if the Backup Servicer becomes the Servicer, Missouri (which days are set forth in Schedule X hereto), (c) that SIFMA recommends as a closed day for the United States bond market, and (d) if the term “Business Day” is used in connection with the determination of the LIBOR Rate, on which dealings in United States dollar deposits are carried on in the London interbank market.

Capital: The amounts advanced to the Borrower by the Lenders pursuant to Section 2.1(a) and Section 2.3, reduced from time to time by Collections distributed on account of such Capital pursuant to Section 2.7; provided, however, if such Capital shall have been reduced by any distribution and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any reason, such Capital shall be increased by the amount of such rescinded or returned distribution, as though it had not been made.

Capped Servicing Fee: With respect to any Collection Period when the Backup Servicer has become the Servicer, the greater of (x) an amount equal to the product of (i) 10.00% and (ii) Collections received during such Collection Period (exclusive of amounts received under any Hedging Agreement) and (y) \$5,000.

Carrying Costs: with respect to any Payment Date, the sum of amounts payable under Section 2.7(a)(v)(A)-(C).

Change-in-Control: Any of the following:

- (a) the creation or imposition of any Lien on any shares of membership interest of the Borrower;
- (b) the failure by Originator to own all of the issued and outstanding membership interest of the Borrower.

Closing Date: May 23, 2008.

Code: The Internal Revenue Code of 1986, as amended from time to time.

Collateral: Defined in Section 2.2(a).

Collateral Agent: Fifth Third and its successors and permitted assigns.

Collection Account: Defined in Section 6.7(a).

Collection Date: The date following the Termination Date on which the Aggregate Unpaid have been reduced to zero and indefeasibly paid in full.

Collection Guidelines: With respect to Credit Acceptance, the policies and procedures of the Servicer, attached hereto as Schedule VI, relating to the collection of amounts due on contracts for the sale of automobiles and/or light-duty trucks, as in effect on the Cut-Off Date and as amended from time to time in accordance herewith and with the other Transaction Documents, and with respect to the Backup Servicer, as Successor Servicer, the servicing policies and procedures set forth in the Backup Servicing Agreement.

Collection Period: Each calendar month, except in the case of the first Collection Period, the period beginning on the Cut-Off Date to and including the last day of the calendar month in which the Funding Date occurs.

Collections: All payments (including Recoveries, credit-related insurance proceeds and proceeds of Related Security and so long as Credit Acceptance is the Servicer, excluding certain recovery and repossession expenses, in accordance with the terms of the Dealer Agreements) received by the Servicer, Credit Acceptance, the Borrower or any Successor Servicer on or after the Cut-Off Date in respect of the Loans in the form of cash, checks, wire transfers or other form of payment in accordance with the Loans and the Dealer Agreements and all net amounts received under any Hedging Agreement.

Commercial Paper Notes: With respect to any CP Entity, on any day, any short-term notes issued by or on behalf of such CP Entity in the ordinary course of its financing business or obligations pursuant to interest rate basis swaps entered into in connection with the issuance of such short-term notes.

Commitment: For each Investor, the commitment of such Investor to make Advances to the Borrower in an amount not to exceed the amount set forth opposite such Investor's name on Schedule VIII to this Agreement or as set forth in the Joinder executed by such Investor, as the case may be.

Commitment Termination Date: May 23, 2010, or such later date to which the Commitment Termination Date may be extended in accordance with the terms of Section 2.1(b).

Contract: Any Dealer Loan Contract or Purchased Loan Contract.

Contract Files: With respect to each Contract, the fully executed original counterpart (for UCC purposes) of the Contract, either a copy of the application to the appropriate state authorities for a certificate of title with respect to the related financed vehicle or a standard assurance in the form commonly used in the industry relating to the provision of a certificate of title or other evidence of lien, all original instruments modifying the terms and conditions of such Contract and the original endorsements or assignments of such Contract.

Contribution Agreement: The Contribution Agreement, dated as of the Effective Date, substantially in the form of Exhibit H hereto, between Credit Acceptance and the Borrower, as the same may be amended, restated, supplemented or otherwise modified from time to time.

Contractual Obligation: With respect to any Person, means any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property is bound or is subject.

CP Entity: RFC and any Additional Entity.

CP Rate: (a) With respect to RFC, for any day during any Accrual Period, the per annum rate equivalent to the weighted average of the rates determined by RFC based upon a per annum money market equivalent rate which is payable by large issuers of A-1/P-1 commercial paper selected by RFC in respect of Commercial Paper Notes issued or outstanding from time to time during such Accrual Period (or portion thereof), such rate to be determined based on quotes from at least three nationally recognized dealers of such commercial paper selected by RFC and assumed issuance amounts and dates selected by RFC; provided, that if any component of such rate is a discount rate, RFC shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum; provided, further, that the CP Rate shall reflect and give effect to the commissions and charges of placement agents and dealers in respect of the issuance of such Commercial Paper Notes (it being understood that the CP Rate shall include rates that are a result of payments received after the time they are due), and (b) with respect to any other CP Entity, the rate identified as the "CP Rate" in the Joinder related to its Purchaser Group.

Credit Acceptance: Credit Acceptance Corporation, a Michigan corporation, and its successors and permitted assigns.

Credit Acceptance Payment Account: The clearinghouse account number xxxxxx5068 maintained by Credit Acceptance at Comerica Bank, or if the Backup Servicer has become the Successor Servicer or a Successor Servicer has been appointed hereunder, such other account specified by the Deal Agent, where payments received in respect of all loans and contracts are deposited or paid.

Credit Agreement: The Fourth Amended and Restated Credit Agreement, dated as of February 7, 2006 among Credit Acceptance, Comerica Bank, as Administrative Agent and Collateral Agent and the banks signatory thereto, as amended by the First Amendment to Fourth Amended and Restated Loan Agreement dated September 20, 2006, the Second Amendment to Fourth Amended and Restated Loan Agreement dated January 19, 2007, and the Third Amendment to Fourth Amended and Restated Loan Agreement dated June 14, 2007, and the Fourth Amendment to Fourth Amended and Restated Loan Agreement dated January 25, 2008; provided, however, to the extent the Credit Agreement is amended or terminated after the Effective Date, references to the Credit Agreement shall refer to the Credit Agreement on the Effective Date unless otherwise consented to by the Deal Agent.

Credit Guidelines: The policies and procedures of Credit Acceptance, relating to the extension of credit to automobile and light-duty truck dealers and consumers in respect of retail installment contracts for the sale of automobiles and/or light-duty trucks, including, without limitation, the policies and procedures for determining the creditworthiness of such dealers and consumers and, relating to this extension of credit to such dealers and consumers, the maintenance of installment sale contracts, as in effect on the Cut-Off Date and as amended from time to time in accordance herewith and with the other Transaction Documents, attached hereto as Schedule II.

Custodian: Credit Acceptance, or any person appointed as Custodian pursuant to Section 6.2(d).

Cut-Off Date: With respect to the Initial Funding, March 31, 2008, and with respect to each Incremental Funding, the related Additional Cut-Off Date.

Date of Processing: With respect to any transaction relating to a Loan or a Contract, the date on which such transaction is first recorded on the Servicer's master servicing file (without regard to the effective date of such recordation).

Deal Agent: Defined in the preamble of the Agreement.

Dealer: Any new or used automobile and/or light-duty truck dealer who has entered into a Dealer Agreement or a Purchase Agreement with Credit Acceptance.

Dealer Agreement: Each agreement between Credit Acceptance and any Dealer, in substantially the forms attached hereto as Exhibit J-1, Exhibit J-2, Exhibit J-3, Exhibit J-4, Exhibit J-5 and Exhibit J-6.

Dealer Collections: Defined in Section 2.9(d).

Dealer Concentration Limit: At any time, an amount equal to, in the case of Dealer Loans made to any Dealer, 4.0% of the aggregate Net Loan Balance of such Dealer Loans, as of the end of the immediately preceding Collection Period .

Dealer Loan: All amounts advanced by Credit Acceptance under a Dealer Agreement and payable from Collections, including servicing charges, insurance charges and service policies and all related finance charges, late charges, and all other fees and charges; provided, however, that the term "Dealer Loan" shall, for the purposes of this Agreement, include only those Dealer Loans identified from time to time on Schedule V hereto, as amended from time to time in accordance herewith, and/or any Funding Notice.

Dealer Loan Contract: Each retail installment sales contract, in substantially one of the forms attached hereto as Exhibit L, relating to the sale of a used automobile or light-duty truck originated by a Dealer and in which Credit Acceptance shall have been granted a security interest and shall have acquired certain other rights under a related Dealer Agreement to secure the related dealer's obligation to repay one or more related Dealer Loans.

Defaulted Contract: A Contract shall be deemed a Defaulted Contract no later than the earlier of (i) the day all or any portion of any scheduled payment thereof becomes 90 days delinquent, based on the date the last payment thereon was received by the Servicer, (ii) the day on which an auction check is posted to the relevant account, (iii) the day that such Contract has been identified by the Servicer or the applicable Originator as uncollectible, and (iv) the day that such Contract, consistent with the Credit Guidelines and/or the Collection Guidelines, should be written off as uncollectible.

Derivatives: Any exchange-traded or over-the-counter (i) forward, future, option, swap, cap, collar, floor or foreign exchange contract or any combination thereof, whether for physical delivery or cash settlement, relating to any interest rate, interest rate index, currency, currency exchange rate, currency exchange rate index, debt instrument, debt price, debt index, depository instrument, depository price, depository index, equity instrument, equity price, equity index, commodity, commodity price or commodity index, (ii) any similar transaction, contract, instrument, undertaking or security, or (iii) any transaction, contract, instrument, undertaking or security containing any of the foregoing.

Determination Date: The fourth (4th) Business Day prior to the related Payment Date.

Effective Date: The date this Loan and Security Agreement becomes effective, which shall be May 23, 2008.

Eligible Assignee: With respect to any CP Entity: (i) with the prior written consent of the Deal Agent (in its sole discretion) (a) a Person whose Commercial Paper Notes have a short-term debt rating by two of the Rating Agencies of at least A-1 from S&P, P-1 from Moody's and F1 from Fitch, or whose obligations under this Agreement are guaranteed by a Person whose short-term debt rating by two of the Rating Agencies is at least A-1 from S&P, P-1 from Moody's and F1 from Fitch, or (b) such other Person satisfactory to such CP Entity, the Deal Agent and, if applicable, each of the Rating Agencies rating the Commercial Paper Notes of such CP Entity,

(ii) any Liquidity Bank or any Affiliate of a Liquidity Bank and (iii) any Affiliate of such CP Entity.

Eligible Contract: Each Eligible Dealer Loan Contract and each Eligible Purchased Loan Contract.

Eligible Dealer Agreement: Each Dealer Agreement:

(a) which was originated by the Originator in compliance with all applicable requirements of law and which complies with all applicable requirements of law;

(b) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Borrower, Credit Acceptance or by the Servicer in connection with the origination of such Dealer Agreement or the execution, delivery and performance by the Borrower, Credit Acceptance or by the Servicer of such Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(c) (i) as to which at the time of the transfer of rights thereunder to the Collateral Agent and the Secured Parties, the Borrower will have good and marketable title thereto, free and clear of all Liens, and (ii) which does not contain any terms which would (or purport to) limit or restrict any of the transfers or assignments contemplated by the Transaction Documents (including, without limitation, transfer by the Originator to the Borrower and the collateral assignment by the Borrower to the Collateral Agent);

(d) the Borrower's rights under which have been the subject of a valid grant by the Borrower of a first priority perfected security interest in such rights and in the proceeds thereof in favor of the Collateral Agent;

(e) which will at all times be the legal, valid and binding obligation of the Dealer party thereto (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Dealer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(f) which constitutes either a "general intangible" or "tangible chattel paper" under and as defined in Article 9 of the UCC;

(g) which, at the time of the pledge of the rights thereunder to the Collateral Agent and the Secured Parties, no right thereunder has been waived or modified;

(h) which is not subject to any right of rescission, setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(i) as to which Credit Acceptance and the Borrower have satisfied all obligations to be fulfilled at the time the rights thereunder are pledged to the Collateral Agent and the Secured Parties;

(j) as to which the related Dealer has not asserted that such agreement is void or unenforceable;

(k) as to which the related Dealer is not bankrupt or insolvent;

(l) as to which the related Dealer is not an Affiliate of or an executive of Credit Acceptance or an Affiliate of Credit Acceptance;

(m) as to which the related Dealer is located in the United States; and

(n) as to which none of Credit Acceptance, the Servicer nor the Borrower has done anything to impair the rights of the Collateral Agent and Secured Parties therein.

Eligible Dealer Loan Contract: Each Dealer Loan Contract which at the time of its pledge by the applicable Dealer to the Originator, satisfied the requirements for "Qualifying Receivable" set forth in the related Dealer Agreement.

Eligible Dealer Loans: Each Dealer Loan, at the time of its transfer to the Borrower under the Contribution Agreement (or such other times as specifically provided for below):

(a) which has arisen under a Dealer Agreement that, on the day the Dealer Loan was created, qualified as an Eligible Dealer Agreement;

(b) which was created in compliance with all applicable requirements of law and pursuant to an Eligible Dealer Agreement which complies with all applicable requirements of law;

(c) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Borrower or Originator, in connection with the creation of such Dealer Loan or the execution, delivery and performance by the Borrower or Originator, of the related Eligible Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(d) as to which at the time of the pledge of such Dealer Loan to the Collateral Agent and the Secured Parties, the Borrower will have good and marketable title thereto, free and clear of all Liens;

(e) as to which a valid first priority perfected ownership interest in such Dealer Loan, related security and in the Proceeds thereof has been sold or contributed by the Originator to the Borrower and a valid first priority perfected security interest in such Dealer Loan has been granted by the Borrower in favor of the Collateral Agent;

(f) which will at all times be the legal, valid and binding payment obligation of the Obligor thereof (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(g) which constitutes a "general intangible" under and as defined in Article 9 of the UCC as in effect in the Relevant UCC State;

(h) the financing of which with the proceeds of commercial paper would constitute a "current transaction" within the meaning of Section 3(a)(3) of the Securities Act;

(i) which is denominated and payable in United States dollars;

(j) which, at the time of its pledge to the Collateral Agent and the Secured Parties, has not been waived or modified;

(k) which is not subject to any right of rescission (subject to the rights of the related Dealer to repay the outstanding balance of the Dealer Loan and terminate the related Dealer Agreement), setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(l) as to which Credit Acceptance and the Borrower have satisfied all obligations to be fulfilled at the time it is pledged to the Collateral Agent and the Secured Parties;

(m) as to which the related Dealer has not asserted that the related Dealer Agreement is void or unenforceable;

(n) as to which the related Dealer is not bankrupt or insolvent;

(o) as to which, at any time, none of Credit Acceptance, the Servicer nor the Borrower has done anything, other than actions permitted under the Collection Guidelines, to impair the rights of the Collateral Agent and the Secured Parties;

(p) which, as of the end of the Collection Period immediately preceeding the applicable date of determination, was not an Overconcentration Loan; and

(q) the proceeds of which were used to finance the purchases of new or used automobiles and/or light-duty trucks and related products.

Eligible Loans: The Eligible Dealer Loans and Eligible Purchased Loans.

Eligible Purchased Loan Contract: Each Purchased Loan Contract which at the time of its purchase from the applicable Dealer by the Originator, evidenced an Eligible Purchased Loan.

Eligible Purchased Loans: Each Purchased Loan at the time of its transfer to the Borrower under the Contribution Agreement:

(a) which has been originated in the United States by a Dealer or the Originator for the retail sale of a Financed Vehicle in the ordinary course of such Dealer's business and is evidenced by a fully and properly executed Purchased Loan Contract of which there is only one original executed copy;

(b) which creates a valid, subsisting, and enforceable first priority security interest for the benefit of the Originator in the Financed Vehicle, which security interest has been, in turn, assigned by the Originator to the Borrower, and by the Borrower to the Collateral Agent;

(c) which contains customary and enforceable provisions such that the rights and remedies of the holder thereof shall be adequate for realization against the collateral of the benefits of the security;

(d) which provides for, in the event that such Purchased Loan is prepaid in full, a prepayment that fully pays the Outstanding Balance of such Purchased Loan (net of all rebates for the unused portion of any ancillary products and net of all unearned finance charges);

(e) which was created in material compliance with all applicable requirements of law;

(f) which will at all times be the legal, valid and binding payment obligation of the Obligor thereof, enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(g) which is not subject to any right of rescission, setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(h) the Obligor thereon is not the United States, any State or any agency, department, or instrumentality of the United States or any State;

(i) the Obligor thereon is a natural person;

(j) with respect to which, to the best of the Originator's knowledge, no liens or claims have been filed for work, labor, materials, taxes or liens that arise out of operation of law relating to the applicable Financed Vehicle that are prior to, or equal with, the security interest in the Financed Vehicle granted by the related Purchased Loan Contract;

(k) with respect to which, to the best of the Originator's knowledge, there was no material misrepresentation by the Obligor thereon on such Obligor's credit application;

(l) which has not been originated in, and is not subject to the laws of, any jurisdiction under which the sale, transfer and assignment of such Purchased Loan under this Agreement or pursuant to the transfer of the related Purchased Loan Contract shall be unlawful, void or voidable;

(m) which (i) constitutes either “tangible chattel paper” or a “payment intangible,” each as defined in the UCC in the Relevant UCC State and (ii) if “tangible chattel paper,” shall be maintained in its original “tangible” form, unless the Collateral Agent has consented in writing to such chattel paper being maintained in another form or medium;

(n) the financing of which with the proceeds of commercial paper would constitute a “current transaction” within the meaning of Section 3(a)(3) of the Securities Act;

(o) which is payable in U.S. Dollars and the Obligor thereon is an individual who is a United States resident;

(p) which satisfies in all material respects the requirements under the Credit Guidelines;

(q) with respect to which the collection practices used with respect thereto have complied in all material respects with the Collection Guidelines;

(r) with respect to which there are no proceedings pending, or to the best of the Originator’s knowledge, threatened, wherein the Obligor thereon or any governmental agency has alleged that such Purchased Loan is illegal or unenforceable;

(s) with respect to which the Originator has duly fulfilled all obligations to be fulfilled on the lender’s part under or in connection with the origination, acquisition and assignment of such Purchased Loan, including, without limitation, giving any notices or consents necessary to effect the acquisition of such Purchased Loan by the Borrower, and has done nothing to impair the rights of the Borrower, or the Secured Parties in payments with respect thereto;

(t) which was originated by the Originator or purchased by the Originator from a Dealer pursuant to a Purchase Agreement;

(u) with respect to which the Dealer from whom the Originator purchased such Purchased Loan has not engaged in any conduct constituting fraud or misrepresentation with respect to such Purchased Loan;

(v) with respect to which, at the time such Purchased Loan was originated the proceeds thereof were fully disbursed and there is no requirement for future advances thereunder, and all fees and expenses in connection with the origination of such Purchased Loan have been paid;

(w) with respect to which Credit Acceptance holds the certificate of title or the application for a certificate of title for the related Financed Vehicles as of the date on which the related Purchased Loan Contract is transferred to the Borrower and will obtain within 180 days

of such date certificate of title with respect to such Financed Vehicle as to which Credit Acceptance holds only such application; and

(x) with respect to which the related Purchased Loan Contract has not been extended or rewritten and is not subject to any forbearance, or any other modified payment plan other than in accordance with the Credit Guidelines.

ERISA: The United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

ERISA Affiliate: (a) Any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Borrower, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower, any corporation described in clause (a) above or any trade or business described in clause (b) above.

Eurocurrency Liabilities: Defined in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

Eurodollar Disruption Event: The occurrence of any of the following: (a) a determination by a Lender that it would be contrary to law or to the directive of any central bank or other governmental authority (whether or not having the force of law) to obtain United States dollars in the London interbank market to make, fund or maintain the Funding, (b) the failure of one or more of the Reference Banks to furnish timely information for purposes of determining the Adjusted Eurodollar Rate, (c) a determination by a Lender that the rate at which deposits of United States dollars are being offered to such Lender in the London interbank market does not accurately reflect the cost to such Lender of making, funding or maintaining the Funding or (d) the inability of a Lender to obtain United States dollars in the London interbank market to make, fund or maintain the Advance.

Eurodollar Reserve Percentage: Of any Reference Bank for any period, for Capital means the percentage applicable during such period (or, if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Reference Bank with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term of one month.

Excess Reserve Amount: With respect to any Payment Date, the excess, if any, of the amount on deposit in the Reserve Account over the Required Reserve Account Amount.

Excluded Dealer Agreement Rights: With respect to any Dealer Agreement, the rights of Credit Acceptance thereunder related to loans made to the related Dealer which are not Dealer Loans pledged by the Borrower to the Collateral Agent hereunder, including rights of set-off and rights of indemnification, related to such loans.

Facility Fee: With respect to each Purchaser Group, defined in the Fee Letter related to such Purchaser Group.

Facility Limit: \$50,000,000; or as such amount may vary from time to time upon the written agreement of the Borrower, Credit Acceptance, the Deal Agent, the Liquidity Agents and the Lenders; provided, however, that on any date on or after the end of the Revolving Period with respect to all Purchaser Groups, the Facility Limit shall mean the aggregate outstanding Capital on such date.

Federal Funds Rate: For any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the federal funds rates as quoted by Fifth Third and confirmed in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by Fifth Third (or, if such day is not a Business Day, for the next preceding Business Day), or, if, for any reason, such rate is not available on any day, the rate determined, in the sole opinion of Fifth Third, to be the rate at which federal funds are being offered for sale in the national federal funds market at 9:00 a.m. Cincinnati, Ohio time.

Fee Letter: In the case of the Fifth Third Purchaser Group, the Fee Letter, dated as of the date hereof, between Fifth Third and the Borrower, or in the case of any other Purchaser Group, the date of the Joinder related to such Purchaser Group, among the Borrower, Credit Acceptance, the Deal Agent the related Liquidity Agent, as any such letter may be amended, modified, supplemented, restated or replaced from time to time.

Fifth Third: As defined in the Preamble hereto.

Fifth Third Purchaser Group: RFC and Fifth Third as Investor and Liquidity Agent.

Final Score: Means the final output from the Originator's proprietary credit scoring process, which, when divided by 1,000, represents the Originator's expectations of the ultimate collection rate on a contract at inception.

Financed Vehicle: With respect to a Contract, any new or used automobile, light-duty truck, minivan or sport utility vehicle, together with all accessories thereto, securing the related Obligor's indebtedness thereunder.

Fitch: Fitch, Inc., and any successor thereto.

Forecasted Collections: The expected amount of Collections to be received with respect to the Aggregate Outstanding Eligible Loan Balance each month as determined by Credit Acceptance in accordance with its forecasting model, which amount shall be submitted to the Deal Agent with each Funding Notice related to a proposed Advance when new Pools are pledged to the Collateral Agent.

Funding: An Advance by a Lender pursuant to Section 2.1 and Section 2.3 hereof.

Funding Date: In the case of the Initial Funding, May 27, 2008 and as to any Incremental Funding, the date determined in accordance with Section 2.3.

Funding Notice: The notice, in the form of Exhibit A hereto, delivered in accordance with Section 2.3 hereof.

GAAP: Generally accepted accounting principles as in effect from time to time in the United States.

Governmental Authority: Any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person, and any accounting board or authority (whether or not a part of government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic.

H.15: Federal Reserve Statistical Release H.15.

Hedge Breakage Costs: For any Hedging Agreement, any amount payable by the Borrower for the early termination of such Hedging Agreement or any portion thereof.

Hedge Costs: For any Hedging Agreement, any amount payable by the Borrower with respect thereto, including any swap payments, any breakage payments, any termination payments, any notional reduction payments and any other amounts due to the Hedge Counterparty.

Hedge Counterparty: Any entity that (a) on the date of entering into any Hedge Transaction (i) is an interest rate swap dealer that is either a Lender or an Affiliate of a Lender, or has been approved in writing by the Deal Agent (which approval shall be in the sole discretion of the Deal Agent), and (ii) unless otherwise agreed to by the Deal Agent, has a long-term unsecured debt rating of not less than "A" by S&P and not less than "A2" by Moody's ("Long-term Rating Requirement") and a short-term unsecured debt rating of not less than "A-1" by S&P and not less than "P-1" by Moody's ("Short-term Rating Requirement"), and (b) in a Hedging Agreement (i) consents to the assignment of the Borrower's rights under the Hedging Agreement to the Deal Agent pursuant to Section 2.2(a) and (ii) agrees that in the event that Moody's or S&P reduces its long-term unsecured debt rating below the Long-term Rating Requirement, or reduces its short-term unsecured debt rating below the Short-term Rating Requirement, it shall transfer its rights and obligations under each Hedging Agreement to another entity that meets the requirements of clause (a) and (b) hereof and has entered into a Hedging Agreement with the Borrower on or prior to the date of such transfer.

Hedge Transaction: Each interest rate swap or other interest rate protection transaction between the Borrower and a Hedge Counterparty that is entered into pursuant to Section 5.3 hereof and is governed by a Hedging Agreement.

Hedging Agreement: Each agreement between the Borrower and a Hedge Counterparty that governs one or more Hedge Transactions entered into pursuant to Section 5.3 hereof, substantially in the form of Exhibit E hereto or such other form as shall be approved in writing by the Liquidity Agent for the Fifth Third Purchaser Group, and each "Confirmation" thereunder confirming the specific terms of each such Hedge Transaction.

Increased Costs: Any amounts required to be paid by the Borrower to an Affected Party pursuant to Section 2.13.

Incremental Funding: Any Advance made after the Initial Funding.

Independent Director: Defined in Section 5.2(o)(xxvii).

Ineligible Loan: Each Loan other than an Eligible Loan.

Indebtedness: With respect to any Person at any date, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current liabilities incurred in the ordinary course of business and payable in accordance with customary trade practices) or that is evidenced by a note, bond, debenture or similar instrument, (b) all obligations of such Person under leases that shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, (c) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (d) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, (e) all indebtedness, obligations or liabilities of that Person in respect of Derivatives, and (f) obligations under direct or indirect guaranties in respect of obligations (contingent or otherwise) to purchase or otherwise acquire, or to otherwise assure a creditor against loss in respect of, indebtedness or obligations of others of the kind referred to in clauses (a) through (e) above.

Indemnified Amounts: Defined in Section 11.1(a).

Indemnified Parties: Defined in Section 11.1(a).

Initial Facility Limit: \$50,000,000.

Initial Funding: Defined in Section 2.3(a).

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

Insolvency Laws: The Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency,

reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

Insolvency Proceeding: Any case, action or proceeding before any court or other Governmental Authority relating to any Insolvency Event.

Instrument: Any “instrument” (as defined in Article 9 of the UCC), other than an instrument that constitutes part of chattel paper.

Investors: With respect to the Fifth Third Purchaser Group, Fifth Third Bank, and with respect to each other Purchaser Group, the financial institutions identified as “Investors” on the Joinder related to such Purchaser Group and with respect to any Purchaser Group, any other Person who becomes an Investor as provided in Section 13.1(a).

Investment: With respect to any Person, any direct or indirect loan, advance or investment by such Person in any other Person, whether by means of share purchase, capital contribution, loan or otherwise, excluding the acquisition of Assets pursuant to the Contribution Agreement and excluding commission, travel and similar advances to officers, employees and directors made in the ordinary course of business.

Joinder: With respect to each Purchaser Group, other than the Fifth Third Purchaser Group, the agreement among a CP Entity, its related Investors, its related Liquidity Agent, the Borrower, Credit Acceptance and the Deal Agent, substantially in the form of Exhibit D hereto.

Late Fees: If the Backup Servicer has become the Successor Servicer, any late fees collected with respect to any Contract in accordance with the Collection Guidelines.

Lenders: Collectively, RFC and its related Investors, each other CP Entity and its related Investors and any other Person that agrees, pursuant to the pertinent Assignment and Acceptance, to make or maintain Fundings pursuant to this Agreement.

LIBOR Rate: For any portion of Capital on any day during any Accrual Period, a rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the rate of interest which is identified and normally published by Bloomberg Professional Service Page BBAM 1 as the offered rate for loans in United States Dollars for the applicable Accrual Period under the caption British Bankers Association LIBOR Rates as of 11:00 a.m. (London time) two Business Days before the first day of such Accrual Period. If Bloomberg Professional Service no longer reports the LIBOR Rate or if such index no longer exists or if Page BBAM 1 no longer exists, the Deal Agent may select a replacement index or replacement page, as the case may be, consistent with market practices at the time. The LIBOR Rate shall be adjusted for each Accrual Period after the initial Accrual Period, as of the first day of each such Accrual Period, and as of the effective day of any change in the maximum reserve requirement.

Lien: With respect to any Loan, Dealer Agreement or Contract or any other property or collateral, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind (other than any Permitted Lien).

Liquidity Agent: With respect to the Fifth Third Purchaser Group, Fifth Third and with respect to each other Purchaser Group, the financial institution identified as the “Liquidity Agent” on the Joinder related to such Purchaser Group.

Liquidity Agreement: (a) With respect to RFC, the Liquidity Agreement, dated as of the Closing Date among RFC, Fifth Third, as liquidity agent and the liquidity providers from time to time party thereto, as the same may be amended, supplemented or otherwise modified from time to time, and (b) with respect to each other CP Entity, the liquidity and/or credit support agreement identified as the “Liquidity Agreement” on the Joinder related to such Purchaser Group, which shall include any agreement to purchase an assignment of or participation in a CP Entity’s portion of the Capital.

Liquidity Bank: (i) With respect to RFC, each liquidity institution that is a party to the Liquidity Agreement and (ii) with respect to each other CP Entity any bank, insurance company or other financial institution extending or having a commitment to extend funds to or for the account of such CP Entity (including by an agreement to purchase an assignment of or participation in such CP Entity’s portion of the Capital) under a Liquidity Agreement. Upon the execution and delivery of a corresponding Liquidity Agreement, each Investor shall be deemed to be a Liquidity Bank for its related CP Entity.

Loan: Any Dealer Loan or Purchased Loan.

Loan Loss Reserve: The loan loss reserve, calculated in accordance with Credit Acceptance’s accounting policies set forth in its periodic reports filed with the Securities and Exchange Commission.

Material Adverse Effect: With respect to any event or circumstance, means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Originator, the Servicer or the Borrower, (b) the validity, enforceability or collectibility of this Agreement or any other Transaction Document or the validity, enforceability or collectibility of the Loans, (c) the rights and remedies of the Deal Agent, the Collateral Agent or Secured Parties, (d) the ability of the Borrower, the Originator or the Servicer to perform its obligations under this Agreement or any Transaction Document, or (e) the status, existence, perfection, priority or enforceability of the Collateral Agent’s or any Secured Party’s interest in the Collateral.

Material Debt: Defined in [Section 6.11\(i\)](#).

Maturity Date: Defined in [Section 2.1\(c\)\(i\)](#).

Monthly Principal Payment Amount: With respect to any Payment Date, the amount, if any, necessary to reduce the Capital as of the prior Payment Date to the Borrowing Base as of the last day of the related Collection Period.

Monthly Report: Defined in [Section 6.5\(a\)](#).

Moody’s: Moody’s Investors Service, Inc., and any successor thereto.

Multiemployer Plan: A “multiemployer plan” as defined in Section 4001(a)(3) of ERISA that is or was at any time during the current year or the immediately preceding five years contributed to by the Borrower or any ERISA Affiliate on behalf of its employees.

Net Advance Rate: 80%.

Net Loan Balance: With respect to any Loan, the excess of the related Outstanding Balance over the related Loan Loss Reserve.

Nonconforming Contract: Defined in Section 6.2(c)(ii).

Nonconforming Contract Payment Amount: With respect to a Nonconforming Contract, an amount equal to the sum of (i): (x) the product of the Outstanding Balance of such Contract as of the last day of the related Collection Period and a fraction, the numerator of which is Capital as of the Funding Date and the denominator of which is the Outstanding Balance of Eligible Contracts as of the Funding Date; (ii) accrued and unpaid Carrying Costs, Increased Costs, Indemnified Amounts and Additional Amounts related to such Contract through the date of such deposit; (iii) any related Servicer Advances; and (iv) and all Hedge Costs due to the relevant Hedge Counterparties for any termination in whole or in part of one or more transactions related to the relevant Hedging Agreement, as required by the terms of any Hedging Agreement.

Notes: The Variable Funding Notes of the Borrower, issued to (i) the Liquidity Agent, in the case of the Fifth Third Purchaser Group, and (ii) with respect to each other Purchaser Group, its Liquidity Agent, in each case, for the benefit of the related Lenders pursuant to Section 2.1(c) hereof substantially in the form of Exhibit I hereto.

Obligor: With respect to any Loan, Dealer Agreement or Contract, the Person or Persons obligated to make payments with respect to such Dealer Agreement, Loan or Contract, respectively, including any guarantor thereof.

Officer’s Certificate: A certificate signed by any officer of the Borrower, the Originator or the Servicer, as the case may be, and delivered to the Collateral Agent.

Opinion of Counsel: A written opinion of counsel, which opinion and counsel are reasonably acceptable to the Deal Agent.

Original Advance Rate: Means, with respect to any Dealer, the ratio, expressed as a percentage, where the numerator is equal to the sum of the Outstanding Balance of all Eligible Loans of such Dealer on the dates such Eligible Loans were originated and the denominator is equal to the sum of payments due under all Eligible Contracts related to such Dealer on their dates of origination.

Originator: Defined in the Preamble of this Agreement.

Outstanding Balance:

(i) With respect to any Contract on any date of determination, all amounts owing under such Contract (whether considered principal or as finance charges) on such date of

determination. The Outstanding Balance with respect to a Contract shall be deemed to have been created at the end of the day on the Date of Processing of such Contract; which shall be greater than or equal to zero (except in the case of a Contract as to which the final payment on such Contract is in excess of the amount owed on such Contract on the date of such final payment);

(ii) with respect to any Dealer Loan on any date of determination, the aggregate amount advanced under such Dealer Loan plus revenue accrued with respect to such Dealer Loan in accordance with Credit Acceptance's accounting policies set forth in its periodic reports filed with the Securities and Exchange Commission and the payment of monies to a Dealer under the related Dealer Agreement, less collections on the related Dealer Loan Contracts applied through such date of determination in accordance with the related Dealer Agreement to the reduction of the balance of such Loan and write offs of such Dealer Loan; and

(iii) with respect to any Purchased Loan on any date of determination, the aggregate amount advanced under such Purchased Loan plus revenue accrued with respect to such Purchased Loan in accordance with Credit Acceptance's accounting policies set forth in its periodic reports filed with the Securities and Exchange Commission, less Collections on the related Purchased Loan Contract applied through the date of determination to the reduction of the balance of such Purchase Loan and write offs of such Purchased Loan.

Overconcentration Loan: With respect to any Dealer, the amount by which the aggregate Net Loan Balance of Dealer Loans made to such Dealer, calculated on a Funding Date as of the end of the immediately preceding Collection Period, exceeds the Dealer Concentration Limit.

Payment Date: The nineteenth (19th) day of each calendar month or, if such day is not a Business Day, the next succeeding Business Day.

Permitted Investments: Any one or more of the following types of investments:

(a) marketable obligations of the United States, the full and timely payment of which are backed by the full faith and credit of the United States of America and that have a maturity of not more than 270 days from the date of acquisition;

(b) marketable obligations, the full and timely payment of which are directly and fully guaranteed by the full faith and credit of the United States and that have a maturity of not more than 270 days from the date of acquisition;

(c) bankers' acceptances and certificates of deposit and other interest-bearing obligations (in each case having a maturity of not more than 270 days from the date of acquisition) denominated in dollars and issued by any bank with capital, surplus and undivided profits aggregating at least \$100,000,000, the short-term obligations of which are rated at least A-1 by S&P and P-1 by Moody's;

(d) repurchase obligations with a term of not more than ten days for underlying securities of the types described in clauses (a), (b) and (c) above entered into with any bank of the type described in clause (c) above;

(e) commercial paper rated at least A-1 by S&P and P-1 by Moody's; and

(f) demand deposits, time deposits or certificates of deposit (having original maturities of no more than 365 days) of depository institutions or trust companies incorporated under the laws of the United States of America or any state thereof (or domestic branches of any foreign bank) and subject to supervision and examination by federal or state banking or depository institution authorities; provided, however that at the time such investment, or the commitment to make such investment, is entered into, the short-term debt rating of such depository institution or trust company shall be at least A-1 by S&P and P-1 by Moody's.

Permitted Liens: Liens for state, municipal or other local taxes if such taxes shall not at the time be due and payable and Liens granted pursuant to the Transaction Documents and with respect to the Dealer Loan Contracts, the second priority lien of the related Dealer therein as set forth in the related Dealer Agreement.

Person: An individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

Pool: An identifiable group of Dealer Loans related to a particular Dealer Agreement identified on Schedule V hereto. Dealer Loans are added to a Pool until a fixed number (as established for the relevant Dealer) of related Dealer Loan contracts have been allocated to such Pool. An "open" or "uncapped" Pool is one to which Dealer Loans are still being added.

Potential Servicer Termination Event: Means any event which, with the giving of notice or passage of time or both, would become a Servicer Termination Event.

Prime Rate: The rate announced by Fifth Third from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Fifth Third in connection with extensions of credit to debtors.

Proceeds: With respect to any portion of the Collateral, all "proceeds" as such term is defined in Article 9 of the UCC, including, whatever is receivable or received when such portion of Collateral is sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating thereto.

Program Fee: With respect to each Purchaser Group, as defined in the applicable Fee Letter related to such Purchaser Group.

Program Fee Rate: With respect to each Purchaser Group, on any day, the rate set forth in the Fee Letter related to such Purchaser Group as the "Program Fee Rate."

Purchase Agreement: Each agreement between Credit Acceptance and any Dealer in substantially the form attached hereto as Exhibit P.

Purchased Loan: A motor vehicle retail installment loan relating to the sale of a used automobile or light-duty truck originated by a Dealer, purchased by the Originator from such Dealer and evidenced by a Purchased Loan Contract; provided, however, that the term

“Purchased Loan” shall, for purposes of this Agreement, include only those Purchased Loans identified from time to time on Schedule V hereto, and/or any Funding Notice.

Purchased Loan Contract: Each motor vehicle retail installment sales contract, in substantially one of the forms attached hereto as Exhibit L, relating to a Purchased Loan.

Purchaser Group: Each CP Entity, its related Liquidity Agent and the related Investors, all as identified on the Joinder related to such Purchaser Group.

Purchaser Group Facility Limit: With respect to each Purchaser Group, the amount so identified on the Joinder related to such Purchaser Group, and with respect to the Fifth Third Purchaser Group, \$50,000,000.

Qualified Institution: Defined in Section 6.7(a).

Rating Agency: Each of S&P, Moody’s, Fitch and any other rating agency that has been requested to issue a rating with respect to the Commercial Paper Notes issued by the Issuer (or its applicable funding sources).

Records: The Dealer Agreements, Contracts, Contract Files, certificates of title (and applications therefor) and all other documents, books, records and other information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related contracts, records and other media for storage of information) maintained with respect to the Loans and the Contracts and the related Obligor.

Reference Bank: Any bank that furnishes information for purposes of determining the Adjusted Eurodollar Rate.

Recoveries: All amounts, if any, received in respect of the Collateral by the Servicer or Credit Acceptance with respect to Defaulted Contracts.

Register: Defined in Section 13.1(c).

Related Security: With respect to any Loan all of Credit Acceptance’s and the Borrower’s right, title and interest in:

(i) the Dealer Agreements (other than Excluded Dealer Agreement Rights, but including, without limitation, Credit Acceptance’s rights to service the Loans and the related Contracts and receive the related collection fee and receive reimbursement of certain repossession and recovery expenses, in accordance with the terms of the Dealer Agreements) and Contracts securing payment of such Loan;

(ii) all security interests or liens purporting to secure payment of such Loan, whether pursuant to such Loan, the related Dealer Agreement or otherwise, together with all financing statements signed by the related Obligor describing any collateral securing such Loan and all other property obtained upon foreclosure of any security interest securing payment of such Loan or any related Contract;

(iii) all guarantees, insurance (including insurance insuring the priority or perfection of any lien) or other agreements or arrangements of any kind from time to time supporting or securing payment of each Contract whether pursuant to such Contract or otherwise, including any of the foregoing relating to any Contract securing payment of such Loan;

(iv) all of the Borrower's interest in all Records, documents and writing evidencing or related to such Loan;

(v) all rights of recovery of the Borrower against the Originator;

(vi) all Collections (other than Dealer Collections), the Collection Account, the Reserve Account, and all amounts on deposit therein and investments thereof;

(vii) all of the Borrower's right, title and interest in and to (but not its obligations under) any Hedging Agreement and any payment from time to time due thereunder;

(viii) all of the Borrower's right, title and interest in and to the Contribution Agreement and the assignment to the Deal Agent of all UCC financing statements filed by the Borrower against the Originator under or in connection with the Contribution Agreement; and

(ix) the Proceeds of each of the foregoing.

For the avoidance of doubt, the term "Related Security" with respect to any Loan includes all rights arising after the end of the Revolving Period under such Loan which rights are attributable to advances made under such Loan as the result of Contracts being added after the last date of the last full Collection Period during the Revolving Period to the identifiable group of Contracts to which such Loan relates.

Release Date: As defined in Section 4.5(b).

Release Price: As defined in Section 4.5(a).

Reliencing Expenses: Defined in Section 6.2(d)(ii).

Repossession Expenses: For any Collection Period, any expenses payable pursuant to the terms of this Agreement, incurred by the Backup Servicer, if it has become the Successor Servicer, in connection with the liquidation or repossession of any Financed Vehicle, in an aggregate amount not to exceed the cash proceeds received by the Backup Servicer, if it has become the Successor Servicer, from the disposition of the Financed Vehicles.

Required Investors: At a particular time, Investors with Commitments in excess of 50% of the Facility Limit.

Required Reserve Account Amount: With respect to any date of determination, an amount equal to the sum of (a) the product of (i) 1.0% and (ii) the Capital on such date (after the

application of funds pursuant to Section 2.7 on the related Payment Date) plus (b) all amounts required to be maintained by the Borrower pursuant to Section 6.2(c)(ii) hereof); provided, however, the Required Reserve Account Amount shall at no time be less than \$150,000 (unless the Capital is zero, in which case the Required Reserve Account Amount shall be \$100,000).

Reserve Account: The segregated trust account established at the Collateral Agent for the benefit of the Secured parties, established pursuant to Section 6.7(a).

Reserve Advance: Defined in Section 2.7(c)(i).

Responsible Officer: As to any Person any officer of such Person with direct responsibility for the administration of this Agreement and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

Retransfer Amount: Defined in Section 4.5(b).

Revolving Period: The period commencing on the Closing Date and ending on the day immediately preceding the first day of the Amortization Period.

RFC: As defined in the Preamble hereto.

S&P: Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

Secured Party: (i) The Deal Agent, each Liquidity Agent, the Bridge Loan Lender and each Lender and (ii) each Hedge Counterparty that is either a Lender or an Affiliate of a Lender if that Affiliate is a Hedge Counterparty executes a counterpart of this Agreement agreeing to be bound by the terms of this Agreement applicable to a Secured Party.

Servicer: Credit Acceptance, the Backup Servicer, if it has become the Successor Servicer, or any other Successor Servicer, appointed in accordance with the terms hereof as the Servicer of the Loans and Contracts.

Servicer Advance: An advance made by the Servicer pursuant to Section 2.7(c)(ii).

Servicer Termination Event: Defined in Section 6.11.

Servicer Termination Notice: Defined in Section 6.11.

Servicer Expenses: Any expenses incurred by the Backup Servicer, if it has become the Successor Servicer hereunder, other than Repossession Expenses, Reliencing Expenses or Transition Expenses.

Servicing Fee: For each Payment Date, a fee payable to Servicer for services rendered during the related Collection Period, equal to: (i) so long as Credit Acceptance is the Servicer, the product of (A) 6.00% and (B) the total Collections for the related Collection Period (exclusive of amounts received under any Hedging Agreement) and (ii) if the Backup Servicer is

the Servicer, the sum of (1) the greatest of: (a) the product of 10.0% and the total Collections for the related Collection Period (exclusive of amounts received under any Hedging Agreement), (b) the actual costs incurred by the Backup Servicer as Successor Servicer, and (c) the product of (x) \$30.00 and (y) the aggregate number of Contracts serviced by it during the related Collection Period, plus (2) without duplication, Late Fees and Servicer Expenses; provided, however, with respect to each Payment Date on which the Backup Servicer is the Servicer, the Servicing Fee shall be at least equal to \$5,000.

SIFMA: The Securities Industry and Financial Markets Association.

Solvent: As to any Person at any time, having a state of affairs such that all of the following conditions are met: (a) the fair value of the property of such Person is greater than the amount of such Person's liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code; (b) the present fair salable value of the property of such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured; (c) such Person is able to realize upon its property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business; (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (e) such Person is not engaged in business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital.

SST: Systems & Services Technologies, Inc., a Delaware corporation.

Structuring Fees: The structuring fee set forth in the Fee Letter related to the Fifth Third Purchaser Group.

Subsidiary: A corporation of which the Originator and/or its Subsidiaries own, directly or indirectly, such number of outstanding shares as have more than 50% of the ordinary voting power for the election of directors.

Successor Servicer: Defined in Section 6.12(a).

Taxes: Any present or future taxes, levies, imposts, duties, charges, assessments or fees of any nature (including interest, penalties, and additions thereto) that are imposed by any Governmental Authority.

Termination Date: The earliest of: (a) the date that the Liquidity Agreement for the Fifth Third Purchaser Group shall cease to be in full force and effect, (b) the date of the declaration of the Termination Date pursuant to Section 10.1, (c) the Commitment Termination Date and (d) the date of termination of the Facility Limit pursuant to Section 2.5.

Termination Event: Defined in Section 10.1.

Total Commitment: On any date of determination, the aggregate Commitments of all the Investors.

Transaction Documents: This Agreement, the Contribution Agreement, each Hedging Agreement, the Fee Letters, the Backup Servicing Agreement, each Joinder and any additional document the execution of which is necessary or incidental to carrying out the terms of the foregoing documents.

Transition Expenses: If the Backup Servicer has become the Successor Servicer, the sum of: (i) reasonable costs and expenses incurred by the Backup Servicer in connection with its assumption of the servicing obligations hereunder, related to travel, Obligor welcome letters, freight and file shipping plus (ii) a boarding fee equal to the product of \$7.50 and the number of Contracts to be serviced.

UCC: The Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

United States: The United States of America.

Unmatured Termination Event: Any event that, with the giving of notice or the lapse of time, or both, would become a Termination Event.

Unreimbursed Servicer Advances: At any time, the amount of all previous Servicer Advances (or portions thereof) as to which the Servicer has not been reimbursed as of such time pursuant to Section 2.7.

Unsatisfactory Audit: The occurrence of any audit exceptions resulting from any audit, inspection or review pursuant to Section 6.1(c), Section 6.2(e) or Section 6.9, which, in the reasonable judgment of the Deal Agent, would have a Material Adverse Effect on the ability of the Servicer to identify and allocate Collections or to service, as provided in this Agreement, any Collateral.

Weighted Average Original Advance Rate means, with respect to each Payment Date during the Revolving Period, the ratio, expressed as a percentage, where the numerator is equal to the aggregate for all Dealers of the product of: (i) the Original Advance Rate of each Dealer; and (ii) the aggregate outstanding Net Loan Balance of all Eligible Loans for such Dealer and the denominator is equal to the Aggregate Outstanding Eligible Loan Net Balance.

Yield: With respect to each Lender and its portion of the Capital, with respect to any Accrual Period, the sum of the products (for each day during such Accrual Period) of:

$$YR \times C \times \frac{1}{360}$$

where:

C = the outstanding principal amount of the Advance of such Lender;

and

YR = the Yield Rate for such Lender applicable on such day;

provided, however, that (i) no provision of this Agreement shall require the payment or permit the collection of Yield in excess of the maximum permitted by Applicable Law and (ii) Yield shall not be considered paid by any distribution if at any time such distribution is rescinded or must otherwise be returned for any reason.

Yield Rate: For any Accrual Period and for the aggregate principal amount of the Advance allocated to such Accrual Period:

- (a) to the extent the relevant Lender funded the Advance (directly or indirectly) through the issuance of commercial paper, a rate equal to the CP Rate; or
- (b) to the extent the relevant Lender funded the Advance with the proceeds of a borrowing under the Bridge Loan Agreement, a rate equal to the LIBOR rate; or
- (c) to the extent the relevant Lender did not fund the Advance through the issuance of commercial paper or a Bridge Loan, a rate equal to the Alternative Rate; or
- (d) after the occurrence of a Termination Event, with respect to any Purchaser Group, a rate equal to the Base Rate, plus 2.0%.

provided, however, the Yield Rate shall be the Base Rate for any Accrual Period for any portion of the Advance as to which (1) any CP Entity has funded the acquisition or maintenance thereof by the assignment of an interest therein to any Liquidity Bank under its related Liquidity Agreement on any day other than the first day of such Accrual Period and without giving such Liquidity Bank(s) at least two Business Days' prior notice of such assignment or (2) any Investor has funded the acquisition thereof on any day other than the first day of such Accrual Period and without such Investor(s) having received at least two Business Days' prior notice of such funding pursuant to the provisions of Section 2.3.

Section 1.2. Other Terms. All accounting terms used but not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of Michigan, and used but not specifically defined herein, are used herein as defined in such Article 9.

Section 1.3. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.4. Interpretation. In each Transaction Document, unless a contrary intention appears:

- (i) the singular number includes the plural number and vice versa;
- (ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Transaction Documents;
- (iii) reference to any gender includes each other gender;

(iv) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Transaction Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor; and

(v) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision.

ARTICLE II THE LOAN FACILITY

Section 2.1. Funding of the Advance.

(a) (i) On the terms and conditions hereinafter set forth (including, without limitation, the conditions set forth in Sections 3.1 and 3.2), the Borrower may, at its option, on the Closing Date and on any Funding Date request an advance (an “Advance” or a “Funding”). Each CP Entity may, in its sole discretion, make such Advance, or if a CP Entity shall decline to make such Advance, the Investors related to such CP Entity shall make the Advance, in each case, from time to time requested by the Borrower during the period from the date hereof to but not including the Termination Date. Under no circumstances shall any Lender make an Advance if, after giving effect to such Advance, (A) the aggregate Capital outstanding hereunder would exceed the lesser of (i) the Facility Limit and (ii) the Borrowing Base or (B) with respect to each Purchaser Group, the aggregate Capital funded or maintained by the Lenders in such Purchaser Group would exceed its Purchaser Group Facility Limit.

(b) (i) The Borrower may, within 60 days, but no later than 45 days, prior to the then existing Commitment Termination Date, by written notice to the Deal Agent and each Liquidity Agent, make written request for the CP Entities and the Investors to extend the Commitment Termination Date for an additional period of not greater than 364 days. Each Liquidity Agent will give prompt notice to its Purchaser Group of its receipt of such request for extension of the Commitment Termination Date. Each CP Entity and each Investor shall make a determination, in their sole discretion, not less than 15 days prior to the then applicable Commitment Termination Date as to whether or not it will agree to extend the Commitment Termination Date; provided, however, that the failure of any CP Entity or any Investor to make a timely response to the Borrower’s request for extension of the Commitment Termination Date shall be deemed to constitute a refusal by such CP Entity or Investor, as the case may be, to extend the Commitment Termination Date. The Commitment Termination Date shall only be extended upon the consent of all of the CP Entities and all of the Investors.

(ii) Within two Business Days following the end of the time period set forth in clause (b)(i) above, the Liquidity Agent for each Purchaser Group shall notify

each other Investor in such Purchaser Group, the Deal Agent, the Borrower and the Servicer of the identity of any CP Entity or Investor who have refused (or been deemed to have refused) to extend the Commitment Termination Date.

(c) The Notes.

(i) The Borrower's obligation to pay the principal of and interest on all amounts advanced by the Lenders pursuant to the Fundings shall be evidenced by a variable funding note of the Borrower for each Purchaser Group (each, a "Note") which shall: (1) be dated the Effective Date; (2) be in the stated principal amount equal to the Commitment Amount for such Purchaser Group (as reflected from time to time on the grid attached thereto); (3) bear interest as provided therein; (4) be payable to the order of the applicable Liquidity Agent for the account of the related Lenders in such Purchaser Group, and mature (whether or not there are funds available therefor at such time, pursuant to Section 2.7 or otherwise) on May 23, 2011 (the "Maturity Date"); and (5) be substantially in the form of Exhibit I hereto, with blanks appropriately completed in conformity herewith. The applicable Liquidity Agent shall, and is hereby authorized to, make a notation on the schedule attached to each Note of the date and the amount of the Fundings and the date and amount of the payment of principal thereon, and prior to any transfer of a Note, the applicable Liquidity Agent shall endorse the outstanding principal amount of such Note on the schedule attached thereto; provided, however, that failure to make such notation shall not adversely affect any Lender's rights with respect to such Note.

(ii) Although the Notes shall be dated the Effective Date, interest in respect thereof shall be payable only for the periods during which amounts are outstanding thereunder. In addition, although the stated principal amount of each Note shall be equal to the Commitment Amount of the related Purchaser Group, such Note shall be enforceable with respect to the Borrower's obligation to pay the principal thereof only to the extent of the unpaid principal amount of the Capital and Yield and all other amounts outstanding hereunder and thereunder at the time such enforcement shall be sought.

Section 2.2. Grant of Security Interest; Acceptance by Collateral Agent.

(a) (i) As security for the prompt and complete payment of the Notes and the performance of all of the Borrower's obligations under the Notes, this Agreement and the other Transaction Documents, the Borrower hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in and continuing Lien on all of the Borrower's property (whether now owned or hereafter acquired or arising, and wherever located) including, without limitation, all of its right, title and interest to: (i) the Loans, and all monies due or to become due in payment thereupon on and after the related Cut-Off Date; (ii) all Related Security; (iii) all of the Borrower's right title and interest in an to the Contribution Agreement and the other Transaction Documents and the assignment to the Deal Agent of all UCC financing statements filed by the Borrower against the Originator under or in connection with the Contribution Agreement and the other Transaction Documents and (iv) all income, Collections and Proceeds of the foregoing (collectively, the "Collateral"). The foregoing pledge does not

constitute an assumption by the Collateral Agent of any obligations of the Borrower to Obligor or any other Person in connection with the Collateral or under any agreement or instrument relating to the Collateral, including, without limitation, any obligation to make future advances to or on behalf of such Obligor.

(ii) In connection with such grant, the Borrower authorizes Credit Acceptance, and Credit Acceptance agrees to record and file, at Borrower's expense, financing statements with respect to the Collateral now existing and hereafter created meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the first priority security interest of the Collateral Agent for the benefit of the Secured Parties in the Collateral, and to deliver a file-stamped copy of such financing statements or other evidence of such filing to the Collateral Agent, each Liquidity Agent and the Deal Agent on or prior to each Funding Date. In addition, the Borrower and the Servicer agree to clearly and unambiguously mark their respective general ledgers and all accounting records and documents and all computer tapes and records to show that the Collateral, including that portion of the Collateral consisting of the Dealer Agreements listed on Schedule V hereto (and each addendum thereto), the Loans and the related Contracts and the rights to payment under the related Dealer Agreements, has been pledged to the Collateral Agent for the benefit of the Secured Parties hereunder.

(iii) In connection with such pledge, the Borrower agrees to deliver to the Collateral Agent on the Closing Date and each Funding Date on which new Pools or Purchased Loans are pledged to the Collateral Agent, as the case may be, one or more computer files containing true and complete lists of all applicable Dealer Agreements, Pools and Loans securing the payment of the Notes and amounts due under the Transaction Documents and all of the Borrower's obligations under the Notes and the Transaction Documents as of the Closing Date and each Funding Date, and all Contracts securing all such Loans, identified by, as applicable, account number, dealer number, and pool number and Outstanding Balance as of the end of the Collection Period immediately preceding the Funding Date. Such file shall be marked as Schedule V hereto or as an addendum thereto, shall be delivered to the Collateral Agent as confidential and proprietary, and such Schedule V and each addendum thereto are hereby incorporated into and made a part of this Agreement and shall at all times be maintained (and updated, from time to time, as applicable) by the Servicer and maintained by the Collateral Agent.

(iv) In connection with such pledge, each of the Borrower, Credit Acceptance and the Servicer also agrees, within 180 days of the Closing Date or relevant Funding Date, as the case may be, to clearly mark at least 98% of the Contracts or Contract folders securing a Loan with the following legend: "THIS AGREEMENT AND ALL RELATED CONTRACTS AND LOANS HAVE BEEN PLEDGED TO FIFTH THIRD BANK AS COLLATERAL AGENT FOR THE BENEFIT OF CERTAIN SECURED PARTIES AND ANY PURCHASE, SALE OR COLLATERAL ASSIGNMENT OF ANY SUCH ASSET WOULD VIOLATE THE RIGHTS OF SUCH SECURED PARTIES". Such legend shall be in bold, in type face at least as large as 12 point and shall be entirely in capital letters.

(b) The Collateral Agent hereby acknowledges its acceptance, on behalf of the Secured Parties, of the pledge by the Borrower of the Loans and all other Collateral. The Collateral Agent further acknowledges that, prior to or simultaneously with the execution and delivery of this Agreement, the Borrower delivered to the Collateral Agent the computer file or microfiche list represented by the Borrower to be the computer file or microfiche list described in Section 2.2(a)(iii).

(c) The Collateral Agent hereby agrees not to disclose to any Person (other than to each Secured Party) any of the account numbers or other information contained in the computer files or microfiche lists delivered to the Collateral Agent by the Borrower pursuant to Section 2.2(a)(iii), except as is required in connection with the performance of its duties hereunder or in enforcing the rights of the Secured Parties or to a Successor Servicer; provided, however, that notwithstanding anything to the contrary in this Agreement, the Collateral Agent may reply to a request from any Person for a list of Loans, Dealer Agreements, Contracts or other information referred to in any financing statement. The Collateral Agent agrees to take such measures as shall be necessary or reasonably requested by the Borrower to protect and maintain the security and confidentiality of such information. The Collateral Agent shall provide the Borrower with written notice five Business Days prior to any disclosure pursuant to this subsection 2.2(c).

Section 2.3. Procedures for Funding of Advances.

(a) Each Advance hereunder shall be requested by the Borrower delivering to the Deal Agent, the Liquidity Agents and the Lenders (with a copy to the Collateral Agent) a duly completed Funding Notice no later than 12:00 p.m. (New York time) at least two (2) Business Days prior to the proposed Funding Date. Each Funding Notice shall: (i) specify the desired amount of such Funding which amount must (a) in the case of the initial funding hereunder (the "Initial Funding") be in a minimum amount of \$1,000,000, and (b) in the case of any Incremental Funding, be in an amount equal to \$1,000,000 or an integral multiple of \$10,000 in excess thereof, (ii) specify the date of such Funding, and (iii) include a representation that all conditions precedent for a Funding described in Article III hereof have been met. Each Funding shall be allocated pro rata among each Purchaser Group based upon the aggregate Commitments related to each Purchaser Group as a percentage of the Total Commitment. Each Funding Notice shall be irrevocable.

(b) Following receipt of such Funding Notice, the Deal Agent, in the case of the Fifth Third Purchaser Group, and each Liquidity Agent, in the case of each other Purchaser Group, will consult with RFC, or the related CP Entity, as applicable, in order to assist RFC or the CP Entity, as applicable, in determining whether or not to make the Advance. If the CP Entity decides in its sole discretion that it is unwilling or unable to make a proposed Advance, the Investors related to such CP Entity will make such Advance. Each Liquidity Agent will notify the related Investors by 11:00 am (New York time) on such Funding Date if the CP Entity has elected not to effect all or a portion of the proposed Funding. On the Funding Date, the CP Entity or Investors shall, upon satisfaction of the applicable conditions set forth in Article III, initiate a wire to the Borrower no later than 3:00 p.m. (New York time), at such bank or other location reasonably designated by Borrower in its Funding Notice given pursuant to this Section 2.3, an amount equal to the lesser of (A) the amount requested by the Borrower from such

Purchaser Group for such Advance or (B) the excess of the total Commitments related to such Purchaser Group over such Purchaser Group's portion of Capital then outstanding.

(c) In the event that notwithstanding the fulfillment of the applicable conditions set forth in Article III hereof with respect to a Funding, the CP Entity elected to make a Funding on a Funding Date but such CP Entity failed for any reason whatsoever (including, without limitation, sufficiency of funds) to make such amount available to the Borrower on such date, the CP Entity shall be deemed to have rescinded its election to make such purchase, and neither the Borrower nor any other party shall have any claim against such CP Entity by reason of its failure to timely effect such Funding. In any such case, the Liquidity Agent for the related Purchaser Group shall give notice of such failure not later than 3:00 p.m. (New York time) on the Funding Date to each Investor for such CP Entity and to the Borrower, which notice shall specify (i) the identity of such CP Entity and (ii) the amount of the Funding which it had elected but failed to make. Subject to receiving such notice, each of such CP Entity's Investors shall effect such funding on such Funding Date and otherwise in accordance with this Agreement.

(d) In no event shall an Investor be required on any date to make any Funding which would result in its portion of the Capital, determined after giving effect to such funding, exceeding its Commitment.

Section 2.4. Determination of Yield. On each Determination Date, RFC, with respect to the Fifth Third Purchaser Group, and the related Liquidity Agent with respect to each other Purchaser Group, shall provide an estimate of the applicable Yield Rate and the Yield (including unpaid Yield, if any, due and payable on a prior Payment Date) to be paid by the Borrower with respect to the Advance on each Payment Date and shall advise the Servicer and the Backup Servicer thereof on the third Business Day prior to such Payment Date. Prior to the next succeeding Determination Date, RFC, on behalf of the Fifth Third Purchaser Group and each Liquidity Agent, with respect to its Purchaser Group, shall determine the actual Yield Rate and the Yield in respect of the immediately preceding Accrual Period. The amount owed in respect of the Yield for the next succeeding Accrual Period, as estimated by RFC, or Liquidity Agent, as applicable, shall be increased or decreased, as appropriate, to take into account any excess Yield or Yield shortfall, as applicable, relating to the immediately preceding Accrual Period.

Section 2.5. Reduction of the Facility Limit and a Purchaser Group Facility Limit; Repurchase. The Borrower may, upon at least ten (10) Business Days' notice to the Deal Agent, each Liquidity Agent and RFC, terminate in whole or reduce in part the portion of the Facility Limit that exceeds the aggregate Capital. With respect to any such reduction, (a) the Commitments of the Investors within each Purchaser Group shall be reduced proportionately based upon the total Commitments of such Purchaser Group and (b) each Purchaser Group Facility Limit shall be reduced pro rata based upon the Purchaser Group Facility Limit as a percentage of the Facility Limit; provided, however, that each partial reduction of the Facility Limit shall be in an aggregate amount equal to \$1,000,000 or an integral multiple thereof. Each notice of reduction or termination pursuant to this Section 2.5(a) shall be irrevocable.

Section 2.6. Actions with Respect to Advance. The Deal Agent, with respect to the Fifth Third Purchaser Group, and the related Liquidity Agent with respect to each other Purchaser Group may take any of the following actions at any time with respect to the Advance: (i) divide

the Advance funded by such Lender into two or more portions of having aggregate Capital equal to the Capital of such divided Advance; (ii) combine one portion of the Advance funded by such Lender with another portion of the Advance funded by such Lender with an Accrual Period ending on the same day, creating a new Advance having Capital equal to the Capital of the two portions of Advances combined or (iii) combine an Advance funded by such Lender with the Advance to be funded on such day by such Lender, creating a new Advance having Capital equal to the Capital of the two Advances combined.

Section 2.7. Settlement Procedures.

(a) On each Payment Date and on the Maturity Date, the Collateral Agent shall withdraw Available Funds and any Excess Reserve Amount and Servicer Advances (to be applied in accordance with Section 2.7(c)) and investment earnings on amounts on deposit in the Collection Account from the Collection Account and allocate and distribute such amounts to the applicable Person in the following order of priority:

(i) FIRST, to the Hedge Counterparty, an amount equal to any Hedge Costs (exclusive of termination payments) and any such Hedge Costs (exclusive of termination payments) unpaid from any prior Payment Date.

(ii) SECOND, to the Servicer, an amount equal to any Unreimbursed Servicer Advances;

(iii) THIRD, to the Backup Servicer so long as it has not become the Servicer hereunder, an amount equal to any accrued and unpaid Backup Servicing Fee due in respect of such Payment Date, any unpaid Backup Servicing Fee from any prior Payment Date, any reasonable out-of-pocket expenses incurred in SST's capacity as Backup Servicer, and any accrued and unpaid Indemnified Amounts owed by the Borrower to SST up to \$17,000, monthly;

(iv) FOURTH, (A) to the Servicer, an amount equal to any accrued and unpaid Servicing Fees due in respect of such Payment Date and any Servicing Fees unpaid from any prior Payment Date; provided, however, if the Servicer has been replaced pursuant to Section 6.12 such amount shall not exceed the Capped Servicing Fee; and (B) to the Backup Servicer, if it has become the Successor Servicer, any Transition Expenses;

(v) FIFTH, to the Deal Agent for the account of the Lenders, an amount equal to the sum of any accrued and unpaid (A) Yield and Breakage Costs, (B) the Program Fee, and (C) the Facility Fee, Increased Costs and any Additional Amounts due in respect of such Payment Date and any such amounts unpaid from any prior Payment Date;

(vi) SIXTH, during the Revolving Period, to the Deal Agent for the account of the Lenders, an amount equal to the Monthly Principal Payment Amount for such Payment Date;

(vii) SEVENTH, to any Successor Servicer, an amount equal to Relieving Expenses;

(viii) EIGHTH, during the Amortization Period, to the Deal Agent for the account of the Lenders, pro rata, the Additional Principal Payment Amount, until Capital has been reduced to zero;

(ix) NINTH, to the Deal Agent for the account of the Lenders and the Backup Servicer, an amount equal to, without double counting, Increased Costs, any Additional Amounts and Indemnified Amounts (provided that, with respect to the Backup Servicer, such Indemnified Amounts shall include only those Indemnified Amounts not paid pursuant to clause THIRD above) due in respect of such Payment Date and unpaid from any prior Payment Date;

(x) TENTH, to the Reserve Account, (A) an amount equal to any outstanding Reserve Advances and (B) the amount necessary to cause the amount on deposit in the Reserve Account to equal the Required Reserve Account Amount (after giving effect to any deposits made in subclause (A));

(xi) ELEVENTH, to the Backup Servicer, any Servicing Fee due in respect of such Payment Date, to the extent not paid pursuant to clause FOURTH above and any such Servicing Fee unpaid from any prior Payment Date;

(xii) TWELFTH, to the Deal Agent for the account of any other applicable Person, all remaining amounts up to all Aggregate Unpays (during the Revolving Period, other than Capital) until paid in full;

(xiii) THIRTEENTH, to the Borrower any remaining amounts.

(b) (i) One Business Day per calendar month, the date of which is to be chosen by the Borrower, the Collateral Agent shall, upon two Business Days' prior written request of the Borrower, withdraw from the Collection Account an amount not to exceed the amount on deposit therein on the date of such request. The Collateral Agent shall distribute such amount to the Deal Agent for the account of the Lenders, to be distributed by the Deal Agent to the Lenders, pro rata, as a payment in reduction of Capital. Notwithstanding anything in this Section 2.7(b) to the contrary, the Collateral Agent shall not be required to effect any such withdrawal or the Deal Agent make any such distribution until an Officer of the Servicer or a representative of the Servicer designated by a Responsible Officer of the Servicer has certified to the Collateral Agent and the Deal Agent in writing (which shall include electronic transmission) that it reasonably believes that at the end of the related Collection Period the sum of Available Funds and Excess Reserve Amount, after giving effect to such payment, will be greater than the amount needed to make the payments required pursuant to Section 2.7(a)(i) through (xii). Any such prepayment of principal shall include all accrued and unpaid Yield and any applicable Breakage Costs relating thereto.

(ii) No more often than two (2) times per calendar month, the Borrower may, upon two Business Days' prior written notice (such notice to be received by the Deal Agent no later than 4:00 p.m. (New York time) on such day) to the Deal Agent, reduce the Capital by

remitting to the Deal Agent: (i) cash and (ii) instructions to reduce such Capital, related accrued Yield and Breakage Costs. Such cash shall be remitted to the Deal Agent for the account of the Lenders, to be distributed by the Deal Agent to the Lenders, pro-rata. Any such reduction of the Capital shall be in a minimum amount of \$500,000 and will occur only if sufficient funds have been remitted to pay all such amounts in the succeeding sentence in full. Upon receipt of such amounts, the Deal Agent shall apply such amounts first to the pro-rata reduction of the Capital, second to the payment of related accrued Yield on the amount of the Yield to be repaid by paying such amounts to the respective Lenders, and third to the payment of any Breakage Costs. Any notice relating to any prepayment pursuant to this Section 2.7(b)(ii) shall be irrevocable.

(c) (i) If on any Payment Date the amount paid pursuant to Section 2.7(a)(v) and (vi) is insufficient to cover all amounts due thereunder on such Payment Date the Collateral Agent shall withdraw from the Reserve Account an amount equal to the lesser of such shortfall and the amount of funds on deposit in the Reserve Account (such withdrawal, a "Reserve Advance") and deposit such amount to the Collection Account. The Collateral Agent shall pay such amount to the Deal Agent for payment to the Lenders.

(ii) If on any Payment Date the amount on deposit in the Reserve Account is insufficient to pay the insufficiency set forth in Section 2.7(c)(i), on or prior to 9:00 a.m. (Cincinnati, Ohio time) Credit Acceptance shall deposit to the Collection Account an amount equal to such insufficiency (each, a "Servicer Advance"), and the Collateral Agent shall pay such amount to the Deal Agent for payment to the Lenders. Credit Acceptance shall not be required to make any Servicer Advance to the extent it does not reasonably deem such amount to be recoverable from future collections on the Loans.

(iii) If on any Payment Date during the Amortization Period, the amount paid pursuant to Section 2.7(a)(viii) is insufficient to reduce Capital to zero, the Deal Agent, in its sole discretion, may direct the Collateral Agent to withdraw any or all of the amount on deposit in the Reserve Account, and pay such amount to the Deal Agent, for payment to the Lenders in respect of interest and principal and all other Aggregate Unpaid payable to the Lenders at such time.

Section 2.8. [Reserved.]

Section 2.9. Collections and Allocations.

(a) Collections. The Servicer shall transfer, or cause to be transferred, all Collections on deposit in the form of available funds in the Credit Acceptance Payment Account to the Collection Account by the close of business on the second Business Day such Collections are received therein. The Servicer shall promptly (but in no event later than the second Business Day (or if the Backup Servicer has become the Successor Servicer hereunder, the third Business Day) after the receipt thereof) deposit all Collections received directly by it in the Collection Account. The Servicer shall make such deposits or payments on the date indicated therein by wire transfer, in immediately available funds.

(b) Initial Deposits. On the Funding Date, the Servicer will deposit (in immediately available funds) into the Collection Account all Collections received on and after the applicable Cut-Off Date and through and including the day immediately preceding the Funding Date, in respect of the Loans.

(c) Investment of Funds. (i) Until the occurrence of a Termination Event or Unmatured Termination Event, to the extent there are uninvested amounts on deposit in the Collection Account and the Reserve Account, all amounts therein shall be invested as set forth in Section 6.7(c).

(ii) On the date on which Capital is reduced to zero and all Aggregate Unpaid have been indefeasibly paid in full in cash, all Collateral is released from the Lien of this Agreement, and this Agreement is terminated, any amounts on deposit in the Reserve Account shall be released to the Borrower.

(d) Allocation of Collections. The Servicer will allocate Collections monthly in accordance with the actual amount of Collections received. The Servicer (including any applicable Successor Servicer) shall determine each month the amount of Collections received during such month which constitutes amounts which, pursuant to the terms of any Dealer Agreement, are required to be remitted to the applicable Dealer (such collections, "Dealer Collections") and shall so notify the Collateral Agent. Notwithstanding any other provision hereof, the Collateral Agent, at the direction of the Servicer, shall distribute on each Payment Date: (i) to the Borrower, an amount equal to the aggregate amount of Dealer Collections received during or with respect to the prior Collection Period and (ii) to the Backup Servicer, if it has become the Successor Servicer, an amount equal to any Repossession Expenses related to the prior Collection Period prior to the distribution of Available Funds pursuant to Section 2.7.

Section 2.10. Payments, Computations, Etc.

(a) Unless otherwise expressly provided herein, all amounts to be paid or deposited by the Borrower or the Servicer hereunder shall be paid or deposited in accordance with the terms hereof no later than 10:00 a.m. (New York time) on the day when due in lawful money of the United States in immediately available funds to the Agent's Account and the Deal Agent shall distribute such amounts actually received by it to the Persons entitled thereto for receipt no later than 11:00 a.m. (New York time). Any amounts received in the Agent's Account after 10:00 a.m. (New York time) shall be deemed to be received on the next subsequent Business Day and the Deal Agent shall distribute such amounts to the Persons entitled thereto no later than 11:00 a.m. (New York time) on such next subsequent Business Day. The Borrower shall, to the extent permitted by law, pay to the Secured Parties interest on all amounts not paid or deposited when due hereunder 3.0% per annum above the Base Rate, payable on demand; provided, however, that such interest rate shall not at any time exceed the maximum rate permitted by Applicable Law. All computations of interest and all computations of Yield and other fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed.

(b) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and

such extension of time shall in such case be included in the computation of payment of Yield, interest or any fee payable hereunder, as the case may be.

(c) If the Advance requested by the Borrower for any Funding Date and approved by a Lender, its Liquidity Agent and the Deal Agent pursuant to Section 2.1 and Section 2.3, is not for any reason made or effectuated, as the case may be, on the requested Funding Date, the Borrower shall indemnify such Lender against Breakage Costs, any reasonable loss, cost or expense incurred by such Lender, including, without limitation, any loss (including loss of anticipated profits, net of anticipated profits in the reemployment of such funds in the manner determined by such Lender), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain the Funding.

Section 2.11. [Reserved.]

Section 2.12. Fees.

(a) The Borrower shall pay to the Deal Agent, for the account of each Purchaser Group from the Collection Account on each Payment Date, monthly in arrears, the Program Fee for each Purchaser Group agreed to in each Fee Letter.

(b) The Servicer shall be entitled to receive the Servicing Fee, monthly in arrears in accordance with Section 2.7(a).

(c) The Backup Servicer shall be entitled to receive the Backup Servicing Fee in accordance with Section 2.7(a).

(d) The Borrower shall pay to Mayer Brown LLP, as counsel to the Deal Agent, on the Effective Date, their respective estimated reasonable fees and out-of-pocket expenses in immediately available funds and shall pay all additional reasonable fees and out-of-pocket expenses of Mayer Brown LLP, within ten (10) Business Days after receiving an invoice for such amounts.

Section 2.13. Increased Costs; Capital Adequacy; Illegality.

(a) If either (i) the introduction of or any change (including, without limitation, any change by way of imposition or increase of reserve requirements) in or in the interpretation of any law or regulation or (ii) the compliance by an Affected Party with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), shall (A) subject an Affected Party to any Tax (except for Taxes on the overall net income of such Affected Party imposed on it by the jurisdiction under the laws of which such Affected Party is organized), duty or other charge with respect to the Advance made by it hereunder, or any right to make the Funding hereunder, or on any payment made hereunder, (B) impose, modify or deem applicable any reserve requirement (including, without limitation, any reserve requirement imposed by the Board of Governors of the Federal Reserve System, but excluding any reserve requirement, if any, included in the determination of Yield), special deposit or similar requirement against assets of, deposits with or for the amount of, or credit extended by, any Affected Party or (C) impose any other condition affecting the Advance made

by it hereunder or a Lender's rights hereunder, the result of which is to increase the cost to any Affected Party or to reduce the amount of any sum received or receivable by an Affected Party under this Agreement, then within ten days after demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost incurred or such reduction suffered.

(b) If either (i) the introduction of or any change in or in the interpretation of any law, guideline, rule, regulation, directive or request or (ii) compliance by any Affected Party with any law, guideline, rule, regulation, directive or request from any central bank or other governmental authority or agency (whether or not having the force of law), including, without limitation, compliance by an Affected Party with any request or directive regarding capital adequacy, has or would have the effect of reducing the rate of return on the capital of any Affected Party as a consequence of its obligations hereunder or arising in connection herewith to a level below that which any such Affected Party could have achieved but for such introduction, change or compliance (taking into consideration the policies of such Affected Party with respect to capital adequacy) by an amount deemed by such Affected Party to be material, then from time to time, within ten days after demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such reduction. For avoidance of doubt, any interpretation of Accounting Research Bulletin No. 51 by the Financial Accounting Standards Board shall constitute an adoption, change, request or directive subject to this subsection 2.13(b).

(c) If as a result of any event or circumstance similar to those described in clauses (a) or (b) of this section, any Affected Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Party in connection with this Agreement or the funding or maintenance of the Advance hereunder, then within ten days after demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any amounts payable or paid by it.

(d) In determining any amount provided for in this section, the Affected Party may use any reasonable averaging and attribution methods. Any Affected Party making a claim under this section shall submit to the Borrower a written description as to such additional or increased cost or reduction and the calculation thereof, which written description shall be conclusive absent manifest error.

(e) If a Lender shall notify the Deal Agent that a Eurodollar Disruption Event as described in clause (a) of the definition of "Eurodollar Disruption Event" has occurred, the Deal Agent shall in turn so notify the Borrower, whereupon all Capital in respect of which Yield accrues at the Adjusted Eurodollar Rate shall immediately be converted into Capital in respect of which Yield accrues at the Base Rate.

Section 2.14. Taxes.

(a) All payments made by an Obligor in respect of each Loan and each Contract and all payments made by the Borrower, Originator or Credit Acceptance under this Agreement or the other Transaction Documents will be made free and clear of and without deduction or withholding for or on account of any Taxes. If any Taxes are required to be withheld from any amounts payable to the Deal Agent, the Liquidity Agent or any Secured Party, then the amount payable to such Person will be increased (such increase, the "Additional Amount") such that every net payment made under this Agreement after withholding for or on account of any Taxes (including, without limitation, any Taxes on such increase) is not less than the amount that would have been paid had no such deduction or withholding been deducted or withheld. The foregoing obligation to pay Additional Amounts, however, will not apply with respect to net income or franchise taxes imposed on a Lender or the Deal Agent, respectively, with respect to payments required to be made by the Borrower or Credit Acceptance under this Agreement, by a taxing jurisdiction in which such Lender or Deal Agent is organized, conducts business or is paying taxes (in either case of conducting business or paying taxes, other than solely as a result of the transactions contemplated by this Agreement and the other Transaction Documents) as of the Effective Date (as the case may be).

(b) The Borrower will indemnify each Affected Party for the full amount of Taxes payable by such Person in respect of Additional Amounts and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. All payments in respect of this indemnification shall be made within ten days from the date a written invoice therefor is delivered to the Borrower.

(c) The Borrower will notify the Deal Agent and each Liquidity Agent on a quarterly annual basis of any payments by the Borrower in respect of any Taxes, not including those Taxes paid by Credit Acceptance on a consolidated basis.

(d) If a Lender is not created or organized under the laws of the United States or a political subdivision thereof, such Lender shall deliver to the Borrower, with a copy to the Deal Agent and each Liquidity Agent, (i) within 15 days after the date hereof, or, if such Lender becomes a Lender after the Closing Date, the date on which such Lender becomes a Lender hereunder, two (or such other number as may from time to time be prescribed by Applicable Laws) duly completed copies of IRS Form W-8BEN or Form W-8ECI (or any successor forms or other certificates or statements that may be required from time to time by the relevant United States taxing authorities or Applicable Laws), as appropriate, to permit the Borrower to make payments hereunder for the account of such Lender, as the case may be, without deduction or withholding of United States federal income or similar Taxes and (ii) upon the obsolescence of or after the occurrence of any event requiring a change in, any form or certificate previously delivered pursuant to this Section 2.14(d), copies (in such numbers as may from time to time be prescribed by Applicable Laws or regulations) of such additional, amended or successor forms, certificates or statements as may be required under Applicable Laws or regulations to permit the Borrower to make payments hereunder for the account of such Lender, without deduction or withholding of United States federal income or similar Taxes.

(e) If, in connection with an agreement or other document providing liquidity support, credit enhancement or other similar support to the Lenders in connection with this Agreement or the funding or maintenance of the Funding hereunder, the Lenders are required to compensate a bank or other financial institution in respect of Taxes under circumstances similar to those described in this section then within 10 days after demand by the Lenders, the Borrower shall pay to the Lenders such additional amount or amounts as may be necessary to reimburse the Lenders for any amounts paid by them.

(f) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this section shall survive the termination of this Agreement.

Section 2.15. Assignment of the Contribution Agreement. The Borrower hereby assigns to the Deal Agent, for the ratable benefit of the Secured Parties hereunder, all of the Borrower's right, title and interest in and to, but none of its obligations under, the Contribution Agreement, the Hedging Agreement and any other Transaction Documents. The Borrower confirms that the Deal Agent on behalf of the Secured Parties shall have the sole right to enforce the Borrower's rights and remedies under the Contribution Agreement and the Hedging Agreement for the benefit of the Secured Parties.

Section 2.16. Servicer Clean-up Call.

(a) (i) On any Payment Date after the last day of any Collection Period during the Amortization Period as of which the amount of Capital shall be less than or equal to 10% of the amount of Capital as of the beginning of the Amortization Period, Credit Acceptance shall have the option to purchase the Loans, subsequent Collections and Related Security for a price equal to the aggregate Release Price for the Loans. To exercise such option, Credit Acceptance shall deposit in the Collection Account an amount equal to such aggregate Release Price plus accrued Yield, Hedge Costs and Breakage Costs in immediately available funds. Notwithstanding the foregoing, Credit Acceptance shall not exercise such option unless the amount so deposited equals or exceeds the Retransfer Price for the Loans.

(ii) Credit Acceptance shall have the right to purchase from time to time Loans, subsequent Collections and Related Security (as selected by the Borrower without adverse selection) so long as in the aggregate such purchases do not exceed 1.0% of the Loans based upon the Aggregate Outstanding Eligible Loan Net Balance on the date of purchase, for an amount equal to the greater of: (A) the Release Price plus any accrued Yield, Hedging Costs and Breakage Costs related to such Loans; and (B) the aggregate fair market value of such Loans. Such amount shall be paid by depositing immediately available funds in the Collection Account.

(iii) Credit Acceptance shall give at least 2 Business Days' notice to the Collateral Agent, each Liquidity Agent and the Deal Agent of its intent to exercise either of the foregoing options.

(b) The Borrower hereby agrees to pay the reasonable legal fees and expenses of the Deal Agent, any Successor Servicer, the Liquidity Agents and the Lenders in connection with any such purchase option (including, but not limited to, expenses incurred in connection

with the release of the Lien of the Collateral Agent, the Lenders and any other party having such an interest in the Loans).

(c) In connection with any such purchase option, on the related date of purchase, the Collateral Agent, on behalf of the Lenders, shall, at the expense of the Borrower: (i) arrange for the execution by the Lenders of such instruments of release with respect to the Loans being released, in favor of the Borrower and the purchaser as the Borrower or purchaser may reasonably request, including without limitation, a release in the form of Exhibit G hereto; (ii) deliver any portion of the Loans to be released in its possession to the Borrower or purchaser; and (iii) otherwise take such actions, and cause or permit the Collateral Agent to take such actions, as are necessary and appropriate to release the Lien of the Collateral Agent on the Loans to be released and deliver to the Borrower or purchaser such Loans; provided, that the Collateral Agent shall not have the power or authority to sign any document in the name of RFC.

ARTICLE III CONDITIONS TO THE CLOSING AND EACH FUNDING

Section 3.1. Conditions to the Closing and the Initial Funding. The Closing Date shall not occur and no Lender shall be obligated to make an Advance hereunder on the occasion of the Initial Funding, nor shall any Lender, the Deal Agent, the Liquidity Agent, the Backup Servicer or the Collateral Agent be obligated to take, fulfill or perform any other action hereunder, until (i) in the case of the Closing Date, the conditions set forth in clauses (a)(i) (other than with respect to the Hedging Agreements), (b), (c), (d), (e), (f) and (j) and (ii) in the case of the Initial Funding, all of the following conditions, after giving effect to the proposed Advance, in each case, have been satisfied, in the sole discretion of, or waived in writing by, the Deal Agent:

(a) (i) Each Transaction Document, each Liquidity Agreement and the Bridge Loan Agreement shall have been duly executed by, and delivered to, the parties hereto and thereto and the Deal Agent shall have received such other documents, instruments, agreements and legal opinions as the Deal Agent shall request in connection with the transactions contemplated by this Agreement, including, without limitation, all those specified in the Schedule of Documents attached hereto as Schedule I, each in form and substance satisfactory to the Deal Agent, and (ii) the executed Notes in the aggregate face amount of \$50,000,000 shall have been delivered to the Deal Agent.

(b) The Deal Agent shall have received (i) satisfactory evidence that the Borrower, the Originator and Credit Acceptance have obtained all required consents and approvals of all Persons, including all requisite Governmental Authorities, to the execution, delivery and performance of this Agreement and the other Transaction Documents to which each is a party and the consummation of the transactions contemplated hereby or thereby or (ii) an Officer's Certificate from each of the Borrower, the Originator and Credit Acceptance in form and substance satisfactory to the Deal Agent affirming that no such consents or approvals are required; it being understood that the acceptance of such evidence or officer's certificate shall in no way limit the recourse of the Deal Agent or any Secured Party against the Borrower, the Originator or Credit Acceptance for a breach of its representation or warranty that all such consents and approvals have, in fact, been obtained.

(c) The Borrower, the Originator and Credit Acceptance shall each be in compliance in all material respects with all Applicable Laws and shall have delivered a Certificate to the Deal Agent as to this and other closing matters.

(d) The Borrower shall have paid all fees required to be paid by it on the Closing Date, including all fees required hereunder and under the Fee Letter related to the Fifth Third Purchaser Group, and shall have reimbursed each Lender, the Backup Servicer, the Deal Agent and the Collateral Agent for all fees, costs and expenses of closing the transactions contemplated hereunder and under the other Transaction Documents, including the attorney fees and any other legal and document preparation costs incurred by any Lender, the Backup Servicer, the Deal Agent and/or the Collateral Agent.

(e) No Amortization Event, Termination Event or Unmatured Termination Event shall have occurred.

(f) No Servicer Termination Event or Potential Servicer Termination Event shall have occurred.

(g) No adverse selection procedures were used by the Borrower with respect to the Loans, Contracts or Dealer Agreements.

(h) The Borrower shall have deposited to the Reserve Account an amount equal to 1.0% of the Capital after giving effect to the proposed Advance.

(i) The Hedging Agreement shall be in effect.

(j) The Borrower shall have deposited \$500,000 to the Reserve Account.

Section 3.2. Conditions Precedent To All Fundings. Each request for a Funding hereunder (each, a "Transaction") shall be subject to the further conditions precedent:

(a) With respect to any Advance (including the Initial Funding), the Borrower shall have delivered to the Deal Agent and the Liquidity Agents, on or prior to the date of the Advance in form and substance satisfactory to the Deal Agent, (i) the Funding Notice and (ii) Exhibit A to the Contribution Agreement, including the Schedule of Loans and Contracts attached thereto, thereto dated within two (2) Business Days prior to the date of the Advance and containing such additional information as may be reasonably requested by the Deal Agent.

(b) On the date of such Transaction the following statements shall be true and the Borrower shall be deemed to have certified that, after giving effect to the proposed Advance and pledge of Additional Loans:

(i) The representations and warranties contained in Sections 4.1, 4.2 and 4.3 are true and correct on and as of such day as though made on and as of such day and shall be deemed to have been made on such day;

(ii) On and as of such day, after giving effect to the proposed Advance, (A) the outstanding Capital does not exceed the lesser of (1) the Borrowing Base and (2)

the Facility Limit and (B) with respect to each Purchaser Group the aggregate Capital funded or maintained by the Lender in such Purchaser Group does not exceed the total Commitments of the Investors in such Purchaser Group or its Purchaser Group Facility Limit;

(iii) On and as of such day, the Borrower, the Originator and the Servicer each has performed all of the agreements contained in this Agreement and the other Transaction Documents to which it is a party to be performed by such person at or prior to such day; and

(iv) No law or regulation shall prohibit, and no order, judgment or decree of any federal, state or local court or governmental body, agency or instrumentality shall prohibit or enjoin, the making of the Funding by the Lender in accordance with the provisions hereof.

(c) The Borrower shall have delivered to the Collateral Agent the information described in Section 2.2(a)(iii).

(d) All financing statements necessary to perfect the Collateral Agent's first priority security interest in the Collateral shall have been filed in the appropriate filing offices.

(e) Forecasted Collections for the Aggregate Outstanding Eligible Loan Net Balance (after giving effect to the proposed Advance) shall be greater than or equal to Capital, after giving effect to the proposed Advance.

(f) (i) All other documents, opinions, certificates and documents listed on Schedule I hereto shall have been delivered to the Deal Agent, in form and substance satisfactory to the Deal Agent and its counsel and (ii) all conditions required to be satisfied in the Contribution Agreement shall have been satisfied.

(g) No Amortization Event, Termination Event or Unmatured Termination Event shall have occurred.

(h) No Servicer Termination Event or any event, that with the giving of notice or the lapse of time, or both, would become a Servicer Termination Event shall have occurred.

(i) No adverse selection procedures were used by the Borrower with respect to the Loans, Contracts or Dealer Agreements.

(j) The Borrower shall have deposited to the Reserve Account an amount equal to 1.0% of the Capital after giving effect to the proposed Advance. In addition, the amount on deposit in the Reserve Account shall not be less than the Required Reserve Account Amount.

(k) The Hedging Agreement shall be in effect.

(l) There shall be no litigation, proceeding or investigation, to the best knowledge of the Borrower and Servicer, threatened against the Borrower or the Servicer, before any Governmental Authority (i) asserting the invalidity of this Agreement or any other

Transaction Document to which the Borrower or Servicer is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Borrower or Servicer is a party or (iii) seeking any determination or ruling that could reasonably be expected to have Material Adverse Effect.

(m) The Deal Agent shall have received such other approvals, opinions or documents as the Deal Agent or its counsel may reasonably require.

Section 3.3. Conditions to Effectiveness of this Loan and Security Agreement. This Loan and Security Agreement shall not become effective until:

(a) Each document specified in the Schedule of Documents attached hereto has been duly executed by, and delivered to, the parties hereto and thereto and the Deal Agent has received all such executed documents.

(b) the executed Notes in the face amounts representing the Commitment Amount of each Purchaser Group have been delivered to each Purchaser Group.

(c) The Deal Agent has received such other approvals, opinions or documents as the Deal Agent or its counsel may reasonably require.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Collateral Agent, the Deal Agent, any Successor Servicer, the Backup Servicer and the Secured Parties on the Closing Date, and on each date thereafter until the Collection Date, as follows:

(a) Organization and Good Standing. The Borrower has been duly organized, and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with all requisite power and authority to own or lease its properties and conduct its business as such business is presently conducted, and the Borrower had at all relevant times, and now has all necessary power, authority and legal right to acquire, own and pledge the Collateral and perform its obligations under this Agreement.

(b) Due Qualification. The Borrower is duly qualified to do business and is in good standing as a limited liability company and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualification, licenses or approvals.

(c) Power and Authority; Due Authorization. The Borrower: (i) has all necessary power, authority and legal right to: (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) carry out the terms of the Transaction Documents to which it is a party, and (C) transfer and assign each Loan, Related Security and all other Collateral on the terms and conditions herein provided and (ii) has duly authorized by all necessary action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the transfer and assignment of the Loans,

Related Security and all other Collateral on the terms and conditions herein provided. This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered by it.

(d) Binding Obligation. This Agreement and each other Transaction Document to which the Borrower is a party constitutes a legal, valid and binding obligation of the Borrower, each enforceable against the Borrower in accordance with its terms, subject to any defense, if any, arising out of a breach or other action or inaction of a party thereto other than the Borrower or any Affiliate of the Borrower.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the fulfillment of the terms hereof and thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Borrower's certificate of formation, operating agent or any Contractual Obligation of the Borrower, (ii) result in the creation or imposition of any Lien upon any of the Borrower's properties pursuant to the terms of any such Contractual Obligation, other than this Agreement, or (iii) violate any Applicable Law.

(f) No Proceedings. There is no litigation, proceeding or investigation pending against the Borrower, before any Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Borrower is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Borrower is a party or (iii) seeking any determination or ruling that would reasonably be expected to have Material Adverse Effect and is reasonably expected to occur.

(g) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Borrower of this Agreement and any other Transaction Document to which the Borrower is a party have been obtained except where the failure to so obtain is not reasonably expected to result in a Material Adverse Effect.

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

(i) Solvency. The transactions under this Agreement and any other Transaction Document to which the Borrower is a party do not and will not render the Borrower not Solvent and the Borrower shall deliver to the Deal Agent on the Closing Date and the Effective Date a certification in the form of Exhibit F. The Originator has confirmed in writing to the Borrower that, so long as the Borrower is Solvent, the Originator will not cause the Borrower to file a voluntary petition under the Bankruptcy Code or any other Insolvency Laws and, in any event, no such action shall be taken other than in accordance with and as permitted by the Borrower's organizational documents.

(j) Selection Procedures. No procedures believed by the Borrower to be adverse to the interests of the Collateral Agent or the Lenders were utilized by the Borrower in

identifying and/or selecting Loans or Dealer Agreements. In addition, each Loan shall have been underwritten in accordance with and satisfy the standards of any Credit Guidelines that has been established by the Borrower or the Originator and is then in effect.

(k) Taxes. The Borrower has filed or caused to be filed all tax returns that are required to be filed by it. The Borrower has paid or made adequate provisions for the payment of all Taxes and all assessments made against it or any of its property (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower), and no tax lien has been filed and, to the Borrower's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge.

(l) Exchange Act Compliance; Regulations T, U and X. None of the transactions contemplated herein (including, without limitation, the use of the proceeds from the pledge of the Collateral) will violate or result in a violation of Section 7 of the Securities Exchange Act, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. The Borrower does not own or intend to carry or purchase, and no proceeds from the pledge of the Collateral will be used to carry or purchase, any "margin stock" within the meaning of Regulation U or to extend "purchase credit" within the meaning of Regulation U.

(m) Quality of Title. Each Loan, together with the Related Security related thereto, shall, at all times, be owned by the Borrower free and clear of any Lien except as provided in Section 4.2(a)(iii), and upon each Funding, the Collateral Agent as agent for the Secured Parties shall acquire a valid and perfected first priority security interest in such Loans, the Related Security related thereto and all Collections then existing or thereafter arising, free and clear of any Lien, except as provided in Section 4.2(a)(iii). No effective financing statement or other instrument similar in effect covering any Loan or Dealer Agreement shall at any time be on file in any recording office except such as may be filed (i) in favor of the Borrower in accordance with the Contribution Agreement or (ii) in favor of the Collateral Agent in accordance with this Agreement.

(n) Security Interest. The Borrower has granted a security interest (as defined in the UCC) to the Collateral Agent, as agent for the Secured Parties, in the Collateral, which is enforceable in accordance with applicable law upon execution and delivery of this Agreement. Upon the filing of UCC-1 financing statements naming the Collateral Agent as secured party and the Borrower as debtor, the Collateral Agent, as agent for the Secured Parties, shall have a first priority perfected security interest in the Collateral. All filings (including, without limitation, such UCC filings) as are necessary in any jurisdiction to perfect the interest of the Collateral Agent, as agent for the Secured Parties, in the Collateral have been made.

(o) Accuracy of Information. All information heretofore furnished by the Borrower (including without limitation, the Monthly Report and Credit Acceptance's financial statements) to the Deal Agent, Collateral Agent, any Liquidity Agent or any Lender for purposes of or in connection with this Agreement or any other Transaction Document, or any transaction contemplated hereby or thereby, will be true, correct, complete and accurate in every material respect, on the date such information is stated or certified.

(p) Location of Offices. The principal place of business and chief executive office of the Borrower and the office where the Borrower keeps all the Records are located at the address of the Borrower referred to in Section 14.2 hereof (or at such other locations as to which the notice and other requirements specified in Section 5.2(g) shall have been satisfied).

(q) [Reserved.]

(r) Tradenames; Place of Business; Correct Legal Name. (i) Except as described in Schedule III, the Borrower has no trade names, fictitious names, assumed names or “doing business as” names or other names under which it has done or is doing business; (ii) the principal place of business, chief executive office and location of the Borrower (for purposes of the applicable UCC) and the of the Borrower are located at the address of the Borrower set forth on the signature pages hereto; and (iii) “CAC Warehouse Funding III, LLC” is the correct legal name of the Borrower indicated on the public records of the Borrower’s jurisdiction of organization.

(s) Contribution Agreement. The Contribution Agreement is the only agreement pursuant to which the Borrower purchases Loans from the Originator.

(t) Value Given. The Borrower shall have given reasonably equivalent value to the Originator in consideration for the transfer to the Borrower of the Loans and Related Security under the Contribution Agreement, no such transfer shall have been made for or on account of an antecedent debt owed by the Originator to the Borrower, and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(u) Accounting. The Borrower accounts for the transfers to it from the Originator of Loans and Related Security under the Contribution Agreement as sales or contributions to capital of such Loans and Related Security in its books, records and financial statements, in each case consistent with the requirements set forth herein.

(v) Special Purpose Entity. The Borrower is in compliance with Section 5.2(o) hereof in all material respects.

(w) Confirmation from the Originator. The Borrower has received in writing from the Originator confirmation that, so long as the Borrower is not “insolvent” within the meaning of the Bankruptcy Code, the Originator will not cause the Borrower to file a voluntary petition under the Bankruptcy Code or any other bankruptcy or insolvency laws and, in any event, no such action shall be taken other than in accordance with and as permitted by the Borrower’s organizational documents. Each of the Borrower and the Originator is aware that in light of the circumstances described in the preceding sentence and other relevant facts, the filing of a voluntary petition under the Bankruptcy Code for the purpose of making any Loan or any other assets of the Borrower available to satisfy claims of the creditors of the Originator would not result in making such assets available to satisfy such creditors under the Bankruptcy Code.

(x) Investment Company Act. The Borrower is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

(y) ERISA. The present value of all benefits vested under all “employee pension benefit plans,” as such term is defined in Section 3 of ERISA, maintained by the Borrower, or in which employees of the Borrower are entitled to participate, as from time to time in effect (herein called the “Pension Plans”), does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the last annual violation date). No prohibited transactions, accumulated funding deficiencies, withdrawals or reportable events have occurred with respect to any Pension Plans that, in the aggregate, could subject the Borrower to any material tax, penalty or other liability. No notice of intent to terminate a Pension Plan has been billed, nor has any Pension Plan been terminated under Section 4041(f) of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan and no event has occurred or condition exists that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan.

(z) [Reserved.]

(aa) Representations and Warranties in Contribution Agreement. The representations and warranties made by the Originator to the Borrower in the Contribution Agreement are hereby remade by the Borrower on each date to which they speak in the Contribution Agreement as if such representations and warranties were set forth herein. For purposes of this Section 4.2(aa), such representations and warranties are incorporated herein by reference as if made by the Borrower to the Deal Agent, the Successor Servicer, the Collateral Agent and to each of the Secured Parties under the terms hereof *mutatis mutandis*.

(bb) Amount of Loans and Contracts; Computer File. When new Pools or Purchased Loans are pledged to the Collateral Agent, the related Funding Notice shall provide (A) the aggregate Outstanding Balance of the Contracts to be pledged to the Collateral Agent on the related Funding Date; (B) the Aggregate Outstanding Eligible Loan Balance; and (C) the Aggregate Outstanding Eligible Loan Net Balance; each as of the applicable Cut-off Date and as reported in the Loan Servicing System or as a product of the Loan Loss Reserve analysis. The computer file or microfiche list delivered pursuant to Section 2.2(a)(iii) hereof is complete and accurately reflects the information regarding the Loans, applicable Dealer Agreements and Contracts in all material respects.

(cc) Use of Proceeds. The proceeds of each Funding will be used by the Borrower solely to purchase the Loans and related Collateral from the Originator pursuant to the Contribution Agreement.

(dd) Subsidiaries. The Borrower does not have any Subsidiaries.

(ee) Capital Stock. The Borrower has neither sold nor pledged any of its equity interests to any entity other than Credit Acceptance.

The representations and warranties set forth in this Section 4.1 shall survive the Borrower’s pledge of the Collateral to the Collateral Agent and the termination and rights and obligations of the Servicer. Upon discovery by the Borrower, the Servicer (provided that, if SST is Successor Servicer, SST shall only be obligated to inform the other parties to the Agreement

of breaches detailed in Section 4.1 of which a Responsible Officer has actual knowledge), Credit Acceptance or the Collateral Agent of a breach of any of the representations and warranties set forth herein, the party discovering such breach shall give prompt written notice to the other parties of such breach.

Section 4.2. Representations and Warranties of the Borrower Relating to the Loans and the Related Contracts.

(a) Eligibility of Loans. The Borrower hereby represents and warrants to the Deal Agent, the Collateral Agent, the Backup Servicer, any Successor Servicer, and the Secured Parties as of the Closing Date, the Effective Date and each Funding Date (or on such dates as otherwise provided herein) with respect to the Dealer Agreements, Loans, Contracts and Related Security pledged to the Collateral Agent on such date that:

(i) each Loan classified as an “Eligible Dealer Loan” (or included in any aggregation of balances of “Eligible Dealer Loans”) or as an “Eligible Purchased Loan” (or included in any aggregation of balances of “Eligible Purchased Loans”) by the Borrower or Credit Acceptance in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Loan or Eligible Purchased Loan, as applicable, on the date so delivered; each Contract classified as an “Eligible Dealer Loan Contract” (or included in any aggregation of balances of “Eligible Dealer Loan Contracts”) by the Borrower or Credit Acceptance in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Loan Contract on the date so delivered;

(ii) all information with respect to the Dealer Agreements, Purchase Agreements and the Loans and the Contracts and the other Collateral provided to the Collateral Agent, any Liquidity Agent or the Deal Agent by the Borrower or the Servicer was true and correct in all material respects as of the date such information was provided to the Collateral Agent, such Liquidity Agent or the Deal Agent, as applicable;

(iii) each Loan and all other Collateral has been pledged to the Collateral Agent free and clear of any Lien of any Person (other than, with respect to the Dealer Loan Contracts, the second priority Lien of the related Dealer therein as set forth in the related Dealer Agreement) and in compliance, in all material respects, with all Applicable Laws;

(iv) with respect to each Dealer Agreement, Purchase Agreement, Loan, Contract and all other Collateral, all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by the Borrower, in connection with the pledge of such Dealer Agreement, Purchase Agreement, Loan, Contract or other Collateral to the Collateral Agent have been duly obtained, effected or given and are in full force and effect;

(v) Schedules V and IX to this Agreement (and any addendums thereto) are and will be accurate and complete listings of all Loans, Contracts and Dealer Agreements in all material respects on the date each such Loan, Contract or Dealer

Agreement was pledged to the Collateral Agent hereunder, and the information contained therein is and will be true and correct in all material respects as of such date;

(vi) each Contract and Purchased Loan constitutes tangible, and not electronic, chattel paper;

(vii) with respect to the purchase by the Borrower of Loans and Related Security on each Payment Date during the Revolving Period, on each such Payment Date, immediately after giving effect thereto, the weighted average of the Final Scores of all Contracts that are or remain transferred on such distribution Date is 665 or greater; and

(viii) no selection procedure believed by the Borrower to be adverse to the interests of the Secured Parties has been or will be used in selecting the Dealer Agreements, Loans or Contracts.

(b) Notice of Breach. The representations and warranties set forth in this Section 4.2 shall survive the pledge of the Collateral to the Collateral Agent and the termination of the rights and obligations of the Servicer. Upon discovery by the Borrower, Credit Acceptance, the Servicer (provided that, if SST is Successor Servicer, SST shall only be obligated to inform the other parties to the Agreement of breaches detailed in Section 4.2 of which a Responsible Officer has actual knowledge) or the Collateral Agent of a breach of any of the representations and warranties set forth in this Section 4.2, the party discovering such breach shall give prompt written notice to the other parties of such breach.

Section 4.3. Representations and Warranties of the Servicer. Credit Acceptance, as Servicer, represents and warrants as follows on the Closing Date, the Effective Date and each day thereafter until the Collection Date:

(a) 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 Michigan, with all requisite corporate power and authority to own or lease its properties and to conduct its business as such business is presently conducted and to enter into and perform its obligations pursuant to this Agreement and the other Transaction Documents to which it is a party.

(b) Due Qualification. The Servicer is duly qualified to do business as a corporation and is in good standing as a corporation, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of its property and or the conduct of its business requires such qualification, licenses or approvals.

(c) Power and Authority; Due Authorization. The Servicer (i) has all necessary power, authority and legal right to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) carry out the terms of this Agreement and the other Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary corporate action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party. This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered by the Servicer.

(d) Binding Obligation. This Agreement and each other Transaction Document to which the Servicer is a party constitutes a legal, valid and binding obligation of the Servicer, each enforceable against the Servicer in accordance with its terms, subject to any defense, if any, arising out of a breach or other action or inaction of a party thereto other than the Servicer or any Affiliate of the Servicer.

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the fulfillment of the terms hereof and thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Servicer's certificate of incorporation, bylaws or any Contractual Obligation of the Servicer, (ii) result in the creation or imposition of any Lien upon any of the Servicer's properties pursuant to the terms of any such Contractual Obligation, or (iii) violate any Applicable Law.

(f) No Proceedings. There is no litigation, proceeding or investigation pending against the Servicer, before any Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Servicer is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Servicer is a party or (iii) seeking any determination or ruling that would reasonably be expected to have Material Adverse Effect and is reasonably expected to occur.

(g) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Servicer of this Agreement and any other Transaction Document to which the Servicer is a party have been obtained except where the failure to so obtain is not reasonably expected to result in a Material Adverse Effect.

(h) Reports Accurate. All Monthly Reports and other written and electronic information, exhibits, financial statements, documents, books, records or reports furnished by the Servicer to the Deal Agent, the Backup Servicer, the Collateral Agent, any Liquidity Agent or a Lender in connection with this Agreement are accurate, true, complete and correct in all material respects as of the date delivered.

(i) Servicer's Performance. The Servicer has the knowledge, the experience and the systems, financial and operational capacity available to timely perform each of its obligations hereunder and under each Transaction Document to which it is a party.

(j) Compliance With Credit Guidelines and Collection Guidelines. The initial Servicer has, with respect to the Loans and Contracts, complied in all material respects with the Credit Guidelines and the Collection Guidelines.

Section 4.4. Representations and Warranties of the Backup Servicer. The Backup Servicer represents and warrants as follows:

(a) Organization and Good Standing. The Backup Servicer has been duly organized, and is validly existing as a corporation and in good standing under the laws of Delaware, with all requisite power and authority to own or lease its properties and to conduct its

business as such business is presently conducted and to enter into and perform its obligations pursuant to this Agreement and each Transaction Document to which it is a party.

(b) Binding Obligation. This Agreement and each other Transaction Document to which it is a party constitutes a legal, valid and binding obligation of the Backup Servicer, each enforceable against the Backup Servicer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(c) Backup Servicing Agreement. The Backup Servicer hereby remakes the representations and warranties made by it under the Backup Servicing Agreement.

Section 4.5. Breach of Representations and Warranties.

(a) Payment in respect of an Ineligible Loan. If a Loan is an Ineligible Loan, no later than the earlier of (i) knowledge by the Borrower of such Loan being an Ineligible Loan and (ii) receipt by the Borrower from the Deal Agent, the Collateral Agent or the Servicer (provided that, if SST is Successor Servicer, SST shall only be obligated to inform the other parties to the Agreement of breaches detailed in Section 4.2 of which a Responsible Officer has actual knowledge) of written notice thereof the Borrower shall make a payment to the Collection Account in respect of each such Loan in an amount equal to the related Release Price. On and after the date of such payment, the related Loan or Loans shall for all purposes of this Agreement be deemed to be an Ineligible Loan or Ineligible Loans. The Borrower shall make a deposit to the Collection Account (for allocation pursuant to Section 2.7) in immediately available funds an amount (the "Release Price") equal to the sum of (i): the product of the Net Loan Balance related to such Loan as of the last day of the related Collection Period and the Net Advance Rate in effect on the date of such payment; (ii) accrued and unpaid Carrying Costs, Breakage Costs, Increased Costs, Indemnified Amounts and Additional Amounts related to such Loan through the date of such deposit; (iii) any related Servicer Advances; and (iv) and all Hedge Costs due to the relevant Hedge Counterparties for any termination in whole or in part of one or more transactions related to the relevant Hedging Agreement, as required by the terms of any Hedging Agreement.

(b) Retransfer of All of the Loans. In the event of a breach of any representation or warranty set forth in Section 4.2 hereof which breach could reasonably be expected to have a Material Adverse Effect, by notice then given in writing to the Borrower, the Deal Agent may direct the Borrower to accept the release by the Collateral Agent of all of the Loans, in which case the Borrower shall be obligated to accept the release of such Loans on a Payment Date specified by the Deal Agent (such date, the "Release Date"); provided, however, that no such release shall be given effect unless Borrower has complied with the terms of any Hedging Agreement requiring that any derivative transaction related thereto be terminated in whole or in part and the Borrower has paid all Hedge Costs due with respect to such termination. The Borrower shall deposit in the Collection Account on the Release Date an amount equal to: (A) the Aggregate Unpays minus (B) the amount, if any, available in the Collection Account and Reserve Account on such Payment Date (the "Retransfer Amount") for allocation and

distribution in accordance with Section 2.7 in respect of such Aggregate Unpaid. On the Release Date, provided that the full Retransfer Amount has been deposited into the Collection Account, the Loans and Related Security related thereto shall be transferred to the Borrower; and the Collateral Agent as agent for the Secured Parties shall, at the sole expense of Credit Acceptance, execute and deliver such instruments of transfer, in each case without recourse, representation or warranty, as shall be prepared and reasonably requested by Credit Acceptance on behalf of the Borrower to vest in the Borrower, or its designee or assignee, all right, title and interest of the Collateral Agent as agent for the Secured Parties in, to and under the Loans.

(c) [Reserved.]

(d) Remedy for Breach. The parties hereto agree that the sole remedy for the breach by the Borrower of the representations and warranties set forth in Section 4.2 hereof with respect to the eligibility of a Loan or Contract shall be set forth in this Section 4.5 and Section 6.2(c)(ii).

(e) Application. Amounts paid in accordance with Section 4.5(a) and (b) shall be distributed on the next succeeding Payment Date in accordance with Section 2.7.

(f) Notwithstanding anything herein to the contrary, during the Revolving Period, payments required under Section 4.5(a) and (b) shall not be required if the Capital is equal to or less than the Borrowing Base.

ARTICLE V GENERAL COVENANTS

Section 5.1. Affirmative Covenants of the Borrower. From the date hereof until the Collection Date:

(a) Compliance with Laws. The Borrower will comply in all material respects with all Applicable Laws, including those with respect to the Loans and Dealer Agreements.

(b) Preservation of Corporate Existence; Conduct of Business. The Borrower will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect. The Borrower will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated, validly existing and in good standing as a domestic corporation in its jurisdiction of incorporation and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(c) Performance and Compliance with Loans, Dealer Agreements and Contracts. The Borrower will, at its expense, timely and fully perform and comply (or cause the Originator to perform and comply pursuant to the Contribution Agreement) with all provisions, covenants and other promises required to be observed by it under the Loans, Dealer Agreements and Contracts in and all other agreements related thereto in all material respects.

(d) Keeping of Records and Books of Account. The Borrower will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Loans in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Loans.

(e) Originator Assets. With respect to each Loan acquired by the Borrower, the Borrower will: (i) acquire such Loan pursuant to and in accordance with the terms of the Contribution Agreement; (ii) take all action necessary to perfect, protect and more fully evidence the Borrower's ownership of such Loan, including, without limitation, (A) filing and maintaining, effective financing statements (Form UCC-1) against the Originator in all necessary or appropriate filing offices, and filing continuation statements, amendments or assignments with respect thereto in such filing offices, and (B) executing or causing to be executed such other instruments or notices as may be necessary or appropriate; and (iii) take all additional action that the Deal Agent or the Collateral Agent may reasonably request to perfect, protect and more fully evidence the respective interests of the parties to this Agreement in the Collateral.

(f) Delivery of Collections. Subject to Section 2.9(d) hereof, the Borrower will deposit to the Collection Account promptly (but in no event later than two (2) Business Days after receipt) all Collections received by Borrower in respect of the Loans or the Contracts.

(g) Separate Corporate Existence. The Borrower shall be in compliance with the requirements set forth in Section 5.2(o).

(h) Credit Guidelines and Collection Guidelines. The Borrower will comply in all material respects with the Credit Guidelines and the Collection Guidelines with respect to each Loan and Contract.

(i) Taxes. The Borrower will file and pay any and all Taxes.

(j) Use of Proceeds. The Borrower will use the proceeds of the Funding only to acquire Loans pursuant to the Contribution Agreement or to make distributions to Credit Acceptance.

(k) Reporting. The Borrower will maintain for itself a system of accounting established and administered in accordance with GAAP and furnish or cause to be furnished to the Deal Agent, each Liquidity Agent and the Lenders the following information:

(i) [Reserved];

(ii) Annual Reporting. Within 120 days after the close of the Borrower's and Credit Acceptance's fiscal years, (A) audited financial statements for Credit Acceptance and all of its Subsidiaries, prepared in accordance with GAAP on a consolidated basis and (B) unaudited financial statements for each of (x) Credit Acceptance and all of its Subsidiaries relating to its business segments, and (y) the Borrower, including, in each case, balance sheets as of the end of such period, and related statements of operations, accompanied by an unqualified audit report certified by independent certified public accountants, acceptable to the Deal Agent, prepared in

accordance with generally accepted auditing principles and any management letter prepared by said accountants;

(iii) Quarterly Reporting. Within sixty (60) days after the close of the first three quarterly periods of each of the Borrower's and Credit Acceptance's fiscal years, for (x) the Borrower and (y) for Credit Acceptance and its Subsidiaries, in each case, consolidated unaudited balance sheets as at the close of each such period, consolidated related statements of operations, and, for Credit Acceptance, consolidated related statements of shareholder's equity and cash flows, for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief financial officer or treasurer as true, accurate and complete in all material respects;

(iv) Compliance Certificate. Together with the financial statements required hereunder, a compliance certificate signed by the Borrower's or Credit Acceptance's, as applicable, chief financial officer or treasurer stating that (x) the attached financial statements have been prepared in accordance with GAAP and accurately reflect the financial condition of the Borrower or Credit Acceptance as applicable and (y) to the best of such Person's knowledge, no Servicer Termination Event, Potential Servicer Termination Event, Termination Event or Unmatured Termination Event exists, or if any Servicer Termination Event, Potential Servicer Termination Event, Termination Event or Unmatured Termination Event exists, stating the nature and status thereof;

(v) Shareholders Statements and Reports. Promptly upon the furnishing thereof to the shareholders of the Borrower or Credit Acceptance, copies of all financial statements, reports and proxy statements so furnished, to the extent such information has not been provided pursuant to another clause of this Section 5.1(k);

(vi) S.E.C. Filings. Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which Credit Acceptance or any subsidiary files with the Securities and Exchange Commission;

(vii) Notice of Servicer Termination Events, Potential Servicer Termination Events, Termination Events or Unmatured Termination Events. As soon as possible and in any event within two (2) days after the occurrence of each Servicer Termination Event, Potential Servicer Termination Event, Termination Event or each Unmatured Termination Event, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Servicer Termination Event, Potential Servicer Termination Event, Termination Event or Unmatured Termination Event and the action which the Borrower proposes to take with respect thereto;

(viii) Change in Credit Guidelines or Collection Guidelines. Prior to the date of the effectiveness of any material change in or amendment to the Credit Guidelines or Collection Guidelines (which shall be in accordance with the terms of this Agreement), a notice describing such change or amendment.

(ix) Credit Guidelines and Collection Guidelines. On the Closing Date, a complete copy of the Credit Guidelines and Collection Guidelines then in effect;

(x) ERISA. Promptly after the filing or receiving thereof, copies of all reports and notices with respect to any Reportable Event (as defined in Article IV of ERISA) which the Borrower, Credit Acceptance or any ERISA Affiliate of the Borrower or Credit Acceptance files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or which the Borrower, Credit Acceptance or any ERISA Affiliates of the Borrower or Credit Acceptance receives from the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor;

(xi) Proceedings. As soon as possible and in any event within two (2) Business Days after any executive officer of the Borrower receives notice or obtains knowledge thereof, any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any labor controversy litigation, action, suit or proceeding (in each case, of a material nature), before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Borrower or any of its Affiliates;

(xii) Notice of Material Events. Promptly upon becoming aware thereof, notice of any other event or circumstances that, in the reasonable judgment of the Borrower, is likely to have a Material Adverse Effect; and

(xiii) Other Information. Such other information, documents, records or reports (including non-financial information) as the Deal Agent, each Liquidity Agent or the Collateral Agent may from time to time reasonably request with respect to Credit Acceptance, the Borrower, the Servicer or any Subsidiary of any of the foregoing.

(l) Compliance with Applicable Law. The Borrower shall duly satisfy in all material respects its obligations under or in connection with any Loan and Contract, will maintain in effect all material qualifications required under all Applicable Law, and will comply in all material respects with all other Applicable Law in connection with each Loan and Contract the failure to comply with which would have a material adverse effect on the interests of the Secured Parties in the Collateral.

(m) Furnishing of Information and Inspection of Records. The Borrower will furnish to the Deal Agent, each Liquidity Agent, the Backup Servicer and the Collateral Agent, from time to time, such information with respect to the Loans and Contracts as may be reasonably requested, including, without limitation, a computer file, microfiche list or other list identifying each Loan and Contract by pool number, account number and dealer number and by the Outstanding Balance and identifying the Obligor on such Loan or Contract. The Borrower will, at any time and from time to time during regular business hours, upon reasonable notice, permit the Deal Agent, each Liquidity Agent, the Backup Servicer and the Collateral Agent, or its agents or representatives, to examine and make copies of and abstracts from all Records, to visit the offices and properties of the Borrower for the purpose of examining such Records, and to discuss matters relating to the Loans or Contracts or the Borrower's performance hereunder

and under the other Transaction Documents with any of the officers, directors, employees or independent public accountants of the Borrower having knowledge of such matters; provided, however, that the Deal Agent, each Liquidity Agent and the Collateral Agent each acknowledges that in exercising the rights and privileges conferred in this Section 5.1(m) it or its agents and representatives may, from time to time, obtain knowledge of information, practices, books, correspondence and records of a confidential nature and in which the Borrower has a proprietary interest. The Deal Agent, each Liquidity Agent and the Collateral Agent each agrees that all such information, practices, books, correspondence and records are to be regarded as confidential information and agrees that it shall retain in strict confidence and shall use its reasonable efforts to ensure that its agents and representatives retain in strict confidence, and will not disclose without the prior written consent of the Borrower, any such information, practices, books, correspondence and records furnished to them except that it may disclose such information: (i) to its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives (provided that such Persons are informed of the confidential nature of such information); (ii) to the extent such information has become available to the public other than as a result of a disclosure by or through the Deal Agent, any Liquidity Agent, the Collateral Agent or its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives; (iii) to the extent such information was available to the Deal Agent, any Liquidity Agent or the Collateral Agent on a non-confidential basis prior to its disclosure hereunder; (iv) to the extent the Deal Agent, any Liquidity Agent or the Collateral Agent should be (A) required under the Transaction Documents or in connection with any legal or regulatory proceeding or (B) requested by any bank regulatory authority to disclose such information; (v) to the Liquidity Agent, any Liquidity Bank, or any other Rating Agency or any other person providing liquidity or credit enhancement to or rating the Commercial Paper Notes of, a CP Entity (or its related source of funds); or (vi) to any Lender or prospective assignee or Investor; provided, that the relevant Liquidity Agent shall notify such assignee of the confidentiality provisions of this Section 5.1(m).

(n) Keeping of Records and Books of Account. The Borrower will maintain and implement or cause to be maintained and implemented administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Loans and Contracts in the event of the destruction of the originals thereof), and keep and maintain, or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due under the Loans and Contracts (including, without limitation, records adequate to permit adjustments to amounts due under each existing Loan and Contract). The Borrower will give the Deal Agent and each Liquidity Agent notice of any material change in the administrative and operating procedures of the Borrower referred to in the previous sentence.

(o) Notice of Liens. The Borrower will advise the Deal Agent, each Liquidity Agent and the Collateral Agent promptly, in reasonable detail of: (i) any Lien asserted by a Person against any of the Loans or Contracts or other Collateral; (ii) any breach by the Borrower, the Originator or the Servicer of any of its representations, warranties and covenants contained herein or in any other Transaction Document; and (iii) of the occurrence of any other event which has had or is reasonably expected to have a Material Adverse Effect.

(p) Protection of Interest in Collateral. The Borrower shall file such continuation statements and any other documents reasonably requested by the Collateral Agent, the Deal Agent or any Lender or which may be required by law to fully preserve and protect the interest of the Collateral Agent and the Secured Parties in and to the Loans, the Contracts and the other Collateral.

(q) Contribution Agreement. The Borrower will at all times enforce the covenants and agreements of Credit Acceptance in the Contribution Agreement (including, without limitation, the rights and remedies against the Dealers).

(r) Notice of Delegation of Servicer's Duties. The Borrower promptly shall notify the Collateral Agent and the Deal Agent of any delegation by the Servicer of any of the Servicer's duties under this Agreement which is not in the ordinary course of business of the Servicer.

(s) Organizational Documents. The Borrower shall only amend, alter, change or repeal its Certificate of Incorporation with the prior written consent of the Deal Agent.

Section 5.2. Negative Covenants of the Borrower. From the date hereof until the Collection Date:

(a) Other Business. Borrower will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents; (ii) incur any indebtedness, obligation, liability or contingent obligation of any kind other than pursuant to the Transaction Documents; or (iii) form any Subsidiary or make any Investments in any other Person.

(b) Loans Not to be Evidenced by Instruments. The Borrower will take no action to cause any Loan that is not, as of the Closing Date, evidenced by an Instrument, to be so evidenced except in connection with the enforcement or collection of such Loan.

(c) Security Interests. The Borrower will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than the Lien described in Section 4.2(a)(iii)) on any Loan, Contract, Related Security or any other Collateral, whether now existing or hereafter transferred hereunder, or any interest therein, and the Borrower will not sell, pledge, assign or suffer to exist any Lien on its interest, if any, hereunder. The Borrower will promptly notify the Deal Agent of the existence of any Lien on any Loan, Contract, Related Security or any other Collateral and the Borrower shall defend the right, title and interest of the Deal Agent and Collateral Agent as agent for the Secured Parties in, to and under the Loans, Contracts, Related Security and other Collateral, against all claims of third parties.

(d) Mergers, Acquisitions, Sales, etc. The Borrower will not be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, or, sell, transfer, convey or lease all or any substantial part of its assets, or sell or assign with or without recourse any Loan, Contracts, Related Security or other Collateral or any interest therein (other than pursuant to and in accordance with the Transaction Documents).

(e) [Reserved.]

(f) Distributions. The Borrower shall not directly or indirectly, make any distribution (whether in cash or other property) with respect to the profits, assets or capital of the Borrower or any Person's interest therein, except that so long as no Termination Event or Unmatured Termination Event has occurred and is continuing or would result therefrom, the Borrower may declare and make distributions to its members.

(g) Change of Name or Location; Change of Location of Records Files. The Borrower shall not (x) change its name or state of organization, (y) move the location of its principal place of business or chief executive office or the offices where it keeps the Records from the location referred to in Section 14.2 or (z) move, or consent to the Custodian or Servicer moving, the Records/Contract Files from the location thereof on the Closing Date, unless the Borrower has given at least thirty (30) days' written notice to the Deal Agent, the Collateral Agent and RFC and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Collateral Agent, as agent for the Secured Parties, in the Collateral.

(h) Accounting of the Contribution Agreement. The Borrower will not account for or treat (whether in financial statements or otherwise) the transaction contemplated by the Contribution Agreement in any manner other than as a contribution, or absolute assignment, of the Loans and related assets by the Originator to the Borrower.

(i) ERISA Matters. The Borrower will not: (i) engage or permit any ERISA Affiliate to engage in any prohibited transaction for which an exemption is not available or has not previously been obtained from the United States Department of Labor; (ii) permit to exist any accumulated funding deficiency, as defined in Section 302(a) of ERISA and Section 412(a) of the Code, or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (iii) fail to make any payments to a Multiemployer Plan that the Borrower or any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (iv) terminate any Benefit Plan so as to result in any liability; or (v) permit to exist any occurrence of any reportable event described in Title IV of ERISA.

(j) Certificate of Incorporation; Contribution Agreement. The Borrower will not (without the prior written consent of the Deal Agent) amend, modify, waive or terminate any provision of its Certificate of Formation, the Contribution Agreement or any other Transaction Document. The Borrower will not take any action under the Contribution Agreement which would have a Material Adverse Effect.

(k) Changes in Payment Instructions to Obligors. The Borrower will not make any change, or permit Servicer to make any change, in its instructions to Obligors regarding where payments in respect of Contracts are to be made to Borrower or Servicer, unless the Deal Agent shall have consented to such change in writing and has received duly executed copies of all documentation related thereto.

(l) Extension or Amendment. The Borrower will not, except as otherwise permitted hereunder or by law, extend, amend or otherwise modify, or permit the Servicer to

extend, amend or otherwise modify, the terms of any Dealer Agreement, Loan or Contract; provided, however, the Dealer Agreements may be amended in connection with the closing of or opening of a pool.

(m) Credit Guidelines or Collection Guidelines. The Borrower will not permit the amendment, modification, restatement or replacement, in whole or in part, of the Credit Guidelines or Collection Guidelines, which change would materially impair the collectibility of any Loan or Contract or otherwise adversely affect the interests or the remedies of the Deal Agent, Collateral Agent or the Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Deal Agent.

(n) No Assignments. The Borrower will not assign or delegate, or grant any interest in, or permit any Lien to exist upon, any of its rights, obligations or duties under this Agreement or any other Transaction Document without the prior written consent of the Deal Agent and the Liquidity Agents for each of the Purchaser Groups.

(o) Special Purpose Entity. The Borrower has not and shall not:

(i) engage in any business or activity other than the purchase and receipt of Loans and related assets from the Originator under the Contribution Agreement, the pledge of Loans and related assets under the Transaction Documents and such other activities as are incidental thereto;

(ii) acquire or own any material assets other than (A) the Loans and related assets from the Originator under the Contribution Agreement and (B) incidental property as may be necessary for the operation of the Borrower;

(iii) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case first obtaining the Deal Agent's consent;

(iv) fail to preserve its existence as an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, or without the prior written consent of the Deal Agent, amend, modify, terminate, fail to comply with the provisions of its Certificate of Incorporation, or fail to observe corporate formalities;

(v) own any subsidiary or make any investment in any Person without the consent of the Deal Agent;

(vi) commingle its assets or funds with the assets or funds of any of its Affiliates, or of any other Person, except for (A) Dealer Collections, (B) erroneous deposits or (C) prior to the identification and separation of such funds or assets by the Servicer in accordance with the Servicer's normal and customary business practices;

(vii) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than indebtedness to the Lenders

hereunder or in conjunction with a repayment of Aggregate Unpaid owed to the Lenders except for trade payables in the ordinary course of its business and in an amount not to exceed \$12,300 at any one time outstanding, provided that such debt is not evidenced by a note and is paid when due;

(viii) become insolvent or fail to pay its debts and liabilities from its assets as the same shall become due;

(ix) fail to maintain its records, books of account and bank accounts separate and apart from those of its principal and Affiliates, and any other Person;

(x) enter into any contract or agreement with any of its principals or Affiliates or any other Person, except upon terms and conditions that are commercially reasonable and intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any principal or Affiliates;

(xi) seek its dissolution or winding up in whole or in part;

(xii) fail to correct any known misunderstandings regarding the separate identity of Borrower or Affiliate thereof or any other Person;

(xiii) guarantee, become obligated for, or hold itself out to be responsible for the debt of another Person;

(xiv) make any loan or advances to any third party, including Affiliate, or hold evidence of indebtedness issued by any other Person (other than cash and investment-grade securities);

(xv) fail either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name in order not (A) to mislead others as to the identity with which such other party is transacting business, or (B) to suggest that it is responsible for the debts of any third party (including any of its Affiliates);

(xvi) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(xvii) file or consent to the filing or any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors;

(xviii) share any common logo with or hold itself out as or be considered as a department or division of (A) any of its Affiliates or (B) any other Person;

(xix) permit any transfer (whether in any one or more transactions) of any direct or indirect ownership interest in the Borrower;

- (xx) fail to maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person, or have its assets listed on the financial statement of any other Person;
- (xxi) fail to pay its own liabilities and expenses only out of its own funds;
- (xxii) fail to pay the salaries of its own employees in light of its contemplated business operations;
- (xxiii) acquire the obligations or securities of its Affiliates or stockholders;
- (xxiv) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space and services performed by any employee of an Affiliate;
- (xxv) to the extent it has invoices or checks, fail to use separate invoices or checks bearing its own name;
- (xxvi) pledge its assets for the benefit of any other Person, other than with respect to payment of the indebtedness to the Lenders hereunder;
- (xxvii) fail at any time to have at least two (2) independent directors (each, an “Independent Director”) on its board of directors that is not and has not been for at least five (5) years a director, officer, employee, trade creditor or shareholder (or spouse, parent, sibling or child of the foregoing) of (A) the Servicer, (B) the Borrower, or (C) any Affiliate of the Servicer or Borrower; provided, however, such Independent Director may be an independent director or manager of another special purpose entity affiliated with the Servicer;
- (xxviii) fail to provide that the unanimous consent of all directors (including the consent of the Independent Directors) is required for the Borrower to (A) dissolve or liquidate, in whole or part, or institute proceedings to be adjudicated bankrupt or insolvent, (B) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (C) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (D) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower, (E) make any assignment for the benefit of the Borrower’s creditors, (F) admit in writing its inability to pay its debts generally as they become due, or (G) take any action in furtherance of any of the foregoing; and
- (xxix) take or refrain from taking, as applicable, each of the activities specified in the non-consolidation opinion of Dykema Gossett, delivered on the Closing Date, upon which the conclusions expressed therein are based.

Section 5.3. Covenant of the Borrower Relating to the Hedging Agreement. At all times during, on and after the Initial Funding until the Collection Date, a Hedging Agreement shall be in place.

Section 5.4. Affirmative Covenants of the Servicer. From the date hereof until the Collection Date:

(a) Compliance with Law. The Servicer will comply in all material respects with all Applicable Laws, including those with respect to the Contracts, the Loans and the Dealer Agreements or any part thereof.

(b) Preservation of Existence. The Servicer will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect.

(c) Obligations and Compliance with Loans and Contracts. Credit Acceptance will duly fulfill and comply with all obligations on the part of the Borrower to be fulfilled or complied with under or in connection with each Loan and each Contract and will do nothing to impair the rights of the Collateral Agent as agent for the Secured Parties or of the Secured Parties in, to and under the Collateral.

(d) Keeping of Records and Books of Account. The Servicer will maintain and implement administrative and operating procedures (including without limitation, an ability to recreate records evidencing the Loans and Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Loans.

(e) Preservation of Security Interest. Credit Acceptance will file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and protect fully the security interest of the Collateral Agent as agent for the Secured Parties in, to and under the Collateral. In its capacity as Custodian, it will maintain possession of the Contract Files and Records, as Custodian for the Secured Parties, as set forth in Section 6.2(c).

(f) Credit Guidelines and Collection Guidelines. (i) Credit Acceptance will (a) comply in all material respects with the Credit Guidelines and Collection Guidelines in regard to each Loan and Contract, and (b) furnish to the Deal Agent quarterly, prompt notice of any material change in the Credit Guidelines and Collection Guidelines and will deliver a copy of such changes to the Deal Agent and each Liquidity Agent, quarterly.

(ii) Credit Acceptance will not agree to or otherwise permit to occur any material change in the Credit Guidelines and Collection Guidelines, which change would impair the collectibility of any Loan or Contract or otherwise adversely affect the interests or remedies of the Deal Agent, the Collateral Agent or the Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Deal Agent.

(g) Amortization Events, Servicer Termination Events and Termination Events. The Servicer will furnish to the Deal Agent and each Liquidity Agent, as soon as possible and in any event within two (2) Business Days after the occurrence of each Amortization Event, each Termination Event, each Unmatured Termination Event, each Servicer Termination Event and Potential Servicer Termination Event, a written statement of the chief financial officer or treasurer (or if the Backup Servicer has become the Servicer, only to the extent a Responsible Officer has actual knowledge of such event) of the Servicer setting forth the details of such event and the action that the Servicer purposes to take with respect thereto.

(h) Other. The Servicer will furnish to the Deal Agent, any Liquidity Agent or the Collateral Agent, as applicable, promptly, from time to time, such other information, documents, records or reports respecting the Collateral or the condition or operations, financial or otherwise, of Borrower or the Servicer as the Deal Agent, any Liquidity Agent or the Collateral Agent may from time to time reasonably request in connection with the interests of the Collateral Agent or the Secured Parties under or as contemplated by this Agreement and the other Transaction Documents.

(i) Losses, Etc. In any suit, proceeding or action brought by the Deal Agent, the Collateral Agent or any Secured Party for any sum owing thereto, the Servicer shall save, indemnify and keep the Deal Agent, the Collateral Agent and the Secured Parties harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the Obligor under a Loan or Contract, arising out of a breach by Credit Acceptance of any obligation under the related Loan or Contract or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such Obligor or its successor from Credit Acceptance, and all such obligations of Credit Acceptance shall be and remain enforceable against and only against Credit Acceptance and shall not be enforceable against the Deal Agent, the Collateral Agent or any Secured Party.

(j) Notice of Liens Credit Acceptance shall advise the Collateral Agent, each Liquidity Agent, the Deal Agent and RFC promptly, in reasonable detail of: (i) any Lien asserted or claim made against any portion of the Collateral; (ii) the occurrence of any breach by Credit Acceptance of any of its representations, warranties and covenants contained herein or in any other Transaction Document; and (iii) the occurrence of any other event which has had or could be reasonably expected to have a Material Adverse Effect.

(k) Realization on Loans or Contracts. In the event that the Servicer realizes upon any Loan or Contract, the methods utilized by the Servicer to realize upon such Loan or Contract or otherwise enforce any provisions of such Loan or Contract will not subject the Servicer, the Borrower, any Secured Party, the Deal Agent or the Collateral Agent to liability under any federal, state or local law, and that such enforcement by the Servicer will be conducted in accordance with the provisions of the Credit Guidelines (not in the case of SST if SST is Successor Servicer), the Collection Guidelines, Applicable Law and, in the case of Credit Acceptance, this Agreement, and in the case of the Backup Servicer if it has become the Servicer, the Backup Servicing Agreement.

(l) Backup Servicing Agreement. The Servicer shall provide the Backup Servicer with all information, data and reports as required by the terms of the Backup Servicing Agreement.

(m) Change in Accounting Policies or Debt Rating. The Servicer shall notify the Collateral Agent of any material change in or amendment to the Servicer's accounting policies within ten (10) days after the date such change or amendment has been made. Within two (2) days after the date of any change in the Borrower's or Credit Acceptance's public or private debt ratings, if any, a written certification of the Borrower's or Credit Acceptance's public and private debt ratings after giving effect to any such change;

(n) Monthly Reports. Not later than the Determination Date preceding each Payment Date, the Servicer will furnish to the Deal Agent, each Liquidity Agent, the Backup Servicer and RFC a Monthly Report relating to the immediately preceding Collection Period

Section 5.5. Negative Covenants of the Servicer. From the date hereof until the Collection Date.

(a) Mergers, Acquisition, Sales, etc. Credit Acceptance will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless Credit Acceptance is the surviving entity and unless:

(i) Either (A) each Person merged into Credit Acceptance was a wholly-owned subsidiary of Credit Acceptance at all times after the date hereof and prior to the merger, or (B) Credit Acceptance has delivered to the Deal Agent and the Backup Servicer an Officer's Certificate and an Opinion of Counsel each stating that any consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 5.5 and that all conditions precedent herein provided for relating to such transaction have been complied with and, in the case of the Opinion of Counsel, that such supplemental agreement is legal, valid and binding with respect to Credit Acceptance and such other matters as the Deal Agent may reasonably request;

(ii) Credit Acceptance shall have delivered notice of such consolidation, merger, conveyance or transfer to the Deal Agent;

(iii) after giving effect thereto, no Termination Event, Unmatured Termination Event or Servicer Termination Event or event that with notice or lapse of time, or both, would constitute a Servicer Termination Event shall have occurred.

(b) Change of Name or Location; Change of Location of Records. Credit Acceptance shall not (x) change its name or its state of organization, (y) move the location of its principal place of business or chief executive office or the offices where it keeps records concerning the Loans from the location referred to in Section 14.2 or (z) move, or consent to the Custodian moving, the Records from the location thereof on the Closing Date, unless Credit Acceptance has given at least thirty (30) days' written notice to the Deal Agent and RFC and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Collateral Agent as agent for the Secured Parties in the Collateral.

(c) Change in Payment Instructions to Obligors. The Servicer will not make any change in its instructions to Obligors regarding where payments in respect of Contracts are to be made, unless the Deal Agent has consented to such change and has received duly executed documentation related thereto.

(d) [Reserved].

(e) No Instruments. The Servicer shall take no action to cause any Loan to be evidenced by any instrument (as defined in the UCC as in effect in the Relevant UCC).

(f) No Liens. The Servicer shall not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than the Lien described in Section 4.2(a)(iii)) on the Collateral or any interest therein; the Servicer will notify the Collateral Agent and the Deal Agent of the existence of any Lien on any portion of the Collateral immediately upon discovery thereof. Credit Acceptance shall defend the right, title and interest of the Collateral Agent on behalf of the Secured Parties in, to and under the Collateral against all claims of third parties claiming through or under Credit Acceptance.

(g) Information. The Servicer shall, within two (2) Business Days of its receipt thereof, respond to reasonable written directions or written requests for information that the Backup Servicer, the Borrower, the Deal Agent, any Liquidity Agent or the Collateral Agent might have with respect to the administration of the Loans.

(h) Consent. The Servicer will promptly advise the Borrower, the Backup Servicer, the Deal Agent and the Collateral Agent of any inquiry received from an Obligor which requires the consent of the Borrower, the Deal Agent or the Collateral Agent.

(i) Credit Guidelines and Collection Guidelines. The Servicer will not amend, modify, restate or replace in any material way the Credit Guidelines (not in the case of SST if SST is Successor Servicer) or the Collection Guidelines, which change would impair the collectibility of any Loan or Contract or otherwise adversely affect the interests or the remedies of the Deal Agent, Collateral Agent or the Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Deal Agent and the Liquidity Agent for each Purchaser Group.

Section 5.6. Negative Covenants of the Backup Servicer. From the date hereof until the Collection Date.

(a) No Changes in Backup Servicer Fee. The Backup Servicer will not make any changes to the Backup Servicer Fee without the prior written approval of the Deal Agent.

ARTICLE VI ADMINISTRATION AND SERVICING OF CONTRACTS

Section 6.1. Servicing.

(a) The Borrower, the Deal Agent and the Collateral Agent hereby revocably appoint Credit Acceptance as servicer hereunder and Credit Acceptance hereby accepts such

appointment and agrees to manage, collect and administer each of the Loans and Contracts as Servicer. In the event of a Servicer Termination Event, the Deal Agent shall have the right to terminate Credit Acceptance as servicer hereunder. Upon termination of Credit Acceptance as servicer of the Loans pursuant to Section 6.11 hereof, the Deal Agent shall have the right to appoint a Successor Servicer and enter into a servicing agreement with such Successor Servicer at such time and exercise all of its rights under Section 6.3 hereof. Such servicing agreement shall specify the duties and obligations of such Successor Servicer, and all references herein to the Servicer shall be deemed to refer to such Successor Servicer. Notwithstanding the above, the Deal Agent may appoint any established financial institution having a net worth of not less than \$50,000,000 and whose regular business includes the servicing of automobile installment sales contracts as the Successor Servicer hereunder.

(b) The Borrower shall cause the Servicer to deposit all Collections to the Collection Account no later than two Business Days after receipt (if SST is Successor Servicer, within one (1) Business Day with respect to cleared funds, and in all other cases within three (3) Business Days of receipt). The Servicer agrees to deposit all Collections to the Collection Account no later than two (2) Business Days after receipt (if SST is Successor Servicer, within one (1) Business Day with respect to cleared funds, and in all other cases within three (3) Business Days of receipt).

(c) On or before 120 days after the end of each fiscal year of Credit Acceptance, beginning with the fiscal year ending December 31, 2008, Credit Acceptance shall cause a firm of nationally recognized independent public accountants acceptable to the Deal agent (who may also render other services to Credit Acceptance or the Borrower) to furnish a report to the Collateral Agent, the Deal Agent and the Secured Parties to the effect that they have (i) compared the information contained in the Monthly Reports delivered during such fiscal year, based on a sample size provided by the Collateral Agent, with the information contained in the Loans, the Contracts and Credit Acceptance's records and computer systems for such period, and that, on the basis of such agreed upon procedures, such firm is of the opinion that the information contained in the Monthly Reports reconciles with the information contained in the Loans and the Contracts and Credit Acceptance's records and computer system and that the servicing of the Loans and the Contracts has been conducted in compliance with this Agreement, (ii) verified the Aggregate Outstanding Eligible Loan Balance as of the end of each Collection Period during such fiscal year, and (iii) verified that a sample of Loans and Contracts treated by Credit Acceptance as Eligible Loans and as Eligible Dealer Loan Contracts, as applicable, in fact satisfied the requirements of the definition thereof contained herein and (iv) conducted a 'negative confirmation' of a sample of the Loans and Contracts and verified that Credit Acceptance's records and computer system used in servicing the Loans and Contracts contained correct information with regard to due dates and outstanding balances, except, in each case for such exceptions as such firm shall believe to be immaterial (which exceptions need not be enumerated).

Section 6.2. Duties of the Servicer and Custodian.

(a) The Servicer shall take or cause to be taken all such action as may be necessary or advisable to collect all amounts due under the Loans and Contracts from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and

diligence, and in accordance with the Collection Guidelines and Credit Guidelines, it being understood that there shall be no recourse to the Servicer (in its capacity as such) with regard to the Loans and Contracts except as otherwise provided herein and in the other Transaction Documents. In performing its duties as Servicer, the Servicer shall use the same degree of care and attention it employs with respect to similar contracts and loans which it services for itself or others. Each of the Borrower, the Deal Agent, the Collateral Agent and the Secured Parties hereby appoints as its agent the Servicer, from time to time designated pursuant to Section 6.1 hereof, to enforce its respective rights and interests in and under the Collateral. The Servicer shall hold in trust for the Secured Parties all Records and any amounts it receives in respect of the Collateral. In the event that a Successor Servicer is appointed, the outgoing Servicer shall deliver to the Successor Servicer and the Successor Servicer shall hold in trust for the Borrower and the Secured Parties all records which evidence or relate to all or any part of the Collateral.

(b) The Servicer, if other than Credit Acceptance, shall as soon as practicable upon demand, deliver to the Borrower all records in its possession which evidence or relate to indebtedness of an Obligor which is not a Loan or a Contract.

(c) (i) The Borrower, Deal Agent and Collateral Agent hereby revocably appoint Credit Acceptance as custodian (or if there has been a Successor Servicer appointed hereunder then such Successor Servicer shall act as custodian), and Credit Acceptance (or the Successor Servicer, if applicable) hereby accepts such appointment, to hold and maintain physical possession of the Contract Files and all Records (in such capacity together with its successors in such capacity, the "Custodian"). The Contract Files and Records are to be delivered to the Custodian or its designated bailee by or on behalf of the Borrower, the Deal Agent and Collateral Agent within two (2) Business Days preceding the Funding Date or within 2 Business Days after each Addition Date, as the case may be, with respect to each Loan acquired on the Funding Date or Addition Date.

(ii) The Custodian shall within 180 days after the Closing Date or Funding Date, as applicable, review 100% of the Contract Files to verify the presence of the original retail installment contract and security agreement and/or installment loans with respect to each Contract, provided, however, that the Certificate of Title or other evidence of lien with respect to a Contract need not be verified. If the number of Contracts for which any of the foregoing documents have not been delivered to the Custodian within 180 days of the Closing Date or relevant Funding Date, as the case may be, or corrected (each such Contract, a "Nonconforming Contract"), exceeds 2% of the aggregate number of Contract Files required to be reviewed pursuant to this Section 6.2(c)(ii), the Borrower shall make a deposit to the Reserve Account only with respect to the excess number of Nonconforming Contracts, in an amount equal to the related Nonconforming Contract Payment Amount. Once per month, the amount on deposit in the Reserve Account in respect of Nonconforming Contracts shall be adjusted to account for increases or decreases in the excess number of Nonconforming Contracts and for changes in the Outstanding Balance of such Nonconforming Contracts. The Borrower shall, in the case of an increase, promptly deposit to the Reserve Account the amount of any such increase. In the case of a decrease, the amount of any such decrease shall be deemed to be part of the Excess Reserve Amount. During the Revolving Period, payments required under this Section 6.2(c)(ii) shall not be required if the Capital is equal

to or less than the Borrowing Base by the amount of the payment that would otherwise be required to be made by this clause.

(iii) The Custodian agrees to maintain the Contract Files and Records which are delivered to it at the offices of the Custodian as shall from time to time be identified to the Deal Agent by written notice. Subject to the foregoing, Credit Acceptance may temporarily move individual Contract Files or Records, or any portion thereof without notice as necessary to allow the Servicer to conduct collection and other servicing activities in accordance with its customary practices and procedures.

(iv) The Custodian shall have the following powers and perform the following duties:

(A) hold the Contract Files and Records for the benefit of the Secured Parties and maintain a current inventory thereof; and

(B) carry out such policies and procedures in accordance with its customary actions with respect to the handling and custody of the Contract Files and Records so that the integrity and physical possession of the Contract Files and Records will be maintained.

In performing its duties as custodian, the Custodian agrees to act with reasonable care, using that degree of skill and care that it exercises with respect to similar Contracts or Loans owned or held by it for its own account or for any other Person.

(v) Credit Acceptance shall have the obligation (i) to physically segregate the Contract Files from the other custodial files it is holding for its own account or on behalf of any other Person and (ii) to physically mark the Contract folders to demonstrate the transfer of Contract Files and the Collateral Agent's security interest hereunder.

(d) (i) If (A) an Unsatisfactory Audit occurs or (B) a Termination Event, Unmatured Termination Event, Servicer Termination Event or a Potential Servicer Termination Event occurs, the Deal Agent shall have the right to terminate Credit Acceptance as the Custodian hereunder and the Deal Agent shall have the right to appoint a successor Custodian hereunder who shall assume all the rights and obligations of the "Custodian" hereunder. On the effective date of the termination of Credit Acceptance as Servicer, Credit Acceptance shall be released of all of its obligations as Custodian arising on or after such date. The Contract Files and Records shall be delivered by Credit Acceptance to the successor Custodian, on or before the date which is two (2) Business Days prior to such date.

(ii) Upon the occurrence of a Servicer Termination Event, Potential Servicer Termination Event, Termination Event or Unmatured Termination Event, the Servicer and the Borrower shall, at the request of the Deal Agent, in the Deal Agent's sole discretion, take all steps necessary to cause the Certificate of Title or other evidence of ownership of each Financed Vehicle to be revised to name the Collateral Agent on behalf of the Secured Parties as lienholder. Any costs associated with such revision of the Certificate of Title ("Reliencing Expenses") shall be paid by Credit Acceptance and,

and to the extent such costs are not paid by Credit Acceptance such unpaid costs shall be recovered as described in Section 2.7 hereof. In no event shall the Collateral Agent be required to expend funds in connection with this Section 6.2(d).

(iii) The Custodian shall provide to the Deal Agent access to the Contract Files and Records and all other documentation regarding the Contracts, Dealer Agreement and the Loans and the related Financed Vehicles in such cases where the Collateral Agent is required in connection with the enforcement of the rights or interests of the Secured Parties, or by applicable statutes or regulations to review such documentation, such access being afforded without charge.

(e) From time to time during normal business hours, at the expense of the Servicer (provided that the Deal Agent and the Liquidity Agent may review the Successor Servicer's collection and administration of the Loans, Dealer Agreements and Contracts two times per calendar year, at the expense of the party requesting such review, with prior written notice and without undue disruption of the Successor Servicer's business before the occurrence of a Servicer Termination Event at a time after the Assumption Date, and the Deal Agent and the Liquidity Agent may conduct such review, with prior written notice but otherwise without limitation, at the Successor Servicer's expense if the Servicer Termination Event is due to the actions of the current Successor Servicer and otherwise at the expense of the party requesting such review, after the occurrence of a Servicer Termination Event at a time after the Assumption Date) (but at the Servicer's expense not more than twice during any calendar year), the Deal Agent and any Liquidity Agent may review the Servicer's collection and administration of the Loans, Dealer Agreements and Contracts in order to assess compliance by the Servicer with the Servicer's written policies and procedures, as well as with this Agreement and at the Servicer's (provided that the Deal Agent and the Liquidity Agent may review the Successor Servicer's collection and administration of the Loans, Dealer Agreements and Contracts two times per calendar year, at the expense of the party requesting such review, with prior written notice and without undue disruption of the Successor Servicer's business before the occurrence of a Servicer Termination Event at a time after the Assumption Date, and the Deal Agent and the Liquidity Agent may conduct such review, with prior written notice but otherwise without limitation, at the Successor Servicer's expense if the Servicer Termination Event is due to the actions of the current Successor Servicer and otherwise at the expense of the party requesting such review, after the occurrence of a Servicer Termination Event at a time after the Assumption Date) expense may conduct an audit (but not more than two such audits during any calendar year except as described in the next sentence) of the Loans, Dealer Agreements and Contracts and Contract Files in conjunction with such a review. On and after the occurrence of a Termination Event or Servicer Termination Event, the Deal Agent or any Liquidity Agent may conduct such reviews and audits without limitation, at the Servicer's expense.

Section 6.3. Rights After Designation of Successor Servicer. At any time following the designation of a Successor Servicer pursuant to Section 6.12(a):

(i) The Collateral Agent may intercept payments made by or on behalf of Obligors and direct that payment of all amounts payable under any Loan or Contract be made directly to the Collateral Agent or its designee; provided, that the Collateral

Agent shall pay to any Dealer, to the extent to which such Dealer is entitled, all related Dealer Collections.

(ii) The Borrower shall, at the Collateral Agent's request and at the Borrower's expense, give notice of the Collateral Agent's interest in the Loans and Contracts to each Obligor and direct that payments be made directly to the Collateral Agent or its designee.

(iii) The Borrower and Credit Acceptance shall, at the Collateral Agent's request, (A) assemble all of the records relating to the Collateral, including all Records with respect to the Loans and Contracts, and shall make the same available to the Collateral Agent at a place selected by the Collateral Agent or its designee, and (B) segregate all cash, checks and other instruments received by it from time to time constituting collections of Collateral in a manner acceptable to the Collateral Agent and shall, promptly upon receipt but in any event within two (2) Business Days, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Collateral Agent or its designee.

(iv) The Borrower and Credit Acceptance hereby authorize the Collateral Agent to take any and all steps in the Borrower's or the Servicer's name and on behalf of the Borrower and the Servicer necessary or desirable, in the determination of the Collateral Agent, to collect all amounts due under any and all of the Collateral with respect thereto, including, without limitation, endorsing the Borrower's name on checks and other instruments representing Collections and enforcing the Loans and Contracts.

Section 6.4. Responsibilities of the Borrower. Anything herein to the contrary notwithstanding, the Borrower shall (i) perform all of its obligations under the Loans and Contracts to the same extent as if a security interest in such Loans and Contracts had not been granted hereunder and the exercise by the Collateral Agent of its rights hereunder shall not relieve the Borrower from such obligations and (ii) pay when due any taxes, including without limitation, any sales taxes payable in connection with the Loans or Contracts and their creation and satisfaction. Neither the Collateral Agent, the Deal Agent nor any Secured Party shall have any obligation or liability with respect to any Loan, nor shall any of them be obligated to perform any of the obligations of the Borrower thereunder.

Section 6.5. Reports.

(a) Monthly Report. On each Determination Date, the Servicer shall deliver to the Deal Agent, the Backup Servicer, each Liquidity Agent, the Collateral Agent and RFC a report in substantially the form of Exhibit C attached hereto (the "Monthly Report") for the related Collection Period (provided that, if SST is Successor Servicer, SST shall only be responsible to the extent it has received sufficient assistance from the Borrower). The Deal Agent shall provide to the Borrower, the Servicer, the Backup Servicer and RFC by the third Business Day prior to each Payment Date, information relating to the amount of each obligation which comprises Carrying Costs, Increased Costs, Indemnified Amounts and Additional Amounts for such Collection Period. The Monthly Report shall specify whether an Amortization Event, Servicer Termination Event, Potential Servicer Termination Event,

Termination Event or Unmatured Termination Event has occurred with respect to the Collection Period preceding such Determination Date. Upon receipt of the Monthly Report, the Deal Agent and the Collateral Agent shall rely (and shall be fully protected in so relying) on the information contained therein for the purposes of making distributions and allocations as provided for herein. Each Monthly Report shall be certified by a Responsible Officer of the Servicer.

(b) Credit Agreement. Credit Acceptance shall deliver to the Deal Agent and each Liquidity Agent all reports or certificates required to be delivered under Section 7.3 of the Credit Agreement at the times set forth therein.

(c) Financial Statements. Credit Acceptance will submit to the Deal Agent, the Collateral Agent, each Liquidity Agent, the Backup Servicer and RFC, within 60 days of the end of each of its fiscal quarters, commencing June 30, 2008 unaudited consolidated financial statements as of the end of each such fiscal quarter. Credit Acceptance will submit to the Deal Agent, each Liquidity Agent, the Collateral Agent and RFC, within 120 days of the end of each of its fiscal years, commencing with the fiscal year ending December 31, 2008 audited consolidated financial statements as of the end of each such fiscal year. Credit Acceptance will submit to the Deal Agent, the Collateral Agent, each Liquidity Agent, the Backup Servicer and RFC an analysis of the static pool performance of Credit Acceptance for each fiscal quarter.

(d) Annual Statement as to Compliance. The Servicer will provide to the Deal Agent, each Liquidity Agent, the Collateral Agent and RFC, within 120 days following the end of each fiscal year of the Servicer, commencing with the fiscal year ending on December 31, 2008, an annual report signed by a Responsible Officer of the Servicer certifying that (a) a review of the activities of the Servicer, and the Servicer's performance pursuant to this Agreement, for the period ending on the last day of such fiscal year has been made under such Person's supervision and (b) the Servicer has performed or has caused to be performed in all material respects all of its obligations under this Agreement throughout such year (or in the case of a Successor Servicer which has been Servicer for less than one year, for so long as such Successor Servicer has been Servicer) and no Servicer Termination Event or potential Servicer Termination Event has occurred and is continuing (or if a Servicer Termination Event has so occurred and is continuing, specifying each such event, the nature and status thereof and the steps necessary to remedy such event, and, if a Servicer Termination Event or potential Servicer Termination Event occurred during such year and no notice thereof has been given to the Deal Agent and the Collateral Agent, specifying such Servicer Termination Event or potential Servicer Termination Event and the steps taken to remedy such event) (it being understood and agreed that the provision of any such notice shall in no event constitute or be deemed to constitute a waiver thereof for any purpose of this Agreement or any other Transaction Document).

Section 6.6. Additional Representations and Warranties of Credit Acceptance as Servicer. Credit Acceptance, in its capacity as Servicer, represents and warrants to the Collateral Agent, the Deal Agent, the Backup Servicer and each Liquidity Agent as of the Closing Date, the Effective Date and each day thereafter until the Collection Date, that the only material servicing computer systems and related software utilized by Credit Acceptance to service the Loans and Contracts are: (i) provided by Ontario Systems Corporation under an agreement (and related nonexclusive license) and related letter agreements dated May 18, 2001 and (ii) the "loan

servicing system” software developed by Credit Acceptance, which is owned by Credit Acceptance. Should Credit Acceptance or any of its Affiliates develop or implement computer software for servicing that is owned by or exclusively licensed to Credit Acceptance or an Affiliate and utilize such software in the servicing of the Loans and Contracts, the Collateral Agent shall be entitled to compel a license or sublicense for the benefit of the Collateral Agent or its designee of any such rights to the extent the Collateral Agent deems reasonably necessary and appropriate to assure that it or a duly appointed Successor Servicer would be able to continue to service the Loans and Contracts should that be required in accordance with the terms hereof.

Section 6.7. Establishment of the Accounts.

(a) Establishment of the Collection Account and Reserve Account. The initial Servicer shall cause to be established, on or before the Closing Date, and maintained in the name of the Collateral Agent as agent for the Secured Parties (and at the expense of the Borrower), with an office or branch of a depository institution or trust company acceptable to the Deal Agent (i) a segregated corporate trust account entitled “Collection Account for Fifth Third, as agent for the Secured Parties” (the “Collection Account”) and (ii) a segregated corporate trust account entitled “Reserve Account for Fifth Third” as agent for the Secured Parties (the “Reserve Account”), in each case, over which the Collateral Agent as agent for the Secured Parties shall have sole dominion and control and from which neither the Originator, the Servicer nor the Borrower shall have any right of withdrawal; provided, however, that at all times such depository institution or trust company shall be 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), (i) (A) that has either (1) a long-term unsecured debt rating of AA- or better by S&P and Aa3 or better by Moody’s or (2) a short-term unsecured debt rating or certificate of deposit rating of A-1 or better by S&P or P-1 or better by Moody’s, (B) the parent corporation which has either (1) a long-term unsecured debt rating of AA- or better by S&P and Aa3 or better by Moody’s or (2) a short-term unsecured debt rating or certificate of deposit rating of A-1 or better by S&P and P-1 or better by Moody’s or (C) is otherwise acceptable to the Deal Agent and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation (any such depository institution or trust company, a “Qualified Institution”).

(b) Adjustments. If (i) the Servicer makes a deposit into the Collection Account in respect of a Collection of a Loan and such Collection was received by the Servicer in the form of a check that is not honored for any reason or (ii) the Servicer makes a mistake with respect to the amount of any Collection and deposits an amount that is less than or more than the actual amount of such Collection, the Servicer shall appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake. Any payment in respect of which a dishonored check is received shall be deemed not to have been paid.

(c) Eligible Investments. Funds on deposit in the Collection Account and the Reserve Account shall be invested in Eligible Investments by or at the written direction of the Borrower, provided that if a Termination Event or Unmatured Termination Event shall have occurred, such investments shall be made as directed by the Collateral Agent. Any such written directions shall specify the particular investment to be made and shall certify that such

investment is an Eligible Investment and is permitted to be made under this Agreement. Funds on deposit in the Collection Account and the Reserve Account shall be invested in Eligible Investments that will mature so that such funds will be available no later than the Business Day prior to the next Payment Date, except that in the case of funds representing Collections with respect to a succeeding Collection Period, such Eligible Investments may mature so that such funds will be available no later than the Business Day prior to the Payment Date for such Collection Period. No Eligible Investment may be liquidated or disposed of prior to its maturity. All proceeds of any Eligible Investment shall be deposited in the Collection Account or the Reserve Account, as applicable. Investments may be made in either account on any date (provided such investments mature in accordance herewith), only after giving effect to deposits to and withdrawals from such account on such date. Realized losses, if any, on amounts invested in Eligible Investments shall be charged against investment earnings on amounts on deposit in the Collection Account or the Reserve Account, as applicable.

Section 6.8. Payment of Certain Expenses by Servicer. Credit Acceptance will be required to pay all expenses incurred by it in connection with its activities under this Agreement, including fees and disbursements of independent accountants, Taxes imposed on Credit Acceptance, expenses incurred in connection with payments and reports pursuant to this Agreement, and all other fees and expenses not expressly stated under this Agreement for the account of the Borrower. Credit Acceptance will be required to pay all reasonable fees and expenses owing to any bank or trust company in connection with the maintenance of the Collection Account, the Reserve Account and the Credit Acceptance Payment Account. Credit Acceptance shall be required to pay such expenses for its own account and shall not be entitled to any payment therefor other than the Servicing Fee.

Section 6.9. Annual Independent Public Accountant's Servicing Reports. Credit Acceptance will cause a firm of nationally recognized independent public accountants (who may also render other services to Credit Acceptance) to furnish to the Deal Agent, each Liquidity Agent and RFC, within 120 days following the end of each fiscal year of Credit Acceptance, commencing with the fiscal year ending on December 31, 2008: (i) a report relating to such fiscal year to the effect that (A) such firm has reviewed certain documents and records relating to the servicing of the Loans and Contracts included in the Collateral, and (B) based on such examination, such firm is of the opinion that the Monthly Reports for such year were prepared in compliance with this Agreement, except for such exceptions as it believes to be immaterial and (ii) a report covering such fiscal year to the effect that such accountants have applied certain agreed-upon procedures, as set forth in Section 6.1(c) (which procedures shall have been approved by the Deal Agent and each Liquidity Agent) to certain documents and records relating to the Loans under any Transaction Document, compared the information contained in the Monthly Reports delivered during the period covered by such report which such documents and records and that no matters came to the attention of such accountants that caused them to believe that such servicing was not conducted in compliance with Article VI of this Agreement, except for such exceptions as such accountants shall believe to be immaterial.

Section 6.10. The Servicer Not to Resign. The Servicer shall not resign from the obligations and duties hereby imposed on it hereunder except upon the Servicer's determination that (i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and (ii) there is no reasonable action that the Servicer could take to make the performance of its

duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Servicer shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Deal Agent, the Collateral Agent, the Backup Servicer and RFC. No such resignation shall become effective until a Successor Servicer shall have assumed the responsibilities and obligations of the Servicer in accordance with Section 6.12.

Section 6.11. Servicer Termination Events. If any one of the following events (a “Servicer Termination Event”) shall occur and be continuing and remains unremedied for more than thirty (30) days (or such other amount of time as specifically listed below) after knowledge by or written notice to the Servicer:

(a) any failure by the Servicer to make any payment, transfer or deposit as required by this Agreement or any other Transaction Document, other than any such failure resulting from an administrative or technical error of the Servicer in the amount so paid, transferred or deposited; provided that within one (1) Business Day after the Servicer receives notice or becomes aware that, as a result of an administrative or technical error of the Servicer, any amount previously paid, transferred or deposited by the Servicer was less than the amount required to be paid, transferred or deposited by the Servicer, the Servicer pays, transfers or deposits the amount of such shortfall;

(b) any failure by the Servicer (only with respect to Credit Acceptance) to give instructions or notice to the Deal Agent as required by this Agreement or any other Transaction Document, or to deliver any required Monthly Report or other required reports hereunder on or before the date occurring two (2) Business Days after the date such instruction, notice or report is required to be made or given, as the case may be, under the terms of this Agreement or the relevant Transaction Document;

(c) any failure on the part of the Servicer to duly observe or perform in any material respect any other covenants or agreements of the Servicer set forth in this Agreement or the other Transaction Documents (other than as set forth in clauses (a) or (b) above) to which the Servicer is a party, which continues unremedied for a period of 10 days;

(d) any material representation, warranty or certification made by the Servicer (only with respect to Credit Acceptance) in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect when made;

(e) an Insolvency Event shall occur with respect to the Servicer;

(f) any delegation of the Servicer’s duties that is not permitted by Section 7.1;

(g) any information related to the Collateral reasonably requested by the Deal Agent, the Collateral Agent, any Liquidity Agent or any Lender as provided herein is not reasonably provided as requested;

(h) the rendering against the Servicer of one or more final judgments, decrees or orders for the payment of money in excess of United States \$5,000,000 (in the event SST is Successor Servicer, the amount shall be \$10,000,000) in the aggregate, and the continuance of

such judgment, decree or order unsatisfied and in effect for any period of more than 60 consecutive days without a stay of execution;

(i) the Servicer shall fail to pay any principal of or premium or interest on any indebtedness in an aggregate outstanding principal amount of \$5,000,000 (in the event SST is Successor Servicer, the amount shall be \$10,000,000) or more ("Material Debt"), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material Debt; or any other default under any agreement or instrument relating to any Material Debt or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Material Debt; or any such Material Debt shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof;

(j) any change in the control of Credit Acceptance that takes the form of either a merger or consolidation in which Credit Acceptance is not the surviving entity;

(k) a Material Adverse Effect shall have occurred; or

(l) if Credit Acceptance is Servicer, a Termination Event shall have occurred and such Termination Event has not been waived by the Deal Agent;

then notwithstanding anything herein to the contrary, so long as any such Servicer Termination Event shall not have been remedied, within any applicable cure period prior to the date of the Servicer Termination Notice (defined below), the Deal Agent may, or at the direction of the Required Investors, by written notice to the Servicer (with a copy to the Backup Servicer) (a "Servicer Termination Notice"), shall terminate all of the rights and obligations of the Servicer as Servicer under this Agreement.

Section 6.12. Appointment of Successor Servicer.

(a) On and after the receipt by the Servicer of a Servicer Termination Notice pursuant to Section 6.11 or Section 10.2, the Servicer shall continue to perform all servicing functions under this Agreement until the date specified in the Servicer Termination Notice or otherwise specified by the Deal Agent in writing or, if no such date is specified in such Servicer Termination Notice or otherwise specified by the Deal Agent, until a date mutually agreed upon by the Servicer and the Deal Agent. The Deal Agent may at the time described in the immediately preceding sentence at the direction of the Required Investors appoint the Backup Servicer by written notice as the Servicer hereunder, and the Backup Servicer shall on such date (which date shall be no less than 30 days after receipt of such written notice) assume all obligations of the Servicer hereunder (except as specifically set forth herein or in the Backup Servicing Agreement), and all authority and power of the Servicer under this Agreement and the other Transaction Documents shall pass to and be vested in the Backup Servicer. In the event that the Deal Agent does not so appoint the Backup Servicer, there is no Backup Servicer or the Backup Servicer is unable to assume such obligations on such date, the Deal Agent shall as

promptly as possible appoint a successor servicer (together with the Backup Servicer, if the Backup Servicer has been appointed Servicer hereunder, the “Successor Servicer”) who shall be acceptable to the Required Investors, and such Successor Servicer shall accept its appointment by a written assumption in a form acceptable to the Deal Agent. In the event that a Successor Servicer has not accepted its appointment at the time when the Servicer ceases to act as Servicer, the Deal Agent shall petition a court of competent jurisdiction to appoint any established financial institution having a net worth of not less than United States \$50,000,000 and whose regular business includes the servicing of Loans as the Successor Servicer hereunder.

(b) Upon its assumption as Successor Servicer, the Backup Servicer (except as specifically set forth herein or in the Backup Servicing Agreement and subject to Section 6.12(a)) or any other Successor Servicer, as applicable, shall be the successor in all respects to the Servicer with respect to servicing functions under this Agreement and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and all references in this Agreement and the other Transaction Documents to the Servicer shall be deemed to refer to the Backup Servicer or the Successor Servicer, as applicable. In no event shall the Backup Servicer be liable for any actions or omissions of any predecessor Servicer.

(c) Subject to Section 6.12(a) and (b) above, all authority and power granted to the Servicer under this Agreement shall automatically cease and terminate upon the later of the Collection Date and the termination of this Agreement and shall pass to and be vested in the Borrower and, without limitation, the Borrower is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights. The Servicer agrees to cooperate with the Borrower in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing on the Loans and the Contracts.

(d) Within 30 days of receiving notice that the Backup Servicer is required to serve as the Servicer hereunder pursuant to the foregoing provisions of this Section 6.12 the Backup Servicer will begin the transition to its role as Servicer.

Section 6.13. Responsibilities of the Borrower. Anything herein to the contrary notwithstanding, the Borrower shall (i) perform all of its obligations under the Loans to the same extent as if a security interest in such Loans had not been granted hereunder and (ii) pay when due, from funds available to the Borrower under Section 2.7 hereto, any taxes. Neither the Deal Agent, Collateral Agent nor any Secured Party shall have any obligation or liability with respect to any Loan, nor shall any of them be obligated to perform any of the obligations of the Borrower thereunder.

Section 6.14. Segregated Payment Account. Upon the occurrence of a Servicer Termination Event, a Potential Servicer Termination Event or an Unsatisfactory Audit, the Deal Agent shall have the right to require the Borrower and the Servicer (i) to establish a segregated payment trust account in the name of the Collateral Agent for Collections related to the Collateral and (ii) to direct all Obligors to make payments into such account.

ARTICLE VII
BACKUP SERVICER

Section 7.1. Designation of the Backup Servicer. The backup servicing role with respect to the Collateral shall be conducted by the Person designated as Backup Servicer under the Backup Servicing Agreement, which shall initially be SST.

Section 7.2. Duties of the Backup Servicer. On or before the Closing Date, and until its removal pursuant to the Backup Servicing Agreement, the Backup Servicer shall perform, on behalf of the Servicer, the Borrower, the Deal Agent, the Collateral Agent and the Secured Parties, the duties and obligations set forth in the Backup Servicing Agreement.

Section 7.3. Backup Servicing Compensation. As compensation for its backup servicing activities hereunder and under the Backup Servicing Agreement, the Backup Servicer shall be entitled to receive the Backup Servicing Fee pursuant to the provisions of Section 2.7(a). The Backup Servicer's entitlement to receive the Backup Servicing Fee shall cease on the earliest to occur of: (i) it becoming the Successor Servicer; (ii) its removal as Backup Servicer pursuant to the terms of the Backup Servicing Agreement; or (iii) the termination of this Agreement following the Collection Date.

ARTICLE VIII
[Reserved]

ARTICLE IX
SECURITY INTEREST

Section 9.1. Security Agreement.

(a) The parties hereto intend that this Agreement constitute a security agreement and the transactions effected hereby constitute secured loans by the Lender to the Borrower under Applicable Law.

(b) The Borrower hereby authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral and Proceeds thereof without the signature of the Borrower where permitted by law. A photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

Section 9.2. Release of Lien. At the same time as any Loan by its terms and all amounts in respect thereof has been finally paid in full by the related Obligor and deposited in the Collection Account, the Deal Agent as agent for the Lender will, to the extent requested by the Servicer, release its interest in such Loan and Related Security. The Deal Agent as agent for the Lenders will after the deposit by the Servicer of the proceeds of such sale into the Collection Account, at the sole expense of Credit Acceptance, execute and deliver to the Servicer any assignments, termination statements and any other releases and instruments as Credit Acceptance may reasonably request in order to effect such release and transfer; provided, that the Deal Agent as agent for the Lenders will make no representation or warranty, express or implied, with respect to any such Loan and Related Security in connection with such sale or transfer and assignment.

Section 9.3. Further Assurances. The provisions of Section 14.12 shall apply to the security interest granted under Section 2.2(a) as well as to each Funding hereunder.

Section 9.4. Remedies. Upon the occurrence of a Termination Event, the Deal Agent, the Collateral Agent and Secured Parties shall have, with respect to the Collateral granted pursuant to Section 2.2(a), and in addition to all other rights and remedies available to the Deal Agent, the Collateral Agent and Secured Parties under this Agreement or other Applicable Law, all rights and remedies of a secured party under the UCC.

Section 9.5. Waiver of Certain Laws. Each of the Borrower and the Servicer agrees, to the full extent that it may lawfully so agree, that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption law now or hereafter in force in any locality where all or any portion of the Collateral may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of all any portion of the Collateral, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and each of the Borrower and the Servicer, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws, and any and all right to have any of the properties or assets constituting the Collateral marshaled upon any such sale, and agrees that the Deal Agent, the Collateral Agent or any court having jurisdiction to foreclosure the security interests granted in this Agreement may sell the Collateral as an entirety or in such parcels as the Deal Agent, the Collateral Agent or such court may determine (including, without limitation, on a servicing released basis).

Section 9.6. Power of Attorney. The Borrower hereby irrevocably appoints the Deal Agent and the Servicer and any Successor Servicer as its true and lawful attorney (with full power of substitution) in its name, place and stead and at its expense, in connection with the enforcement of the rights and remedies provided for in this Agreement, including without limitation the following powers: (a) to give any necessary receipts or acquittance for amounts collected or received hereunder, (b) to make all necessary transfers of the Collateral in connection with any such sale or other disposition made pursuant hereto, (c) to execute and deliver for value all necessary or appropriate bills of sale, assignments and other instruments in connection with any such sale or other disposition, the Borrower hereby ratifying and confirming all that such attorney (or any substitute) shall lawfully do hereunder and pursuant hereto, and (d) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document or Hedging Agreement. Nevertheless, if so requested by the Deal Agent, the Servicer or any Successor Servicer, the Collateral Agent or a purchaser of the Collateral, the Borrower and the Servicer shall ratify and confirm any such sale or other disposition by executing and delivering to the Deal Agent, the Collateral Agent or such purchaser all proper bills of sale, assignments, releases and other instruments as may be designated in any such request.

ARTICLE X TERMINATION EVENTS

Section 10.1. Termination Events. The following events shall be termination events ("Termination Events") hereunder:

- (a) [Reserved]; or
- (b) [Reserved]; or
- (c) [Reserved]; or
- (d) the Weighted Average Original Advance Rate exceeds 50.0%; or
- (e) [Reserved]; or
- (f) a Servicer Termination Event occurs and is continuing; or

(g) (i) failure on the part of the Borrower or the Originator to make any payment or deposit required by the terms of any Transaction Document on the day such payment or deposit is required to be made (including, without limitation, the failure of the Borrower to fully repay all principal and interest on the Notes on the related Maturity Date (whether or not sufficient funds are available therefor at such time under Section 2.7 or otherwise)); or

(ii) failure on the part of the Borrower or the Originator to observe or perform any of its covenants or agreements set forth in this Agreement or any Transaction Document and such failure continues unremedied for more than five (5) Business Days after knowledge by or written notice to the Borrower or the Originator;

(h) any representation or warranty made or deemed to be made by the Borrower or Credit Acceptance under or in connection with this Agreement, any of the other Transaction Documents or any information required to be given by the Borrower or Credit Acceptance to the Deal Agent or the Collateral Agent to identify Loans or Contracts pursuant to any Transaction Document, shall prove to have been false or incorrect in any material respect when made, deemed made or delivered and such failure continues unremedied for more than thirty (30) days after knowledge by or written notice to the Borrower or Credit Acceptance; or

(i) the occurrence of an Insolvency Event relating to the Originator, the Borrower or the Servicer; or

(j) the Borrower or Originator shall become an "investment company" within the meaning of the Investment Company Act of 1940, as amended or the arrangements contemplated by the Transaction Document shall require registration as an "investment company" within the meaning of the 40 Act; or

(k) a regulatory, tax or accounting body has ordered that the activities of the Borrower or any Affiliate of the Borrower, contemplated hereby be terminated or, as a result of any other event or circumstance, the activities of the Borrower or any Affiliate of the Borrower contemplated hereby may reasonably be expected to cause the Borrower or any of its respective Affiliates to suffer materially adverse regulatory, accounting or tax consequences; or

(l) there shall exist any event or occurrence that has a reasonable possibility of causing a Material Adverse Effect; or

(m) the Borrower or Credit Acceptance shall enter into any merger, consolidation or conveyance transaction, unless in the case of Credit Acceptance or the Servicer, the Servicer or Credit Acceptance, as applicable, is the surviving entity; or

(n) the Internal Revenue Service shall file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of the Borrower or the Originator and such lien shall not have been released within five (5) Business Days, or the Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Borrower or the Originator and such lien shall not have been released within five (5) Business Days; or

(o) the Collateral Agent, as agent for the secured parties, shall fail for any reason to have a first priority perfected security interest in the Collateral free and clear of all Liens other than Permitted Liens; or

(p) any Change-in-Control shall occur; or

(q) (i) any Transaction Document, or any lien or security interest granted thereunder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower, the Originator or the Servicer (ii) the Borrower, the Originator or the Servicer shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability or (iii) any security interest securing any obligation under any Transaction Document shall, in whole or in part, cease to be a perfected first priority security interest free and clear of all Liens other than Permitted Liens; or

(r) the occurrence of the thirtieth (30th) day after the end of the fiscal quarter in which a breach of any covenant set forth in Sections 7.4, 7.5, 7.6 and 7.7 of the Credit Agreement shall occur unless prior to such date, such breach is cured or waived by the Deal Agent in the Deal Agent's sole discretion; or

(s) (i) Credit Acceptance shall fail to pay any principal of or premium or interest on any Material Debt, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material Debt; or any other default under any agreement or instrument relating to any Material Debt or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Material Debt; or any such Material Debt shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof or (ii) other than as specifically described in clauses (a) through (r) above, or (t) below, a breach or default shall occur under any agreement, contract or document to which the Borrower is a party; or

(t) Collections are less than 75.0% of Forecasted Collections for any three consecutive Collection Periods.

Section 10.2. Remedies.

(a) Upon the occurrence of a Termination Event (other than a Termination Event described in Section 10.1(i)), the Deal Agent may, or at the direction of the Required Investors, shall by notice to the Borrower declare the Termination Date to have occurred.

(b) Upon the occurrence of a Termination Event described in Section 10.1(i), the Termination Date shall automatically occur.

(c) Upon any Termination Date pursuant to this Section 10.2: (i) the rate on the Capital outstanding with respect to each Purchaser Group shall be equal to the applicable Yield Rate as described herein; (ii) the Deal Agent may, and shall at the direction of the Required Investors by delivery of a Servicer Termination Notice, terminate the Servicer; and (iii) the Deal Agent, may, and at the direction of the Required Investors, shall declare the entire outstanding principal amount of the Notes be immediately due and payable. The Deal Agent, the Collateral Agent and the Secured Parties shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided of a secured party under the UCC of each applicable jurisdiction and other applicable laws, which rights shall be cumulative.

(d) If the Notes have been declared due and payable pursuant to Section 10.2(c), the Collateral Agent may institute proceedings to collect amounts due, exercise remedies as a secured party (including foreclosure or sale of the Collateral (and each of the parties hereto hereby acknowledges and agrees that any such sale may, in the sole discretion of the Deal Agent be on a servicer released basis)) or elect to maintain the Collateral and continue to apply the proceeds from the Collateral as if there had been no declaration of acceleration.

(e) Upon the declaration of the Termination Date, the Borrower may not request and no Lender shall be required to effect any Funding.

ARTICLE XI
INDEMNIFICATION

Section 11.1. Indemnities by the Borrower.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify the Deal Agent, the Backup Servicer, the Collateral Agent, the Successor Servicer, the Liquidity Agents, the Secured Parties, and each of their respective Affiliates and officers, directors, members, employees and agents thereof (collectively, the "Indemnified Parties"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including attorneys' fees and disbursements (all of the foregoing being collectively referred to as the "Indemnified Amounts") awarded against or incurred by such Indemnified Party or other non-monetary damages of any such Indemnified Party any of them arising out of or as a result of this Agreement or the financing or maintenance of the Capital or in respect of any Loan or any Contract, excluding, however, (a) Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party or (b) Indemnified Amounts that have the effect of recourse for non-payment of the Loans due to credit problems of

the Obligors (except as otherwise specifically provided in this Agreement). If the Borrower has made any indemnity payment pursuant to this Section 11.1 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts then, the recipient shall repay to the Borrower an amount equal to the amount it has collected from others in respect of such indemnified amounts. Without limiting the foregoing, the Borrower shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from:

(i) any Contract or Loan treated as or represented by Credit Acceptance to be an Eligible Dealer Loan Contract or Eligible Loan that is not at the applicable time an Eligible Dealer Loan Contract or Eligible Loan;

(ii) reliance on any representation or warranty made or deemed made by the Borrower or any of its officers under or in connection with this Agreement, which shall have been false or incorrect in any respect when made or deemed made or delivered;

(iii) the failure by the Borrower to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law, with respect to any Loan, Dealer Agreement, Purchase Agreement, any Contract, or the nonconformity of any Loan, Dealer Agreement, Purchase Agreement or Contract with any such Applicable Law;

(iv) the failure to vest and maintain vested in the Collateral Agent for the Secured Parties a first priority perfected security interest in the Collateral, together with all Collections, free and clear of any Lien whether existing at the time of any Funding or at any time thereafter;

(v) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Laws with respect to the Collateral, whether at the time of the Funding or at any subsequent time;

(vi) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Loan or Contract (including, without limitation, a defense based on such Loan or Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms);

(vii) any failure of the Borrower to perform its duties or obligations in accordance with the provisions of this Agreement or any failure by the Borrower to perform its respective duties under the Loans;

(viii) the failure by Borrower to pay when due any Taxes for which the Borrower is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Collateral;

(ix) any repayment by the Deal Agent, any Liquidity Agent or a Secured Party of any amount previously distributed in reduction of Capital or payment of Yield or any other amount due hereunder or under any Hedging Agreement, in each case which amount the Deal Agent, any Liquidity Agent or a Secured Party believes in good faith is required to be repaid;

(x) the commingling of Collections of the Collateral at any time with other funds;

(xi) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of the Funding or the funding of or maintenance of Capital or in respect of any Loan or Contract;

(xii) any failure by the Borrower to give reasonably equivalent value to the Originator in consideration for the transfer by the Originator to the Borrower of the Loans, Related Security or any portion thereof or any attempt by any Person to void or otherwise avoid any such transfer under any statutory provision or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code;

(xiii) the use of the Proceeds of any Funding; or

(xiv) the failure of the Borrower or any of its agents or representatives to remit to the Servicer, the Deal Agent, the Collateral Agent or any other Secured Party, any Collections of the Collateral remitted to the Borrower or any such agent or representative.

(b) Any amounts subject to the indemnification provisions of this Section 11.1 shall be paid by the Borrower to the relevant Indemnified Party on the earlier of the next Payment Date or 5 Business Days following demand therefor.

(c) The obligations of the Borrower under this Section 11.1 shall survive the resignation or removal of the Deal Agent, the Collateral Agent, the Servicer, the Successor Servicer, any Liquidity Agent, any Lender or the Backup Servicer or the termination of this Agreement.

Section 11.2. Indemnities by the Servicer.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Servicer hereby agrees to indemnify each Indemnified Party, forthwith on demand, from and against any and all Indemnified Amounts awarded against or incurred by any such Indemnified Party by reason of any acts, omissions or alleged acts or omissions of the Servicer, including, but not limited to: (i) any representation or warranty made by the Servicer under or in connection with any Transaction Document, any Monthly Report or any other information or report delivered by or on behalf of the Servicer pursuant hereto, which shall have been false, incorrect or misleading in any respect (or if the Backup Servicer becomes the Successor Servicer hereunder, in any material respect) when made or deemed made; (ii) the failure by the Servicer to comply with any Applicable Law; (iii) the failure of the Servicer to comply with its duties or obligations in accordance with the Agreement or any other Transaction

Document to which it is a party; (iv) any litigation, proceedings or investigation against the Servicer; (v) the commingling of Collections at any time with other funds; or (vi) the failure of the Servicer or any of its agents or representatives to remit to the Collection Account, Deal Agent or Collateral Agent any Collections or Proceeds of the Collateral. The provisions of this indemnity shall run directly to and be enforceable by an Indemnified Party subject to the limitations hereof.

(b) Any amounts subject to the indemnification provisions of this Section 11.2 shall be paid by the Servicer to the relevant Indemnified Party within five (5) Business Days following such Person's demand therefor.

(c) The Servicer shall have no liability for making indemnification hereunder to the extent any such indemnification constitutes recourse for uncollectible Contracts.

(d) The obligations of the Servicer under this Section 11.2 shall survive the resignation or removal of the Deal Agent, the Collateral Agent, the Servicer, the Successor Servicer, any Liquidity Agent, any Lender or the Backup Servicer and the termination of this Agreement.

(e) Any indemnification pursuant to this Section 11.2 shall not be payable from the Collateral.

Section 11.3. After-Tax Basis. Indemnification under Sections 11.1 and 11.2 shall be in an amount necessary to make the Indemnified Party whole after taking into account any tax consequences to the Indemnified Party of the receipt of the indemnity provided hereunder, including the effect of such tax or refund on the amount of tax measured by net income or profits that is or was payable by the Indemnified Party.

ARTICLE XII THE DEAL AGENT AND THE LIQUIDITY AGENTS

Section 12.1. Authorization and Action.

(a) Each Secured Party hereby designates and appoints Fifth Third as Deal Agent hereunder, and authorizes the Deal Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Deal Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto; provided, that the Deal Agent shall not have the power or authority to sign any document in the name of RFC. The Deal Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Deal Agent shall be read into this Agreement or otherwise exist for the Deal Agent. In performing its functions and duties hereunder, the Deal Agent shall act solely as agent for the Secured Parties and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns. The Deal Agent shall not be required to take any action that exposes the Deal Agent to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of the Deal Agent hereunder shall terminate upon the indefeasible payment in full of the Aggregate Unpaid.

(b) Each Investor hereby designates and appoints the Person identified as such on the signature pages hereto or in its Joinder, as Liquidity Agent hereunder for such Investor's Purchaser Group, and authorizes such Liquidity Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Liquidity Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto; provided, that the Liquidity Agent shall not have the power or authority to sign any document in the name of RFC. The Liquidity Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Investor, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Liquidity Agent shall be read into this Agreement or otherwise exist for the Liquidity Agent. In performing its functions and duties hereunder, each Liquidity Agent shall act solely as agent for the Investors in its Purchaser Group and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns or any other Investor or Purchaser Group. The Liquidity Agent shall not be required to take any action that exposes the Liquidity Agent to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of the Liquidity Agent hereunder shall terminate upon the indefeasible payment in full of the Aggregate Unpaid.

(c) Each Secured Party hereby designates and appoints Fifth Third as Collateral Agent hereunder, and authorizes the Collateral Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto; provided, that the Collateral Agent shall not have the power or authority to sign any document in the name of RFC. The Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Collateral Agent shall be read into this Agreement or otherwise exist for the Collateral Agent. In performing its functions and duties hereunder, the Collateral Agent shall act solely as agent for the Secured Parties and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns. The Collateral Agent shall not be required to take any action that exposes the Collateral Agent to personal liability or that is contrary to this Agreement or Applicable Law. The appointment and authority of the Collateral Agent hereunder shall terminate upon the indefeasible payment in full of the Aggregate Unpaid.

Section 12.2. Delegation of Duties.

(a) The Deal Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Deal Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(b) Each Liquidity Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. No Liquidity Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(c) The Collateral Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 12.3. Exculpatory Provisions.

(a) Neither the Deal Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Borrower to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. The Deal Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower. The Deal Agent shall not be deemed to have knowledge of any Amortization Event, Unmatured Termination Event, Termination Event or Servicer Termination Event unless the Deal Agent has received notice from the Borrower or a Secured Party.

(b) No Liquidity Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to the Deal Agent or any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Borrower to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. No Liquidity Agent shall be under any obligation to the Deal Agent or any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower. No Liquidity Agent shall be deemed to have knowledge of any Amortization Event, Unmatured Termination Event, Termination Event unless such Liquidity Agent has received notice from the Borrower, the Deal Agent or a Secured Party.

(c) Neither the Collateral Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement (except for its, their or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower contained in this Agreement or in any certificate, report, statement or other document referred to or provided for

in, or received under or in connection with, this Agreement for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document furnished in connection herewith, or for any failure of the Borrower to perform its obligations hereunder, or for the satisfaction of any condition specified in Article III. The Collateral Agent shall not be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower. The Collateral Agent shall not be deemed to have knowledge of any Amortization Event, Unmatured Termination Event, Termination Event or Servicer Termination Event unless the Collateral Agent has received notice from the Borrower or a Secured Party.

Section 12.4. Reliance.

(a) The Deal Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Deal Agent. The Deal Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of RFC or the Required Investors or any of the Secured Parties, as applicable, as it deems appropriate or it shall first be indemnified to its satisfaction by the Secured Parties, provided that unless and until the Deal Agent shall have received such advice, the Deal Agent may take or refrain from taking any action, as the Deal Agent shall deem advisable and in the best interests of the Secured Parties. The Deal Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of RFC or the Required Investors or any of the Secured Parties, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties.

(b) Each Liquidity Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by such Liquidity Agent. Each Liquidity Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of its related Investors as it deems appropriate or it shall first be indemnified to its satisfaction by its related Investors, provided that unless and until such Liquidity Agent shall have received such advice, such Liquidity Agent may take or refrain from taking any action, as such Liquidity Agent shall deem advisable and in the best interests of its related Investors. Each Liquidity Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of its related Investors and such request and any action taken or failure to act pursuant thereto shall be binding upon all the related Investors.

(c) The Collateral Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and

statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other document furnished in connection herewith unless it shall first receive such advice or concurrence of the Required Investors or any of the Secured Parties, as applicable, as it deems appropriate or it shall first be indemnified to its satisfaction by the Secured Parties, provided that unless and until the Collateral Agent shall have received such advice, the Collateral Agent may take or refrain from taking any action, as the Collateral Agent shall deem advisable and in the best interests of the Secured Parties. The Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Required Investors or any of the Secured Parties, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties.

Section 12.5. Non-Reliance on Deal Agent, Liquidity Agents, Collateral Agent and Other Lenders. Each Secured Party expressly acknowledges that neither the Deal Agent, any Liquidity Agent, the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Deal Agent, any Liquidity Agent or the Collateral Agent hereafter taken, including, without limitation, any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Deal Agent, any Liquidity Agent or the Collateral Agent. Each Secured Party represents and warrants to the Deal Agent, each Liquidity Agent and the Collateral Agent that it has and will, independently and without reliance upon the Deal Agent, any Liquidity Agent, the Collateral Agent or any other Secured Party and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Borrower and made its own decision to enter into this Agreement or Hedging Agreement, as the case may be.

Section 12.6. Reimbursement and Indemnification. The Investors agree to reimburse and indemnify the Deal Agent, the related Liquidity Agent, the Collateral Agent and each of their respective officers, directors, employees, representatives and agents ratably according to their pro rata shares, to the extent not paid or reimbursed by the Borrower or the Servicer (i) for any amounts for which a Liquidity Agent, acting in its capacity as Liquidity Agent for its related Investors, the Deal Agent, acting in its capacity as Deal Agent, or the Collateral Agent, acting in its capacity as Collateral Agent is entitled to reimbursement by the Borrower hereunder and (ii) for any other expenses incurred by a Liquidity Agent, acting in its capacity as Liquidity Agent for its related Investors, the Deal Agent, in its capacity as Deal Agent or the Collateral Agent, acting in its capacity as Collateral Agent and acting on behalf of the Secured Parties, in connection with the administration and enforcement of this Agreement.

Section 12.7. Deal Agent, Liquidity Agents and Collateral Agent in their Individual Capacities. The Deal Agent, the Liquidity Agents, the Collateral Agent and each of their respective Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower or any Affiliate of the Borrower as though the Deal Agent, the Liquidity Agents or the Collateral Agent, as the case may be, were not the Deal Agent, a Liquidity Agent or the Collateral Agent, as the case may be, hereunder. With respect to each Funding pursuant to this Agreement, the Deal Agent, the Liquidity Agents, the Collateral Agent and each

of their respective Affiliates shall have the same rights and powers under this Agreement as any Lender and may exercise the same as though it were not the Deal Agent, a Liquidity Agent or the Collateral Agent, as the case may be, and the terms "Investor," "Lender," "Investors" and "Lenders" shall include the Deal Agent, the Collateral Agent or the Liquidity Agents, as the case may be, each in its individual capacity.

Section 12.8. Successor Deal Agent, Liquidity Agents or Collateral Agent.

(a) The Deal Agent may, upon 5 days' notice to the Borrower and the Secured Parties, resign as Deal Agent. If the Deal Agent shall resign, then RFC during such 5-day period may appoint a successor agent. If for any reason no successor Deal Agent is appointed by RFC during such 5-day period, then effective upon the expiration of such 5-day period, the Secured Parties other than RFC shall perform all of the duties of the Deal Agent hereunder and the Borrower shall make all payments in respect of the Aggregate Unpaid or under any fee letter delivered in connection herewith directly to the applicable Secured Party and for all purposes shall deal directly with each Secured Party. After any retiring Deal Agent's resignation hereunder as Deal Agent, the provisions of Article XI and Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Deal Agent under this Agreement.

(b) The Collateral Agent may, upon 5 days' notice to the Borrower and the Secured Parties, and the Collateral Agent will, upon the direction of all of the Secured Parties resign as Collateral Agent. If the Collateral Agent shall resign, then the Secured Parties, during such 5-day period shall appoint a successor agent. If for any reason no successor Collateral Agent is appointed by the Secured Parties during such 5-day period, then effective upon the expiration of such 5-day period, the Secured Parties shall perform all of the duties of the Collateral Agent hereunder and the Borrower shall make all payments in respect of the Aggregate Unpaid or under any fee letter delivered in connection herewith directly to the applicable Secured Party and for all purposes shall deal directly with each Secured Party. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, the provisions of Article XI and Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Agreement.

ARTICLE XIII
ASSIGNMENTS; PARTICIPATIONS

Section 13.1. Assignments and Participations.

(a) Each Investor may, with the express prior written consent of the Deal Agent (in its sole discretion) upon at least 30 days notice to its related CP Entity, the Deal Agent, the Collateral Agent, and the related Liquidity Agent, assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement; provided, however, that (i) each such assignment shall be of a constant, and not a varying percentage of all of the assigning Investor's rights and obligations under this Agreement; (ii) the amount of the Commitment of the assigning Investor being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than the lesser of (A) \$15,000,000 or an integral multiple of \$1,000,000 in excess of that amount and (B) the full amount of the assigning Investor's Commitment; (iii)

each such assignment shall be to an Eligible Assignee; (iv) the parties to each such assignment shall execute and deliver to the Deal Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with a processing and recordation fee of \$3,500 or such lesser amount as shall be approved by the Deal Agent; (v) the parties to each such assignment shall have agreed to reimburse the Deal Agent, the Liquidity Agents, the Collateral Agent and the CP Entities for all fees, costs and expenses (including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for each of the Deal Agent, the Liquidity Agents and the CP Entities) incurred by the Deal Agent, the Liquidity Agents, the Collateral Agent and the CP Entities, respectively, in connection with such assignment; and (vi) there shall be no increased costs, expenses or taxes incurred by the Deal Agent, the Liquidity Agents, the Collateral Agent or the CP Entities upon such assignment or participation. Upon such execution, delivery and acceptance by the Deal Agent, the Collateral Agent and the Liquidity Agents and the recording by the Deal Agent, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be the date of acceptance thereof by the Deal Agent, the Collateral Agent and the Liquidity Agents, unless a later date is specified therein, (i) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of an Investor hereunder and (ii) the Investor assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Investor's rights and obligations under this Agreement, such Investor shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Investor assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Investor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Investor makes no representation or warranty and assumes no responsibility with respect to the financial condition of its related CP Entity or any other CP Entity or the performance or observance by its related CP Entity or any other CP Entity of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of such financial statements and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Deal Agent, the Collateral Agent or the Liquidity Agents, such assigning Investor or any other Investor and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assigning Investor and such assignee confirm that such assignee is an Eligible Assignee; (vi) such assignee appoints and authorizes each of the Deal Agent, the Collateral Agent and the Liquidity Agents to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to such agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their

terms all of the obligations which by the terms of this Agreement are required to be performed by it as an Investor.

(c) The Deal Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to herein a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Investors and the Commitment of, and the Capital of the Funding (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and each CP Entity, the Borrower and the Investors may treat each Person whose name is recorded in the Register as an Investor hereunder for all purposes of this Agreement. The Register shall be available for inspection by each CP Entity, the Liquidity Agents or any Investor at any reasonable time and from time to time upon reasonable prior notice.

(d) Subject to the provisions of Section 13.1(a) (including receipt of Deal Agent's prior written consent), upon its receipt of an Assignment and Acceptance executed by an assigning Investor and an assignee, the Deal Agent, the Collateral Agent and the Liquidity Agents shall each, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit D hereto, accept such Assignment and Acceptance, and the Deal Agent shall then (i) record the information contained therein in the Register and (ii) give prompt notice thereof to each CP Entity.

(e) Each Investor may, with the express prior written consent of the Deal Agent (in its sole discretion) sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and its portion of the Funding and related Collateral); provided, however, that (i) such Investor's obligations under this Agreement (including, without limitation, its Commitment hereunder) shall remain unchanged; (ii) such Investor shall remain solely responsible to the other parties hereto for the performance of such obligations; and (iii) the Deal Agent and the other Investors shall continue to deal solely and directly with such Investor in connection with such Investor's rights and obligations under this Agreement. Notwithstanding anything herein to the contrary, each participant shall have the rights of an Investor (including any right to receive payment) under Sections 2.13 and 2.14; provided, however, that no participant shall be entitled to receive payment under either such Section in excess of the amount that would have been payable under such Section by the Borrower to the Investor granting its participation had such participation not been granted, and no Investor granting a participation shall be entitled to receive payment under either such Section in an amount that exceeds the sum of (i) the amount to which such Investor is entitled under such Section with respect to any portion of the Capital that is not subject to any participation plus (ii) the aggregate amount to which its participants are entitled under such Sections with respect to the amounts of their respective participations. With respect to any participation described in this Section 13.1, the participant's rights as set forth in the agreement between such participant and the applicable Investor to agree to or to restrict such Investor's ability to agree to any modification, waiver or release of any of the terms of this Agreement or to exercise or refrain from exercising any powers or rights that such Investor may have under or in respect of this Agreement shall be limited to the right to consent to any of the matters set forth in Section 14.1 of this Agreement.

(f) Each Investor may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 13.1, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower or its related CP Entity furnished to such Investor by or on behalf of the Borrower or its related CP Entity.

(g) [Reserved].

(h) Nothing herein shall prohibit any Investor from pledging or assigning as collateral any of its rights under this Agreement to any Federal Reserve Bank in accordance with Applicable Law and any such pledge or collateral assignment may be made without compliance with Section 13.1(a) or Section 13.1(b).

(i) In the event any Investor causes increased costs, expenses or taxes to be incurred by the Deal Agent, Liquidity Agents, the Collateral Agent or the CP Entities in connection with the assignment or participation of such Investor's rights and obligations under this Agreement to an Eligible Assignee, then such Investor agrees that it will make reasonable efforts to assign such increased costs, expenses or taxes to such Eligible Assignee in accordance with the provisions of this Agreement.

(j) Notwithstanding anything herein or in any other Transaction Document to the contrary, each Investor and each CP Entity, may at any time (and without any prior notices to or consents from any other Person) assign, or grant a security interest in or sell a participation interest or other interest in all or a portion of its right and obligations under this Agreement to its Liquidity Agent, any related Liquidity Bank, the Bridge Loan Lender or any other commercial paper conduit or similar financing vehicle sponsored, or to whom liquidity and credit enhancement is provided, by such Liquidity Agent, Liquidity Banks or Bridge Loan Lender. The parties to any such assignment, grant or sale of participation interest, shall execute and deliver to the related Liquidity Agent, for its acceptance and recording in its books and records, such agreement or document as may be satisfactory to such parties and the related Liquidity Agent. The Borrower agrees that any such Liquidity Agent, Liquidity Bank or the Bridge Loan Lender, as applicable, that has been assigned or sold all or a portion of its right and obligations of any CP Entity or Investor hereunder shall (in addition to any rights it may already have in the case of any Advance or portion thereof funded by it at any time hereunder) have all of the rights and benefits of a Lender hereunder.

(k) Notwithstanding anything herein or in any other Transaction Document to the contrary, but subject to Section 13.1(j), no Person or group of Persons (who is not as of the Closing Date already a party hereto or any related Liquidity Agreement) shall become a party to this Agreement as Lender, CP Entity, Liquidity Agent, Investor or Liquidity Bank (through assignment, participation, Joinder or otherwise) without, in any such case, the express prior written consent of the Deal Agent (in its sole discretion).

ARTICLE XIV MISCELLANEOUS

Section 14.1. Amendments and Waivers.

(a) Except as provided in this Section 14.1, no amendment, waiver or other modification of any provision of this Agreement shall be effective without the written agreement of the Borrower, the Deal Agent, the Collateral Agent and the Required Investors; provided, however, that no such amendment, waiver or modification shall affect the rights or obligations of any Hedge Counterparty or the Backup Servicer without the written agreement of such Person. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) No amendment, waiver or other modification of this Agreement shall:

(i) without the consent of each affected Lender, (A) extend the Commitment Termination Date or the date of any payment or deposit of Collections by the Borrower or the Servicer, (B) reduce the rate or extend the time of payment of Yield (or any component thereof), (C) reduce any fee payable to the Deal Agent for the benefit of the Lenders, (D) except pursuant to Article XIII hereof, change the amount of the Capital of any Lender, an Investor's pro rata share or an Investor's Commitment, (E) amend, modify or waive any provision of the definition of "Required Investors", Section 13.1(j), this Section 14.1(b), Section 14.10 or Section 14.11, (F) consent to or permit the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement, (G) increase the obligations of any CP Entity or (H) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (F) above in a manner that would circumvent the intention of the restrictions set forth in such clauses, including, without limitation, the definitions of "Additional Entity", "Breakage Costs", "Commercial Paper Notes", "CP Entity", "CP Rate", "Eligible Assignee", "Liquidity Agreement", "Liquidity Bank" or "Yield Rate";

(ii) without the written consent of the Deal Agent or the Collateral Agent, as applicable, amend, modify or waive any provision of this Agreement if the effect thereof is to affect the rights or duties of the Deal Agent or the Collateral Agent, as applicable; or

(iii) without the consent of the Deal Agent, amend or modify (A) Section 10.1, (B) the definitions of "Amortization Event," "Eligible Dealer Agreement," "Hedging Agreement," "Net Advance Rate," "Initial Facility Limit," "Termination Date" and "Required Reserve Account Amount" as set forth in Section 1.1, (C) Section 2.7(a) or (D) Section 5.3.

(c) Notwithstanding the foregoing provisions of this Section 14.1, without the consent of the Investors, the Deal Agent may, with the consent of the Borrower amend this Agreement solely to add additional Persons as Investors hereunder. Any modification or waiver shall apply to each of the Lenders equally and shall be binding upon the Borrower, the Lenders, the Collateral Agent and the Deal Agent.

Section 14.2. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telex communication and communication by facsimile copy) and mailed, telexed, transmitted or delivered, as to each party hereto, at its address set forth under its name on the signature pages hereof, in the Joinder related

to such party or specified in such party's Assignment and Acceptance, as the case may be, or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (b) notice by telex, when telexed against receipt of answer back, or (c) notice by facsimile copy, when verbal communication of receipt is obtained, except that notices and communications pursuant to Article XIV shall not be effective until received with respect to any notice sent by mail or telex; provided, that in the case of RFC, notices are effective only when received by RFC.

Section 14.3. Ratable Payments. If any Secured Party, whether by setoff or otherwise, has payment made to it with respect to any portion of the Aggregate Unpaid owing to such Secured Party (other than payments received pursuant to Section 11.1) in a greater proportion than that received by any other Secured Party, such Secured Party agrees, promptly upon demand, to deliver such excess to the other Secured Parties (ratably) so that following such delivery each Secured Party will hold its ratable proportion of the Aggregate Unpaid.

Section 14.4. No Waiver; Remedies. No failure on the part of the Deal Agent, the Collateral Agent, the Backup Servicer or a Secured Party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

Section 14.5. Binding Effect; Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Deal Agent, the Backup Servicer, the Collateral Agent, the Secured Parties and their respective successors and permitted assigns and, in addition, the provisions of 2.7(a)(i) and 2.7(a)(xii) shall inure to the benefit of each Hedge Counterparty, whether or not that Hedge Counterparty is a Secured Party.

Section 14.6. Term of this Agreement. This Agreement, including, without limitation, the Borrower's representations, warranties and covenants set forth in Articles IV and V, and the Servicer's representations, warranties and covenants set forth in Articles V and VI hereof, create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Collection Date; provided, however, that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by the Borrower or Servicer pursuant to Articles III and IV and the indemnification and payment provisions of Article XI and Article XII and the provisions of Section 14.10 and Section 14.11 shall be continuing and shall survive any termination of this Agreement.

Section 14.7. Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AND EACH HEDGE COUNTERPARTY HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO AND EACH SECURED PARTY HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY

OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

Section 14.8. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO AND EACH HEDGE COUNTERPARTY HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

Section 14.9. Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted to the Deal Agent, the Liquidity Agents, the Backup Servicer, the Collateral Agent, the Secured Parties and its or their Affiliates and officers, directors, employees and agents thereof under Article XI hereof, the Borrower agrees to pay on demand all costs and expenses of the Deal Agent, the Liquidity Agents, the Backup Servicer, the Collateral Agent and the Secured Parties incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), amendment or modification of, or any waiver or consent issued in connection with, this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (excluding any Hedging Agreement), including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Deal Agent, the Liquidity Agents, the Backup Servicer, the Collateral Agent and the Secured Parties with respect thereto and with respect to advising the Deal Agent, the Liquidity Agents, the Backup Servicer, the Collateral Agent and the Secured Parties as to their respective rights and remedies under this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (excluding any Hedging Agreement), and all costs and expenses, if any (including reasonable counsel fees and expenses), incurred by the Deal Agent, the Liquidity Agents, the Backup Servicer, the Collateral Agent or the Secured Parties in connection with the enforcement of this Agreement, the other Transaction Documents and the other documents to be delivered hereunder or thereunder, or in connection herewith or therewith (including any Hedging Agreement).

(b) The Borrower shall pay on demand any and all stamp, sales, excise and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the other Transaction Documents, the other documents to be delivered hereunder or any agreement or other document providing liquidity support, credit enhancement or other similar support to the Lender in connection with this Agreement or the funding or maintenance of any Funding hereunder.

(c) The Borrower shall pay on demand all other costs, expenses and Taxes (excluding income taxes, imposed on such Person by the jurisdiction under the laws of which such Person is organized) incurred by any Secured Party or any shareholder of such Secured

Party (“Other Costs”), including, without limitation, all costs and expenses incurred by the Deal Agent in connection with periodic audits of the Borrower’s or the Servicer’s books and records and, in the case of any Lender, the cost of rating such Lender’s (or its related funding source’s) commercial paper with respect to financing any Advance hereunder by independent financial rating agencies.

Section 14.10. No Petition.

(a) Each of the parties hereto and each Hedge Counterparty (by accepting the benefits of this Agreement) hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper Notes or other indebtedness of each CP Entity, it will not institute against or join any other Person in instituting against such CP Entity any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The agreements set forth in this Section 14.10 and the parties’ respective obligations under this Section 14.10 shall survive the termination of this Agreement.

(b) Each of the parties hereto (other than the Deal Agent and each CP Entity) hereby agrees that it will not institute against, or join any other Person in instituting against the Borrower any Insolvency Proceeding so long as there shall not have elapsed one year and one day since the Collection Date.

Section 14.11. Recourse Against Certain Parties.

(a) No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of any Secured Party as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any administrator of such Secured Party or any incorporator, affiliate, stockholder, officer, employee or director of such Secured Party or of any such administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of such Secured Party contained in this Agreement and all of the other agreements, instruments and documents entered into by it pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of such Secured Party, and that no personal liability whatsoever shall attach to or be incurred by any administrator of such Secured Party or any incorporator, stockholder, affiliate, officer, employee or director of such Secured Party or of any such administrator, as such, or any other of them, under or by reason of any of the obligations, covenants or agreements of such Secured Party contained in this Agreement or in any other such instruments, documents or agreements, or that are implied therefrom, and that any and all personal liability of every such administrator of such Secured Party and each incorporator, stockholder, affiliate, officer, employee or director of such Secured Party or of any such administrator, or any of them, for breaches by such Secured Party of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement. The provisions of this Section 14.11 shall survive the termination of this Agreement.

(b) No CP Entity shall have any obligation to pay any amounts owing hereunder unless and until such CP Entity has received such amounts pursuant to the Capital and such amounts are not necessary to pay outstanding Commercial Paper Notes or other outstanding indebtedness of such CP Entity. In addition, each party hereto hereby agrees that no liability or obligation of any CP Entity hereunder for fees, expenses or indemnities shall constitute a claim (as defined in Section 101 of Title 11 of the United States Bankruptcy Code) against such CP Entity unless such CP Entity has received cash from the Capital sufficient to pay such amounts, and such amounts are not necessary to pay outstanding Commercial Paper Notes or other indebtedness of such CP Entity. The agreements set forth in this Section 14.11 and the parties' respective obligations under this Section 14.11 shall survive the termination of this Agreement.

Section 14.12. Protection of Right, Title and Interest in Assets; Further Action Evidencing the Funding.

(a) Each of the Borrower and Credit Acceptance shall cause this Agreement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of the Deal Agent and/or the Collateral Agent, as applicable, as agent for the Secured Parties and of the Secured Parties to the Assets to be promptly recorded, registered and 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 Deal Agent and/or the Collateral Agent, as applicable, as agent for the Secured Parties hereunder to all property comprising the Assets. Each of the Borrower and Credit Acceptance shall deliver to the Deal Agent file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. The Borrower shall cooperate fully with Credit Acceptance in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 14.12(a).

(b) Each of the Borrower and the Servicer agrees that from time to time, at its expense (or if the Backup Servicer becomes the Successor Servicer hereunder, at the expense of the Borrower), it will promptly execute and deliver all instruments and documents, and take all actions, that the Deal Agent may reasonably request in order to perfect, protect or more fully evidence the Funding hereunder, or to enable the Deal Agent or the Secured Parties to exercise and enforce their rights and remedies hereunder or under any Transaction Document.

(c) If the Borrower or the Servicer fails to perform any of its obligations hereunder, the Deal Agent or any Secured Party may (but shall not be required to) perform, or cause performance of, such obligation; and the Deal Agent's or such Secured Party's costs and expenses incurred in connection therewith shall be payable by the Borrower (if the Servicer that fails to so perform is the Borrower or an Affiliate thereof) as provided in Article XI, as applicable. The Borrower irrevocably authorizes the Deal Agent and appoints the Deal Agent as its attorney-in-fact to act on behalf of the Borrower (i) to execute on behalf of the Borrower as debtor and to file financing statements necessary or desirable in the Deal Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Secured Parties in the Assets and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Assets as a financing statement in such offices as the Deal Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection

and priority of the interests of the Secured Parties in the Assets. This appointment is coupled with an interest and is irrevocable.

(d) Without limiting the generality of the foregoing, each of the Borrower and Credit Acceptance will, not earlier than six (6) months and not later than three (3) months prior to the fifth anniversary of the date of filing of the financing statement referred to in Section 3.1 or any other financing statement filed pursuant to this Agreement or in connection with the Funding hereunder, unless the Collection Date shall have occurred:

(i) execute and deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement; and

(ii) deliver or cause to be delivered to the Deal Agent an opinion of the counsel for Borrower, in form and substance reasonably satisfactory to the Deal Agent, confirming and updating the opinion delivered pursuant to Section 3.1 with respect to perfection and priority and otherwise to the effect that the grant of the security interest in the Collateral hereunder continues to be an enforceable and perfected first priority security interest, subject to no other Liens of record except as provided herein or otherwise permitted hereunder, which opinion may contain usual and customary assumptions, limitations and exceptions.

Section 14.13. Confidentiality; Tax Treatment Disclosure.

(a) Each of the Deal Agent, the Secured Parties, the Liquidity Agents, the Servicer, the Collateral Agent, the Backup Servicer and the Borrower shall maintain and shall cause each of its employees and officers to maintain the confidentiality of the Agreement and all information with respect to the other parties, including all information regarding the business of the Borrower and the Servicer hereto and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that each such party and its officers and employees may (i) disclose such information to its external accountants, attorneys, investors, potential investors and the agents of such Persons ("Excepted Persons"), provided, however, that each Excepted Person shall be advised that such information shall be used solely in connection with such Excepted Person's evaluation of, or relationship with, the Borrower and its affiliates, (ii) disclose the existence of the Agreement, but not the financial terms thereof, (iii) disclose such information as is required by the Transaction Documents or Applicable Law and (iv) disclose the Agreement and such information in any suit, action, proceeding or investigation (whether in law or in equity or pursuant to arbitration) involving any of the Transaction Documents or any Hedging Agreement for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies, or interests under or in connection with any of the Transaction Documents or any Hedging Agreement. It is understood that the financial terms that may not be disclosed except in compliance with this Section 14.13(a) include, without limitation, all fees and other pricing terms, and all Termination Events, Servicer Termination Events, and priority of payment provisions

(b) Anything herein to the contrary notwithstanding, each of the Borrower and the Servicer hereby consents to the disclosure of any nonpublic information with respect to it and

the Transaction Documents (i) to the Deal Agent, the Liquidity Agents, the Collateral Agent, the Backup Servicer or the Secured Parties by each other, (ii) by the Deal Agent or any Lender to any prospective or actual assignee or participant of any of them or (iii) by the Deal Agent, the Collateral Agent, any Liquidity Agent or a Lender to any Rating Agency, commercial paper dealer, investor with respect to Commercial Paper Notes or provider of a surety, guaranty or credit or liquidity enhancement to a Lender and to any officers, directors, members, employees, outside accountants and attorneys of any of the foregoing, provided each such Person is informed of the confidential nature of such information. In addition, the Secured Parties, the Liquidity Agents, the Backup Servicer and the Deal Agent may disclose any such nonpublic information as required pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(c) Notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known or known to any party hereto as a result of disclosure by any third party not bound by any obligation of confidentiality, (ii) disclosure of any and all information (A) if required to do so by any applicable statute, law, rule or regulation, (B) to any government agency or regulatory body having or claiming authority to regulate or oversee any respects of the Collateral Agent's, Deal Agent's, any Liquidity Agent's, any Liquidity Bank's, or Backup Servicer's business or that of their affiliates, (C) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which the Deal Agent, Collateral Agent, Backup Servicer, any Secured Party or an affiliate or an officer, director, employer or shareholder thereof is a party, (D) in any preliminary or final offering circular, registration statement or contract or other document pertaining to the transactions contemplated herein approved in advance by the Borrower or Servicer or (E) to any affiliate, independent or internal auditor, agent, employee or attorney of the Deal Agent, Collateral Agent, Backup Servicer, any Secured Party having a need to know the same, provided that such Person advises such recipient of the confidential nature of the information being disclosed, or (iii) any other disclosure authorized by the Transaction Documents or the Borrower or Servicer.

(d) Notwithstanding anything herein to the contrary, any party to this Agreement (and any employee, representative or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure; provided, however, that such disclosure may not be made to the extent required to be kept confidential to comply with any applicable federal or state securities laws; and provided further that (to the extent not inconsistent with the foregoing) such disclosure shall be made without disclosing the names or other identifying information of any party.

Section 14.14. Execution in Counterparts; Severability; Integration. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in

any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement and any agreements or letters (including fee letters) executed in connection herewith contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings other than any fee letter delivered by the Originator to the Deal Agent and the Lenders.

Section 14.15. Waiver of Setoff. Each of the parties thereto (other than each CP Entity, as to itself) hereby waives any right of setoff it may have or to which it may be entitled under this Agreement from time to time against any CP Entity or its assets.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE BORROWER:

CAC WAREHOUSE FUNDING III, LLC

By: /s/ Douglas W. Busk

Name: Douglas W. Busk

Title: Treasurer

CAC Warehouse Funding III, LLC

Silver Triangle Building

25505 West Twelve Mile Road

Southfield, Michigan 48034-8339

Attention: Douglas W. Busk

Facsimile No. 248-827-8542

Confirmation No.: 248-353-2700 (ext. 4432)

THE SERVICER:

CREDIT ACCEPTANCE CORPORATION

By: /s/ Douglas W. Busk

Name: Douglas W. Busk

Title: Treasurer

Silver Triangle Building

25505 West Twelve Mile Road

Southfield, Michigan 48034-8339

Attention: Douglas W. Busk

Facsimile No. 248-847-8542

Confirmation No.: 248-353-2700 (ext. 4432)

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE INVESTOR FOR THE FIFTH THIRD PURCHASER GROUP:

FIFTH THIRD BANK

By: /s/ Brian Gardner
Name: Brian Gardner
Title: Vice President

Fifth Third Bank
38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Brian Gardner
Facsimile No.: (513) 534-0319
Confirmation No: (513) 534-7949

RFC:

RELATIONSHIP FUNDING COMPANY, LLC

By: /s/ R. Scott Chisholm
Name: R. Scott Chisholm
Title: Authorized Signer

Relationship Funding Company, LLC
227 West Monroe, Suite 4900
Chicago, Illinois 60606
Attention: Operations
Facsimile No.: (312) 977-1967
Confirmation No: (312) 977-1699

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE DEAL AGENT:

FIFTH THIRD BANK

By: /s/ Brian Gardner
Name: Brian Gardner
Title: Vice President

Fifth Third Bank
38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Brian Gardner
Facsimile No.: (513) 534-0319
Confirmation No: (513) 534-7949

THE LIQUIDITY AGENT FOR THE FIFTH
THIRD PURCHASER GROUP: FIFTH THIRD BANK

By: /s/ Brian Gardner
Name: Brian Gardner
Title: Vice President

Fifth Third Bank
38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Brian Gardner
Facsimile No.: (513) 534-0319
Confirmation No: (513) 534-7949

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

THE COLLATERAL AGENT:

FIFTH THIRD BANK, as Collateral Agent

By: /s/ Brian Gardner

Name: Brian Gardner

Title: Vice President

Fifth Third Bank
38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Brian Gardner
Facsimile No.: (513) 534-0319
Confirmation No: (513) 534-7949

THE BACKUP SERVICER:

SYSTEMS & SERVICES TECHNOLOGIES, INC., as Backup
Servicer

By: /s/ Joshua Gindin

Name: Joshua Gindin

Title: Secretary

Systems & Services Technologies, Inc.
4315 Pickett Road
St. Joseph, MO 64503
Attention:
John Chappell, President,
Joseph Booz, EVP/General Counsel

with a copy to NCO Group, Inc.
507 Prudential Road
Horsham, Pennsylvania 19044
Attn: Joshua Gindin, EVP/General Counsel

Facsimile: (816) 671-2029

Telephone: (816) 671-2022; (816) 671-2028

FORM OF FUNDING NOTICE

Reference is made to the Loan and Security Agreement, dated as of May ___, 2008 (as amended, supplemented or otherwise modified and in effect from time to time, the "Agreement"), by and among CAC Warehouse Funding III, LLC, as borrower (in such capacity, the "Borrower"), Credit Acceptance Corporation, as servicer (in such capacity, the "Servicer"), Relationship Funding Company, LLC ("RFC") as Lenders, the Investors named therein, Fifth Third Bank, as Liquidity Agent, Fifth Third Bank, as Deal Agent and Collateral Agent, Systems & Services Technologies, Inc., as the Backup Servicer and each other CP Entity, Investor and Liquidity Agent party thereto. Terms defined in the Agreement, or incorporated therein by reference, are used herein as therein defined.

(A) Funding Request. The Borrower hereby requests the Funding pursuant to Section 2.1 and Section 2.3 of the Loan Agreement.

(B) Funding Information. The Funding shall (a) take place on [_____] and (b) shall be in an amount equal to \$[_____]. Each Purchaser Group's pro rata share of the Funding shall be: [(i) _____; and (ii) _____.]

(C) Representations. The Borrower hereby represents and warrants that (i) all conditions precedent to the Funding described in Article III of the Agreement have been satisfied and (ii) no Termination Event or Unmatured Termination Event shall have occurred. This Funding Notice has been made in accordance with the provisions of Section 2.1(a) and Section 2.3 of the Agreement.

(D) Irrevocable. This Funding Notice shall be irrevocable.

(E) Governing Law. This Funding Notice shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Funding Notice to be duly executed and delivered by its duly authorized officer as of the date first above written.

CAC Warehouse Funding III, LLC

By: _____

Name:

Title:

A-2

Form of Assignment and Acceptance

B-1

FORM OF ASSIGNMENT AND ACCEPTANCE

Dated _____, 20_____

Reference is made to the Loan and Security Agreement dated as of May 23, 2008 (as amended or modified from time to time, the "Agreement") among CAC Warehouse Funding III, LLC, as borrower (the "Borrower"), Credit Acceptance Corporation, as servicer (the "Servicer"), the investors named therein, Relationship Funding Company, LLC, as a lender, Fifth Third Bank, as deal agent collateral agent, as liquidity agent (the "Deal Agent", "Collateral Agent" and the "Liquidity Agent"), Systems & Services Technologies, Inc., as backup servicer, and each other CP Entity, Investor and Liquidity Agent party thereto. Terms defined in the Agreement are used herein with the same meaning.

_____(the "Assignor") and _____(the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Agreement as of the date hereof which represents the percentage interest specified in Section 1 of Schedule 1 of all outstanding rights and obligations of the Assignor under the Agreement, including, without limitation, such interest in the Investor's Commitment of the Assignor and the Advance made by the Assignor. After giving effect to such sale and assignment, the Investor's Commitment and the amount of the Capital made by the Assignee will be as set forth in Section 2 of Schedule 1.

2. The Assignor: (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any Adverse Claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of [its related CP Entity] or the performance or observance by [its related CP Entity] of any of its obligations under the Agreement or any other instrument or document furnished pursuant thereto; and (iv) confirms that the Assignee is an Eligible Assignee.

3. The Assignee: (i) confirms that it has received a copy of the Agreement, together with copies of such financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Deal Agent, the Liquidity Agents, the Collateral Agent, the Assignor or any other Investor and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Deal Agent, the Collateral Agent and the related Liquidity Agent each to take such action as agent on its behalf and to exercise such

powers under the Agreement as are delegated to the Deal Agent and the related Liquidity Agent, respectively, by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Agreement are required to be performed by it as an Investor; and (vi) agrees and acknowledges that the Assignee, as Investor and Secured Party is bound by the confidentiality provisions of Section 14.13 of the Agreement.

4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to each of the Deal Agent, the Collateral Agent and the related Liquidity Agent for acceptance and recording by the Deal Agent. The effective date of this Assignment and Acceptance (the "Assignment Date") shall be the date of acceptance thereof by the Deal Agent and the related Liquidity Agent, unless a later date is specified in Section 3 of Schedule 1.

5. Upon such acceptance by the Deal Agent, the Collateral Agent and the related Liquidity Agent and upon such recording by the Deal Agent, as of the Assignment Date, (i) the Assignee shall be a party to the Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of an Investor thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Agreement.

6. Upon such acceptance by the related Liquidity Agent and upon such recording by the Deal Agent, from and after the Assignment Date, the Deal Agent, the Collateral Agent and the related Liquidity Agent shall make, or cause to be made, all payments under the Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and Facility Fee with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Agreement for periods prior to the Assignment Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. Each of the parties hereto and each Hedge Counterparty (by accepting the benefits of this Agreement) hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper Notes or other indebtedness of each CP Entity, it will not institute against or join any other Person in instituting against such CP Entity any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceedings under the laws of the United States or any state of the United States. This agreement set forth in this part 8 and the parties' respective obligations under this part 8 shall survive the termination of this Assignment and Acceptance.

9. No CP Entity shall have any obligation to pay any amounts owing hereunder unless and until such CP Entity has received such amounts pursuant to the Capital and such amounts are not necessary to pay outstanding Commercial Paper Notes or other outstanding indebtedness of such CP Entity. In addition, each party hereto hereby agrees that no liability or obligation of any CP Entity hereunder for fees, expenses or indemnities shall constitute a claim (as defined in Section 101 of Title 11 of the United States Bankruptcy Code) against such CP

Entity unless such CP Entity has received cash from the Capital sufficient to pay such amounts, and such amounts are not necessary to pay outstanding Commercial Paper Notes or other indebtedness of such CP Entity. The agreements set forth in this part 9 and the parties' respective obligations under this part 9 shall survive the termination of this Assignment and Acceptance.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

[ASSIGNOR]

By: _____
Name: _____
Title: _____

Address for notices

[Address]

[ASSIGNEE]

By: _____
Name: _____
Title: _____

Address for notices

[Address]

Acknowledged and accepted this _____ day of

_____.

[_____],

as Liquidity Agent for the [_____] Purchaser Group

By: _____
Name: _____
Title: _____

Consented and agreed this _____ day of

_____.

FIFTH THIRD BANK,
as Deal Agent and Collateral Agent

By: _____
Name: _____
Title: _____

Schedule 1
to
Assignment and Acceptance
Dated _____, 200_____

Section 1.

Percentage Interest: _____%

Section 2.

Assignee's Commitment: \$_____

Aggregate Outstanding Advance owing to the Assignee: \$_____

Section 3.

Assignment Date: _____, 200_____

Form of Monthly Report
[Attached hereto]

Form of Joinder

JOINDER

JOINDER, dated as of _____, 20 _____ (this "Joinder"), among the commercial paper conduit identified in Item 2 of Schedule I hereto (the "Proposed Conduit"), the Liquidity Agent for the Proposed Conduit named in Item 3 of Schedule I hereto (a "Liquidity Agent"), its related investors ("Investors"), CAC Warehouse Funding III, LLC (the "Borrower"), Credit Acceptance Corporation, as originator and initial servicer ("Credit Acceptance"), and Fifth Third Bank, as deal agent, and Collateral Agent (the "Deal Agent" and "Collateral Agent").

WITNESSETH:

WHEREAS, this Joinder is being executed and delivered under the Loan and Security Agreement, dated as of May ____, 2008 among the Borrower, Credit Acceptance, Fifth Third Bank, as an investor for the Fifth Third Purchaser Group (an "Investor"), and the other Investors from time to time party thereto, Relationship Funding Company, LLC (a "CP Entity"), and the other CP Entities from time to time party thereto, the Deal Agent, the Collateral Agent, Fifth Third Bank, as Liquidity Agent for the Fifth Third Purchaser Group, and the other Liquidity Agents from time to time party thereto, Systems & Services Technologies, Inc. (the "Backup Servicer") (as from time to time amended, supplemented or otherwise modified in accordance with the terms thereof, the "Loan Agreement" and

WHEREAS, the Proposed Conduit wishes to become an Additional Conduit designated as a CP Entity party to the Loan Agreement;

NOW, THEREFORE, the parties hereto hereby agree as follows:

(a) Upon receipt by the Deal Agent of an executed counterpart of this Joinder, to which is attached a fully completed Schedule I and Schedule II, each of which has been executed by the Proposed Conduit, its related Investors, its related Liquidity Agent, the Borrower, Credit Acceptance and the Deal Agent, the Deal Agent will transmit to the Proposed Conduit, its related Investors and its related Liquidity Agent, a Joinder Effective Notice, substantially in the form of Schedule III to this Joinder (a "Joinder Effective Notice"). Such Joinder Effective Notice shall be executed by the Deal Agent and shall set forth, inter alia, the date on which the joinder effected by this Joinder shall become effective (the "Joinder Effective Date"). From and after the Joinder Effective Date, the Proposed Conduit shall be an Additional Conduit designated as a CP Entity party to the Loan Agreement for all purposes thereof.

(b) Each of the parties to this Joinder agrees and acknowledges that at any time and from time to time upon the written request of any other party, it will execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to effect the purposes of this Joinder.

(c) By executing and delivering this Joinder, the Proposed Conduit confirms to and agrees with the Deal Agent, the Liquidity Agents, the Borrower, Credit Acceptance and the CP

Entities as follows: (i) none of the Deal Agent, the Liquidity Agents or the CP Entities makes any representation or warranty or assumes any responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement or any other instrument or document furnished pursuant thereto, or with respect to the Note issued to the Deal Agent pursuant to Section 2.1(c) the Loan Agreement, or the Collateral or the financial condition of the Borrower or Credit Acceptance, or the performance or observance by the Borrower or Credit Acceptance of any of their respective obligations under the Loan Agreement, any other Transaction Document or any other instrument or document furnished pursuant thereto; (ii) the Proposed Conduit confirms that it has received a copy of such documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Joinder; (iii) the Proposed Conduit will, independently and without reliance upon the Deal Agent, any Liquidity Agent or any other CP Entity and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (iv) the Proposed Conduit appoints and authorizes its Liquidity Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to the Liquidity Agent by the terms thereof, together with such powers as are reasonably incidental thereto, all in accordance with Article 12 of the Loan Agreement; (v) the Proposed Conduit appoints and authorizes the Deal Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to the Deal Agent by the terms thereof, together with such powers as are reasonably incidental thereto, all in accordance with Article 12 of the Loan Agreement; (vi) the Proposed Conduit agrees (for the benefit of the parties hereto and the other CP Entities) that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Agreement are required to be performed by it as an Additional Conduit designated as a CP Entity; (vii) the Proposed Conduit agrees that its related Liquidity Agent shall not have any duties or responsibilities, except those expressly set forth in the Loan Agreement, or any fiduciary relationship with any Investor, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of its related Liquidity Agent shall be read into this Joinder or otherwise exist for its related Liquidity Agent; (viii) the Proposed Conduit agrees that its related Liquidity Agent, in performing its functions and duties under the Loan Agreement, shall act solely as agent for its related Investors and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or any of its successors or assigns; (ix) the Proposed Conduit agrees that its related Liquidity Agent shall not be required to take any action that exposes such Liquidity Agent to personal liability or that is contrary to the Loan Agreement or Applicable Law; and (x) the Proposed Conduit agrees that the appointment and authority of its related Liquidity Agent hereunder shall terminate upon the indefeasible payment in full of the Aggregate Unpaid.

(d) Schedule II hereto sets forth administrative information with respect to the Proposed Conduit.

(e) This Joinder shall be governed by, and construed in accordance with, the laws of the State of New York.

(f) Capitalized terms used herein and not defined herein have the meanings given such terms in the Loan Agreement.

(g) Each of the parties hereto and each Hedge Counterparty (by accepting the benefits of this Agreement) hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper Notes or other indebtedness of each CP Entity, it will not institute against or join any other Person in instituting against such CP Entity any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceedings under the laws of the United States or any state of the United States. This agreement set forth in this subsection (g) and the parties' respective obligations under this subsection (g) shall survive the termination of this Joinder.

(h) No CP Entity shall have any obligation to pay any amounts owing hereunder unless and until such CP Entity has received such amounts pursuant to the Capital and such amounts are not necessary to pay outstanding Commercial Paper Notes or other outstanding indebtedness of such CP Entity. In addition, each party hereto hereby agrees that no liability or obligation of any CP Entity hereunder for fees, expenses or indemnities shall constitute a claim (as defined in Section 101 of Title 11 of the United States Bankruptcy Code) against such CP Entity unless such CP Entity has received cash from the Capital sufficient to pay such amounts, and such amounts are not necessary to pay outstanding Commercial Paper Notes or other indebtedness of such CP Entity. The agreements set forth in this subsection (h) and the parties' respective obligations under this subsection (h) shall survive the termination of this Joinder.

IN WITNESS WHEREOF, the parties hereto have caused this Joinder to be executed by their respective duly authorized officers on Schedule I hereto as of the date set forth in Item 1 of Schedule I hereto.

COMPLETION OF INFORMATION AND
SIGNATURES FOR JOINDER

Re: Loan and Security Agreement, dated as of May _____, 2008, among CAC Warehouse Funding III, LLC, as borrower, Credit Acceptance Corporation, as servicer and custodian, Fifth Third Bank, as an investor for the Fifth Third Purchaser Group (an "Investor"), and the other Investors from time to time party hereto, Relationship Funding Company, LLC (a "CP Entity"), and the other CP Entities from time to time party hereto, Fifth Third Bank, as deal agent, and as liquidity agent for the Fifth Third Purchaser Group (a "Liquidity Agent"), and the other Liquidity Agents from time to time party hereto, Systems & Services Technologies, Inc., as backup servicer and Fifth Third Bank, as collateral agent.

Item 1: Date of Joinder: _____

Item 2: Proposed Conduit: _____

Item 3: Name of Liquidity Agent: _____

Item 4: Name of Purchaser Group: _____

Item 5: Name(s) of Investor(s) and Commitment: _____

Item 6: Proposed Conduit's Commitment (if any): _____

Item 7: Purchaser Group Facility Limit: _____

Item 8: Purchaser Group CP Rate: _____

Item 9: Purchaser Group Yield Rate upon the Termination Date: _____

Item 10: Signatures of Parties to Joinder:

PROPOSED CONDUIT:

[NAME OF PROPOSED CONDUIT]

By: _____
Name:
Title:

NEW PURCHASER GROUP'S LIQUIDITY AGENT:

[NAME OF LIQUIDITY AGENT]

By: _____
Name:
Title:

CONSENTED AND AGREED:
DEAL AGENT:

FIFTH THIRD BANK

By: _____
Name:
Title:

ADDITIONAL INVESTOR:

[NAME OF NEW INVESTOR]

By: _____
Name:
Title:

BORROWER:

CAC WAREHOUSE FUNDING III, LLC

By: _____
Name:
Title:

ORIGINATOR AND INITIAL SERVICER:

CREDIT ACCEPTANCE CORPORATION

By: _____
Name:
Title:

LIST OF INVESTING OFFICES, ADDRESS
FOR NOTICES AND WIRE INSTRUCTIONS

Address for Notices:

Investing Office:

Wire Instructions:

FORM OF
JOINDER EFFECTIVE NOTICE

To: [Name and address of the Borrower, the Liquidity Agent and Proposed Conduit]

The undersigned, as Deal Agent under the Loan and Security Agreement, dated as of May _____, 2008, among the Borrower, Credit Acceptance, the Investors, the CP Entities, the Deal Agent, the Liquidity Agents, the Backup Servicer and the Collateral Agent (as from time to time amended, supplemented or otherwise modified in accordance with the terms thereof) consents and agrees (in its sole discretion as provided in and required by the Loan Agreement Joinder. [Note: attach copies of Schedules I and II from such Loan Agreement.] Terms defined in such Joinder are used herein as therein defined.

Pursuant to such Joinder, you are advised that the Joinder Effective Date for [Name of Proposed Conduit] will be _____ and such Proposed Conduit will be an Additional Conduit designated as a CP Entity.

Very truly yours,

FIFTH THIRD BANK,
as Deal Agent

By: _____

Name:

Title:

D-7

PURCHASER GROUP FEE LETTER

PURCHASER GROUP LIQUIDITY AGREEMENT

Form of Hedging Agreement

Form of Officer's Certificate
CREDIT ACCEPTANCE CORPORATION
CERTIFICATE OF OFFICER

I, Douglas W. Busk, on this date of May _____, 2008, hereby certify that I am the duly executed, qualified and acting Treasurer of Credit Acceptance Corporation, a Michigan corporation (the "Company"), and that, as such, I have access to its corporate records and am familiar with the matters certified herein, and I am authorized to execute and deliver this certificate in the name and on behalf of the Company, and that:

1. This certificate is being delivered pursuant to that certain Loan and Security Agreement (the "Loan and Security Agreement"), dated May _____, 2008, by and among the Company, CAC Warehouse Funding III, LLC, Fifth Third Bank, Relationship Funding Company, and Systems & Services Technologies, Inc. The capitalized terms used in this certificate and not defined herein have the respective meanings specified in the Loan and Security Agreement.

2. The closing conditions set forth in Sections 3.1(a)(i) (other than with respect to the Hedging Agreements), (b), (c), (d), (e), (f) and (j) of the Loan and Security Agreement have been satisfied, including without limitation, the following:

(i) No Amortization Event, Termination Event or Unmatured Termination Event has occurred; and

(ii) No Servicer Termination Event or Potential Servicer Termination Event has occurred.

3. The transactions under the Loan and Security Agreement and any other Transaction Document to which the Company is a party do not and will not render the Company not Solvent.

IN WITNESS WHEREOF, I have executed this certificate in the name and on behalf of the Company on the date first written above.

CREDIT ACCEPTANCE CORPORATION

By: _____
Douglas W. Busk
Treasurer

FORM OF RELEASE

Reference is hereby made to the Loan and Security Agreement dated as of May ___, 2008, among CAC Warehouse Funding III, LLC, as the Borrower, Credit Acceptance Corporation, as the Servicer, the Investors named therein, Relationship Funding Company, LLC, as a Lender, Fifth Third Bank, as the Deal Agent, Collateral Agent, and as a Liquidity Agent, Systems & Services Technologies, Inc., as the Backup Servicer, and each other CP Entity, Liquidity Agent and Investor party thereto as it may from time to time be amended, supplemented or otherwise modified in accordance with the terms thereof (the "Agreement").

Capitalized terms not defined herein shall have the meaning given such terms in the Agreement.

Pursuant to Section 2.16(a) of the Agreement, the Borrower requests the Collateral Agent to release all of its right, title and interest, including any security interest and Lien, in and to the Loans and Related Security identified on Schedule 1 hereto (the "Released Loans and the Related Security").

The Servicer and Borrower hereby certify that after giving effect to the release to the Borrower of the Loans and Related Security as provided below, (x) the representations and warranties contained in Article IV of the Agreement shall continue to be correct in all material respects, except to the extent relating to an earlier date, and (y) neither an Unmatured Termination Event nor a Termination Event has occurred.

Upon deposit in the Collection Account of \$[___] in immediately available funds, the Collateral Agent hereby releases all of its right, title and interest, including any security interest and Lien, in and to [all of] the Loans and the Related Security identified on Schedule I hereto (the "Released Loans and Related Security");

- (i) the [Released] Loans and the Related Security, all monies due or to become due with respect thereto, whether accounts, chattel paper, general intangibles or other property, all monies or remittances on deposit in the Credit Acceptance Payment Account which constitute proceeds of such Loans and the Loans;
- (ii) the security interests in the Contracts granted by Obligors pursuant to the related Loan and all security related thereto;
- (iii) all of the Borrower's rights under the Contribution Agreement and each Dealer Agreement with respect to such Loans and the Related Security;
- (iv) the proceeds of any and all of the foregoing.

[REMAINDER OF PAGE BLANK. SIGNATURE PAGE FOLLOWS.]

Executed as of _____.

Credit Acceptance Corporation, as the Servicer

By: _____

Name:

Title:

CAC Warehouse Funding III, LLC, as the Borrower

By: _____

Name:

Title:

Fifth Third Bank, as the Deal Agent and Collateral Agent

By: _____

Name:

Title:

Form of Contribution Agreement

FORM OF VARIABLE FUNDING NOTE

Cincinnati, Ohio
May __, 2008

FOR VALUE RECEIVED, the undersigned, CAC WAREHOUSE FUNDING III, LLC, a Delaware limited liability company (the "Borrower"), promises to pay to the order of Fifth Third Bank, as Deal Agent, on behalf of [the Lender], on the Maturity Date specified in Section 2.1(c) of the Loan and Security Agreement (as hereinafter defined), at Fifth Third Bank, Asset Securitization, 38 Fountain Square Plaza, MD 109046, Cincinnati, OH 45263; Fax: 513-534-0319, in lawful money of the United States of America and in immediately available funds, the principal amount of [] (\$[]), or, if less, the aggregate unpaid principal amount of the all Advances made by the Lenders to the Borrower pursuant to the Loan and Security Agreement, and to pay interest at such office, in like money, from the date hereof on the unpaid principal amount of the Advance from time to time outstanding at the rates and on the dates specified in the Loan and Security Agreement.

The Deal Agent is authorized to record, on the schedules annexed hereto and made a part hereof or on other appropriate records of the Deal Agent, the date and the amount of the Advance made by the Lenders, each continuation thereof, the funding period for such Advance and the date and amount of each payment or prepayment of principal thereof. Any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded; provided that the failure of the Deal Agent to make any such recordation (or any error in such recordation) shall not affect the obligations of the Borrower hereunder, under the Loan and Security Agreement in respect of the Advance.

This Variable Funding Note is one of the Notes referred to in the Loan and Security Agreement, dated as of May __, 2008 (as amended, supplemented, or otherwise modified and in effect from time to time, the "Loan and Security Agreement"), among CAC Warehouse Funding III, LLC (the "Borrower"); Credit Acceptance Corporation (the "Servicer"); the financial institutions listed on the signature pages thereto under the heading "The Investors" (the "Investors"); Relationship Funding Company, LLC ("RFC"); Fifth Third Bank, as deal agent (the "Deal Agent") and as liquidity agent (a "Liquidity Agent"); and as Collateral Agent (the "Collateral Agent"); Systems & Services Technologies, Inc. (the "Backup Servicer"); and each other CP Entity, Liquidity Agent and Investor party thereto, and is entitled to the benefits thereof. Capitalized terms used herein and defined herein have the meanings given them in the Loan and Security Agreement.

This Variable Funding Note is subject to optional and mandatory prepayment as provided in the Loan and Security Agreement.

Upon the occurrence of a Termination Event, the Secured Parties shall have all of the remedies specified in the Loan and Security Agreement. The Borrower hereby waives presentment, demand, protest, and all notices of any kind.

THIS VARIABLE FUNDING NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

CAC WAREHOUSE FUNDING III, LLC,
as Borrower

By: _____
Name:
Title:

Schedule 1 to
VARIABLE FUNDING NOTE

| <u>Principal of the Advances</u> | <u>Yield on the Advances</u> | <u>Prepayment of the Advances</u> | <u>Notation by Date</u> |
|----------------------------------|------------------------------|-----------------------------------|-------------------------|
|----------------------------------|------------------------------|-----------------------------------|-------------------------|

Form 1 of Dealer Agreement

Form 2 of Dealer Agreement

Form 3 of Dealer Agreement

Form 4 of Dealer Agreement

[Reserved]

Forms of Contracts

[Reserved]

[Reserved]

Form of Backup Servicing Agreement

Form of Purchase Agreement

Condition Precedent Documents

| CONDITION PRECEDENT DOCUMENTS | RESPONSIBLE PARTY |
|---|-------------------|
| I. TRANSACTION DOCUMENTS | Mayer Brown |
| A. Loan and Security Agreement | |
| Exhibits to Loan and Security Agreement | |
| Exhibit A Form of Funding Notice | Fifth Third |
| Exhibit B Form of Assignment and Acceptance | Mayer Brown |
| Exhibit C Form of Monthly Report | Fifth Third |
| Exhibit D Form of Joinder | Mayer Brown |
| Exhibit E Form of Hedging Agreement (including Schedule and Confirmation) | Fifth Third |
| Exhibit F Form of Officer's Certificate | Borrower |
| Exhibit G Form of Release | Mayer Brown |
| Exhibit H Form of Contribution Agreement | Dykema |
| Exhibit I Form of RFC Note | Mayer Brown |
| Exhibit J-1 Form 1 of Dealer Agreement | Credit Acceptance |
| Exhibit J-2 Form 2 of Dealer Agreement | Credit Acceptance |
| Exhibit K [Reserved] | |
| Exhibit L Form of Contracts | Credit Acceptance |
| Exhibit M [Reserved] | |
| Exhibit N [Reserved] | |
| Exhibit O Form of Backup Servicing Agreement | Mayer Brown |
| Schedules to Loan and Security Agreement | |
| Schedule I Condition Precedent Documents | Mayer Brown |
| Schedule II Credit Guidelines | Dykema |
| Schedule III Tradenames, Fictitious Names and "Doing Business As" Names | Credit Acceptance |
| Schedule IV Location of Records and Contract Files | Credit Acceptance |
| Schedule V Loan, Pool and Contract List | Credit Acceptance |
| Schedule VI Collection Guidelines | Credit Acceptance |
| Schedule VII Forecasted Collections | Credit Acceptance |
| Schedule VIII Commitment Amount of Each Investor | Mayer Brown |
| Schedule IX List of Dealer Agreements and Pools | Credit Acceptance |

B. Contribution Agreement

Dykema

Exhibit A List of Loans

Credit Acceptance

C. Back-Up Servicing Agreement**D. Fee Letters****E. Hedge Agreements**

[Other — TBD]

II. DOCUMENTS RELATING TO THE BORROWER**A. Secretary's Certificate with the following items attached:**

Borrower/Dykema

- Certificate of Formation of the Borrower
- Operating Agreement of the Borrower
- Incumbency

B. On the Closing Date, an Officer's Certificate of the Borrower certifying the matters set forth in Section 3.1 of the Loan and Security Agreement and the Solvency Certificate described in Section 4.1(i) of the Loan and Security Agreement

Borrower/Dykema

On the Funding Date, an Officer's Certificate of the Borrower certifying the matters set forth in Section 3.1 of the Loan and Security Agreement

Borrower/Dykema

C. Certificate of Formation of the Borrower certified by the Secretary of State of Delaware

Borrower/Dykema

D. Good Standing Certificate issued by the Secretary of State of the State of Delaware with respect Borrower

Borrower/Dykema

E. Copies of filed financing statement on Form UCC-1 naming the Borrower as debtor and the Collateral Agent, for the benefit of the Secured Parties, as secured party

Borrower/Dykema

III. DOCUMENTS RELATING TO CREDIT ACCEPTANCE**A. Secretary's Certificate with the following items attached:**

- Resolutions of the Board of Directors of Credit Acceptance
- Certificate of Incorporation of Credit Acceptance

Credit
Acceptance/Dykema

CONDITION PRECEDENT DOCUMENTS**RESPONSIBLE PARTY**

- Bylaws of Credit Acceptance
- Incumbency

B. On the Closing Date, an Officer's Certificate of Credit Acceptance certifying the matters set forth in Section 3.1 of the Loan and Security Agreement

Credit
Acceptance/Dykema

On the Funding Date, an Officer's Certificate of Credit Acceptance certifying that no Unmatured Termination Event, Termination Event, Servicer Termination Event or potential Servicer Termination Event shall have occurred

Credit
Acceptance/Dykema

C. Certificate of Incorporation certified by the Secretary of State of the State of Michigan

Credit
Acceptance/Dykema

D. Good Standing Certificate issued by the Secretary of State of the State of Michigan with respect to Credit Acceptance

Credit
Acceptance/Dykema

E. Copies of filed financing statement on Form UCC-1 naming the Originator as the debtor/seller, the Borrower as the secured party/purchaser, and the Collateral Agent as Assignee

Credit
Acceptance/Dykema

IV. OPINIONS OF COUNSEL

A. Opinion of Dykema as to true sale matters

Dykema

B. Opinion of Dykema covering non-consolidation matters

Dykema

C. Opinion of Dykema as to certain corporate, enforceability and perfection and priority matters

Dykema

D. Opinion of counsel to the Backup Servicer as to certain corporate and enforceability matters

S&K

V. ADDITIONAL CLOSING DOCUMENTS/ACTIONS

A. A certificate of an officer of the Borrower certifying that all of the conditions to funding set forth in Sections 3.1 and 3.2 of the Contribution Agreement have been satisfied

Borrower/Dykema

B. Funding Notice

Borrower

CONDITION PRECEDENT DOCUMENTS

RESPONSIBLE PARTY

| | | |
|----|--|--------------------------|
| C. | UCC-3 Termination Statements, terminating all security interests in the Collateral pledged to the Collateral Agent under the Loan and Security Agreement and the related Contractual Release | Credit Acceptance/Dykema |
| D. | UCC search results (i) for the Borrower in Nevada and (ii) for Credit Acceptance in Michigan | Dykema |
| E. | Evidence that the Collection Account and the Reserve Account have been established | Credit Acceptance |
| F. | Evidence that the Structuring Fee and any other fees or amounts due and payable on the Closing Date in accordance with the Fee Letter have been paid in full | Borrower |
| G. | Evidence that the Reserve Account has been funded | Borrower |

Key:

Fifth Third Bank
Credit Acceptance Corporation
CAC Warehouse Funding III, LLC
Mayer Brown
Dykema
Systems & Services Technologies, Inc.
[Seward & Kissel LLP

Fifth Third, the Deal Agent
or the Collateral Agent
Credit Acceptance
Borrower
Mayer Brown LLP
Dykema Gossett
Backup Servicer
S&K]

Schedule II

Credit Guidelines

[On File with Servicer and Deal Agent]

Schedule III

Tradenames, Fictitious Names and "Doing Business As" Name

None

Schedule IV

Location of Records and Contract Files

Credit Acceptance Corporation
Silver Triangle Building
25505 W. Twelve Mile Road, Ste. 3000
Southfield, MI 48034

Schedule V
Loan and Contract List
[Disc on File with Deal Agent]

Schedule VI
Collection Guidelines
[On File with Servicer]

Schedule VII
Forecasted Collections

Schedule VIII
Commitment Amount of Each Investor

| <u>Purchaser Group</u> | <u>Investor</u> | <u>Commitment Amount</u> |
|-----------------------------|------------------|--------------------------|
| Fifth Third Purchaser Group | Fifth Third Bank | \$50,000,000 |

Schedule IX

List of Dealer Agreements and Pools

Schedule X
Bank Holidays

Ohio, Michigan and Missouri Bank Holidays

| <u>Name of Holiday</u> | <u>Date*</u> |
|----------------------------|--------------|
| New Year's Day | January 1 |
| Martin Luther King Jr. Day | January 21 |
| President's Day | February 18 |
| Memorial Day | May 26 |
| Independence Day | July 4 |
| Labor Day | September 1 |
| Columbus Day | October 13 |
| Veteran's Day | November 11 |
| Thanksgiving Day | November 27 |
| Christmas Day | December 25 |

* All dates listed are the dates upon which the applicable holiday falls in 2008. In subsequent years, each date shall be the date upon which the applicable holiday falls in such subsequent year.

BACKUP SERVICING AGREEMENT

BACKUP SERVICING AGREEMENT (the "Agreement"), dated as of May 23, 2008, among SYSTEMS & SERVICES TECHNOLOGIES, INC., a Delaware corporation (the "Backup Servicer"), CREDIT ACCEPTANCE CORPORATION, a Michigan corporation ("Credit Acceptance" or the "Servicer"), CAC WAREHOUSE FUNDING III, LLC, a Delaware limited liability company (the "Borrower"), and FIFTH THIRD BANK, an Ohio banking corporation, as collateral agent (the "Collateral Agent") and as deal agent (the "Deal Agent").

W I T N E S S E T H

:

WHEREAS, Credit Acceptance, the Borrower, the Backup Servicer, the Deal Agent, the Liquidity Agent, Relationship Funding Company, LLC and the Collateral Agent have entered into a Loan and Security Agreement, dated as of the Closing Date (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement");

WHEREAS, the parties to the Loan Agreement desire to obtain the services of the Backup Servicer to perform certain servicing functions and assume certain obligations with respect to the Loan Agreement, all as set forth herein, and the Backup Servicer has agreed to perform such functions and assume such obligations; and

WHEREAS, for its services hereunder and with respect to the Loan Agreement, the Backup Servicer will receive a fee payable as described herein;

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

**ARTICLE 1
DEFINITIONS**

SECTION 1.1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings specified in, or incorporated by reference to, the Loan Agreement. The following terms shall have the meanings specified below:

"Aggregate Basis" means verification of only such aggregated amounts as are stated in the Monthly Report, and not as to any amount related to any Dealer Loan or Contract.

"Assumption Date" has the meaning specified in Section 2.3(a).

"Backup Servicer Event of Default" has the meaning specified in Section 4.1.

"Backup Servicer's Certificate" has the meaning specified in Section 2.10.

“Backup Servicing Fee” means, as to each Payment Date, \$4,000; provided, however, that if the Backup Servicer becomes the successor Servicer, such fee shall no longer be paid.

“Continued Errors” has the meaning specified in Section 2.2(c)(iii).

“Errors” has the meaning specified in Section 2.2(c)(iii).

“Liability” has the meaning specified in Section 2.2(c)(i).

“Live Data Files” has the meaning specified in Section 2.6(a).

“Material Adverse Change” means any circumstance or event which in the reasonable judgment of the Deal Agent: (a) may be reasonably expected to cause a material adverse change to the validity or enforceability of this Agreement or the Loan Agreement; or (b) may be reasonably expected to materially impair the ability of the Backup Servicer to fulfill its obligations under this Agreement or the Loan Agreement.

“Servicer’s Data File” has the meaning specified in Section 2.1(a).

“Service-Related Activities” means the services and service-related activities and the servicer-related responsibilities of the Servicer provided for under the Loan Agreement as modified or eliminated herein with respect to the Backup Servicer.

“Servicing Fee” has the meaning given such term in Section 1.1 of the Loan Agreement.

“Successor Backup Servicer” has the meaning specified in Section 2.4(b).

“Third Party” has the meaning specified in Section 2.9(d).

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

SECTION 1.3. Section References. All section references shall be to Sections in this Agreement (unless otherwise provided).

ARTICLE 2
ADMINISTRATION AND COLLECTION

SECTION 2.1. Reconciliation of Monthly Reports.

(a) No later than 9:00 A.M. New York City time on the third Business Day following the end of each Collection Period, the Servicer shall send to the Backup Servicer an electronic file, detailing the Collections received during the prior Collection Period and all other information in its possession relating to the Dealer Loans and the Contracts as may be necessary for the complete and correct completion of each Monthly Report (the "Servicer's Data File") (to the extent of the information required to be provided by the Servicer). Such electronic file shall be in the form and have the specifications as may be agreed to between the Servicer and the Backup Servicer from time to time. The Backup Servicer shall, within one (1) day of the receipt thereof, load the Servicer's Data File and confirm that it is in readable form. If the Backup Servicer determines that the Servicer's Data File is not in readable form, the Backup Servicer shall immediately upon discovery thereof notify the Servicer and the Deal Agent by telephone, and upon such notification, the Servicer shall prepare and send a replacement Servicer's Data File to the Backup Servicer satisfying the Backup Servicer's specifications, for receipt by the Backup Servicer on the next Business Day.

(b) No later than the end of the second Business Day prior to each Determination Date, the Servicer shall furnish to the Backup Servicer the Monthly Report related to the prior Collection Period together with all other information necessary for preparation of such Monthly Report and necessary to determine the application of Collections as provided in the Loan Agreement. The Backup Servicer shall review the information contained in the Monthly Report against the information on the Servicer's Data File, on an Aggregate Basis. No later than three (3) Business Days after the Backup Servicer's receipt of each Monthly Report, the Backup Servicer shall notify the Servicer and the Deal Agent of any inconsistencies between the Monthly Report and the information contained in the Servicer's Data File; provided, however, in the absence of a reconciliation, the Monthly Report shall control for the purpose of calculations and distributions with respect to the related Distribution Date. If the Backup Servicer and the Servicer are unable to reconcile discrepancies with respect to a Monthly Report prior to the related Distribution Date, the Servicer shall cause a firm of independent accountants, at the Servicer's expense, to audit the Monthly Report and, prior to the third Business Day, but in no event later than the fifth calendar day, of the following month, reconcile the discrepancies. The effect, if any, of such reconciliation shall be reflected in the Monthly Report for such next Distribution Date. The Backup Servicer shall only review the information provided by the Servicer in the Monthly Report and in the Servicer's Data File and its obligation to report any inconsistencies shall be limited to those determinable from such information.

(c) The Backup Servicer and the Servicer shall attempt to reconcile any such inconsistencies and/or to furnish any omitted information and the Servicer shall amend the Monthly Report to reflect the results of the reconciliation or to include any omitted information.

(d) The Servicer shall provide monthly, or as otherwise requested, to the Backup Servicer, or its agent, information on the Dealer Loans and related Contracts sufficient to

enable the Backup Servicer to assume the responsibilities as successor servicer under the Loan Agreement and service and collect the Dealer Loans and related Contracts.

(e) The Servicer shall provide the Backup Servicer with any and all updates to the master file data layout and copy book information necessary due to system changes or modifications, which may require changes to the Backup Servicer's applications necessary to read the Servicer's Data File.

SECTION 2.2. Review and Verification.

(a) Notwithstanding anything in Section 2.1 to the contrary, on or before the end of the second Business Day prior to each Determination Date, the Servicer shall provide sufficient data to the Backup Servicer to allow the Backup Servicer to review and to verify the mathematical accuracy of the Monthly Report on an Aggregate Basis related thereto and determine the following:

(i) that such Monthly Report is complete on its face;

(ii) that the amounts credited to and withdrawn from the Collection Account and the balance of such account, as set forth in the records of the Collateral Agent and Servicer are the same as the amount set forth in the Monthly Report; and

(iii) that the amounts credited to and withdrawn from the Reserve Account and the balance of such account, as set forth in the records of the Collateral Agent and Servicer are the same as the amount set forth in the Monthly Report.

(b) The Backup Servicer shall, on or before the Determination Date with respect to any Collection Period, verify the mathematical accuracy of the Monthly Report in its entirety, which shall include but not be limited to the following:

(i) the amount of the related distribution allocable to principal;

(ii) the amount of the related distribution allocable to interest;

(iii) the amount of the related distribution payable out of the Reserve Account;

(iv) the Aggregate Outstanding Eligible Loan Net Balance, the Aggregate Outstanding Eligible Loan Balance and the aggregate Outstanding Balance of all Eligible Contracts as of the close of business on the last day of the preceding Collection Period;

(v) the outstanding Capital;

(vi) the amount of the Servicing Fee paid to the Servicer with respect to the related Collection Period and/or due but unpaid with respect to such Collection Period or prior Collection Periods, as the case may be;

(vii) the Required Reserve Account Amount;

(viii) the total amount of Collections for the related Collection Period; and

(ix) in the aggregate, the Release Price, Retransfer Amount and/or Nonconforming Contract Payment Amount, if any, that was paid in such period pursuant to Section 4.5(a), Section 4.5(b) and/or Section 6.2 of the Loan Agreement, as applicable.

(c) The Backup Servicer shall provide written notice to the Deal Agent with respect to whether there are any inconsistencies or deficiencies with respect to its review and verification set forth in paragraphs (a) and (b) above and, if any, shall provide a description thereof as set forth in Section 2.10 hereof. In the event of any discrepancy between the information set forth in subparagraphs (a) and (b) above, as calculated by the Servicer, from that determined or calculated by the Backup Servicer, the Backup Servicer shall promptly notify the Servicer and, if within three (3) days of such notice being provided to the Servicer, the Backup Servicer and the Servicer are unable to resolve such discrepancy, the Backup Servicer shall promptly (but in any event within three Business Days) notify the Deal Agent of such discrepancy.

(i) Other than as specifically set forth elsewhere in this Agreement, the Backup Servicer shall have no obligation to supervise, verify, monitor or administer the performance of the Servicer and shall have no duty, responsibility, obligation, or liability (collectively "Liability") for any action taken or omitted by the Servicer.

(ii) The Backup Servicer shall consult with the Servicer as may be necessary from time to time to perform or carry out the Backup Servicer's obligations hereunder, including the obligation, if requested in writing by the Deal Agent, to succeed within thirty (30) days to the duties and obligations of the Servicer pursuant to Section 2.3.

(iii) Except as otherwise provided in this Agreement, the Backup Servicer may accept and reasonably rely on all accounting, records and work of the Servicer without audit, and the Backup Servicer shall have no Liability for the acts or omissions of the Servicer or for the inaccuracy of any data provided, produced or supplied by the Servicer. If any error, inaccuracy or omission (collectively, "Errors") exists in any information received from the Servicer, and such Errors should cause or materially contribute to the Backup Servicer making or continuing any Errors (collectively, "Continued Errors"), the Backup Servicer shall have no Liability for such Continued Errors; provided, however, that this

provision shall not protect the Backup Servicer against any Liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in discovering or correcting any Error or in the performance of its duties hereunder or under the Loan Agreement. In the event the Backup Servicer becomes aware of Errors or Continued Errors which, in the opinion of the Backup Servicer impairs its ability to perform its services hereunder, the Backup Servicer may, with the prior consent of the Deal Agent, undertake to reconstruct and reconcile such data as it deems appropriate to correct such Errors and Continued Errors and prevent future Continued Errors. The Backup Servicer shall be entitled to recover its costs thereby expended from the Servicer.

(iv) The Backup Servicer and its officers, directors, employees and agents shall be indemnified by the Servicer and the Borrower from and against all claims, damages, losses or expenses reasonably incurred by the Backup Servicer (including reasonable attorney's fees and expenses) arising out of claims asserted against the Backup Servicer on any matter arising out of this Agreement to the extent the act or omission giving rise to the claim accrues before the Assumption Date, except for any claims, damages, losses or expenses arising from the Backup Servicer's own willful misfeasance, bad faith or gross negligence; provided, however, that any obligation or liability of the Borrower hereunder shall be limited to any amounts payable by the Borrower pursuant to Section 2.7 of the Loan Agreement. The obligations of the Servicer and the Borrower under this Section shall survive the termination of this Agreement and the earlier resignation or removal of the Backup Servicer.

(v) To the extent the Backup Servicer requires any information supplementing reports or data that is to be provided to it pursuant to the Transaction Documents in order to complete its verification duties, the Backup Servicer's verification duties are conditioned upon timely receipt by the Backup Servicer of such information.

SECTION 2.3. Assumption of Servicer's Obligations.

(a) The Backup Servicer agrees that within 30 days of receipt of a written notice from the Deal Agent of the termination of the rights and obligations of Credit Acceptance as Servicer pursuant to the Loan Agreement, and without further notice, the Backup Servicer shall, subject to the exclusions stated herein, assume the Service-Related Activities of Credit Acceptance under the Loan Agreement (the "Assumption Date") and further agrees that it shall assume all such Service-Related Activities in accordance with the requirements, terms and conditions set forth in the Loan Agreement and this Agreement. In the event of a conflict between any provision of the Loan Agreement and this Agreement, this Agreement shall be controlling.

(b) In the event of an assumption by the Backup Servicer of the Servicer-Related Activities of Credit Acceptance under the Loan Agreement, the Backup Servicer shall be obligated to perform the obligations imposed on the Servicer under the Loan Agreement.

(c) Following the Assumption Date, the Deal Agent, in its sole and absolute discretion, may terminate all of the Backup Servicer's management, administrative, servicing and collection rights and obligations with respect to the Dealer Loans and Contracts upon ninety (90) days prior written notice (such notice, a "Discretionary Termination Notice") of such termination to the Backup Servicer (any such termination of servicing, a "Discretionary Termination"). A Termination Fee equal to the product of three (3) times the Servicing Fee for the month in which the Discretionary Termination Notice is received shall be payable by the Borrower with respect to any such Discretionary Termination.

SECTION 2.4. Servicing and Retention of Servicer.

(a) Subject to early termination of the Backup Servicer due to the occurrence of a Backup Servicer Event of Default, or pursuant to Article 4, or as otherwise provided in this Section 2.4, on and after the Assumption Date, the Backup Servicer shall be responsible for the servicing, administering, managing and collection of the Dealer Loans and Contracts in accordance herewith and the Loan Agreement.

(b) In the event of a Backup Servicer Event of Default, the Deal Agent shall have the right to terminate the Backup Servicer as successor Servicer and Backup Servicer hereunder. Upon the termination or resignation of the Backup Servicer hereunder, the Deal Agent shall have the right to appoint a successor Backup Servicer (the "Successor Backup Servicer") and enter into a backup servicing agreement with such Successor Backup Servicer at such time and exercise all of its rights under the Loan Agreement; provided, however, that if such termination or resignation of the Backup Servicer occurs prior to the Assumption Date, the appointment of the Successor Backup Servicer shall be mutually acceptable to Credit Acceptance and the Deal Agent. Such backup servicing agreement shall specify the duties and obligations of the Successor Backup Servicer, and all references herein and in the Loan Agreement to the Backup Servicer shall be deemed to refer to such Successor Backup Servicer.

(c) The Backup Servicer shall not resign from the obligations and duties imposed on it by this Agreement or the Loan Agreement, as successor servicer or as Backup Servicer, as applicable, except upon a determination that by reason of a change in legal requirements, the performance of its duties hereunder or under the Loan Agreement would cause it to be in violation of such legal requirements in a manner which would have a material adverse effect on the Backup Servicer, and the Deal Agent does not elect to waive the obligations of the Backup Servicer to perform the duties which render it legally unable to act or to delegate those duties to another Person. Any such determination permitting the resignation of the Backup Servicer pursuant to this Section 2.4(c) shall be evidenced by an opinion of counsel to such effect delivered and acceptable to the Deal Agent. No resignation of the Backup Servicer shall become effective until an entity reasonably acceptable to the Deal Agent shall have assumed the responsibilities and obligations of the Backup Servicer.

(d) Any Person: (i) into which the Backup Servicer may be merged or consolidated; (ii) resulting from any merger or consolidation to which the Backup Servicer shall be a party; (iii) which acquires by conveyance, transfer or lease substantially all of the assets of the Backup Servicer; or (iv) succeeding to the business of the Backup Servicer, in any of the

foregoing cases shall execute an agreement of assumption to perform every obligation of the Backup Servicer under this Agreement and the Loan Agreement, whether or not such assumption agreement is executed, shall be the successor to the Backup Servicer under this Agreement and the Loan Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement or the Loan Agreement, anything herein or therein to the contrary notwithstanding; provided, however, that nothing contained herein or therein shall be deemed to release the Backup Servicer from any obligation hereunder or under the Loan Agreement.

(e) Following the Assumption Date, the Backup Servicer shall be required to deliver to the Deal Agent on or before one hundred twenty (120) days after the end of the Backup Servicer's fiscal year, with respect to such fiscal year, a copy of its annual SAS-70 and its audited financial statements for such fiscal year.

(f) Concurrently with the delivery of the financial reports delivered under (e) above, a report in substantially the form attached to this Agreement as Exhibit I and certified by the chief financial officer of the Backup Servicer, certifying that no Backup Servicer Event of Default and no event which, with the giving of notice or the passage of time, would become a Backup Servicer Event of Default has occurred and is continuing or, if any such Backup Servicer Event of Default or other event has occurred and is continuing, such a Backup Servicer Event of Default has occurred and is continuing, the action which the Backup Servicer has taken or proposes to take with respect thereto, shall be delivered to the Deal Agent.

SECTION 2.5. Servicing Duties of the Backup Servicer. On and after the Assumption Date:

(a) The Backup Servicer shall take or cause to be taken all such action as may be necessary or advisable to collect all amounts due under the Dealer Loans and Contracts from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Collection Guidelines. There shall be no recourse to the Backup Servicer with regard to the Dealer Loans and Contracts. The Backup Servicer shall hold in trust for the Collateral Agent all records which evidence or relate to all or any part of the Collateral. In the event that a Successor Backup Servicer is appointed, the outgoing Backup Servicer shall deliver to the Successor Backup Servicer and the Successor Backup Servicer shall hold in trust for the Collateral Agent all records which evidence or relate to all or any part of the Collateral.

(b) The Backup Servicer shall as soon as practicable upon demand, deliver to the Servicer all records in its possession which evidence or relate to indebtedness of an Obligor which is not a Dealer Loan or Contract.

(c) The Backup Servicer shall remit to the Collection Account within two (2) Business Days of receipt, all Collections.

(d) In addition to the obligations of the Backup Servicer under this Agreement, the Backup Servicer shall perform all of the obligations of the Servicer as servicer

under the Loan Agreement, except as set forth in Section 2.3(b) hereof. Without limiting the foregoing and anything provided for herein, the Backup Servicer shall perform the following in substantially the same manner and level at which Credit Acceptance performs such on the date hereof: (a) customer service inquiries/responsibilities; (b) collections on delinquent and charged-off contracts; (c) insurance monitoring and the making of claims with respect thereto; (d) creating the Monthly Reports; (e) repossession and other legal actions; (f) statements to performing contracts and other correspondence; (g) reconciliation of dealer holdback payments; (h) inventory management; (i) maintenance of lock-box accounts; (j) electronic skip tracing; and (k) document storage and title maintenance.

SECTION 2.6. Other Obligations of the Backup Servicer and Servicer.

(a) No later than the 10th day of each calendar month until the earlier of the Assumption Date or the termination of this Agreement, Credit Acceptance shall provide a Live Data File (as defined below) transmission to the Backup Servicer, which shall include the Dealer Loan and Contract master file, the transaction history file and all other files necessary to carry out the Service-Related Activities received in connection herewith (the "Live Data Files"). The Backup Servicer shall convert the Live Data Files to its internal systems, and no later than five (5) Business Days after the receipt thereof, shall confirm in writing to Credit Acceptance and the Deal Agent the accuracy and completeness of the conversion; provided, however, that such confirmation shall not be deemed to apply to the accuracy of the Live Data Files as provided by Credit Acceptance, but shall be deemed only to apply to the accuracy of the conversion of the Live Data Files to the Backup Servicer's internal systems. In the event of any changes in format with respect to either Credit Acceptance or the Backup Servicer, Credit Acceptance and the Backup Servicer shall coordinate with each other for the replacement of the data files with files in the correct format, modified accordingly. To verify that Live Data Files have been accurately converted to the Backup Servicer's internal servicing system, the Backup Servicer will provide Credit Acceptance and the Deal Agent with such reports as are mutually agreed upon by Credit Acceptance and the Backup Servicer from time to time. Credit Acceptance reserves the right to review converted data on the Backup Servicer's system either by performing an onsite review of the Backup Servicer's systems or, at Credit Acceptance's sole expense, by having remote access to the Backup Servicer's systems.

(b) In connection with the Backup Servicer assuming the obligations of Servicer hereunder and under the Loan Agreement, Credit Acceptance agrees that it shall: (i) promptly make available to the Backup Servicer access to all records and information in the possession of Credit Acceptance related to the Dealer Loans and the Contracts as may be necessary or reasonably requested by the Backup Servicer in connection with the performance of the Backup Servicer's obligations hereunder and thereunder; and (ii) cooperate in good faith with the Backup Servicer and the Deal Agent in connection with any transition of the servicing of the Dealer Loans and Contracts to the Backup Servicer.

SECTION 2.7. Servicing Compensation. As compensation for the performance of its obligations under this Agreement and with respect to the Loan Agreement, the Backup Servicer is entitled to: (i) prior to the Assumption Date, the Backup Servicing Fee and (ii) after the

Assumption Date, the sum of: (A) the Servicing Fee, (B) any Repossession Expenses, (C) any Reliencing Expenses and (D) any Transition Expenses.

SECTION 2.8. Collateral Agent's Rights. At any time following the Assumption Date:

(a) The Collateral Agent or the Backup Servicer may direct that payment of all amounts payable under any Dealer Loans or Contracts be made directly to the Backup Servicer, the Collateral Agent or its designee.

(b) The Servicer shall, (unless otherwise directed by the Deal Agent) (i) assemble all of the records relating to the Collateral and shall make the same available to the Backup Servicer (or the Collateral Agent if so directed by the Deal Agent) at a place selected by the Backup Servicer or the Collateral Agent, as applicable; provided, however, that the Servicer will be entitled to retain copies of all records provided pursuant to this Section 2.8(b), and (ii) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner acceptable to the Deal Agent and shall, promptly upon receipt but no later than one (1) Business Day after receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, as directed by the Deal Agent or the Backup Servicer.

(c) Credit Acceptance hereby authorizes the Collateral Agent and the Backup Servicer to take any and all steps in Credit Acceptance's name and on behalf of Credit Acceptance necessary or desirable, in the determination of the Backup Servicer or the Collateral Agent acting in "good faith" (as such term is defined in Article 9 of the UCC), to collect all amounts due under any and all of the Dealer Loans, including, without limitation, endorsing Credit Acceptance's name on checks and other instruments representing Collections and enforcing the Dealer Loans and Contracts; provided, however, that the Collateral Agent shall not have an affirmative obligation to carry out such duties.

SECTION 2.9. Liability of the Backup Servicer; Standard of Care.

(a) The Backup Servicer shall not be liable for its actions or omissions hereunder except (i) for its negligence, willful misconduct or breach of this Agreement not caused by another party to this Agreement, or (ii) for any recitals, statements, representations or warranties made expressly by the Backup Servicer.

(b) The Backup Servicer shall indemnify, defend and hold harmless the Servicer and its respective officers, directors, agents and employees from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss, claim, damage or liability arose out of, or was imposed upon the Servicer through the Backup Servicer's breach of this Agreement, the willful misfeasance, bad faith or negligence of the Backup Servicer in the performance of its duties under this Agreement or by reason of reckless disregard of its obligations and duties under this Agreement.

(c) The Servicer shall indemnify, defend and hold harmless the Backup Servicer and its respective officers, directors, agents and employees from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss,

claim, damage or liability arose out of, or was imposed upon the Backup Servicer through the Servicer's breach of this Agreement, the willful misfeasance, bad faith or negligence of the Servicer in the performance of its duties under this Agreement or by reason of reckless disregard of its obligations and duties under this Agreement.

(d) The Backup Servicer may accept and reasonably rely on all accounting and servicing records and other documentation provided to the Backup Servicer by or at the direction of the Servicer, including documents prepared or maintained by any originator, or previous servicer, or any party providing services related to the Dealer Loans or Contracts (collectively, the "Third Party"). The Servicer agrees to indemnify (subject to the limitation provided in subsection (e) below) and hold harmless the Backup Servicer, its respective officers, employees and agents against any and all claims, losses, penalties, fines, forfeitures, legal fees and related costs, judgments, and any other costs, fees and expenses that the Backup Servicer may sustain in any way related to the negligence or misconduct of any Third Party with respect to the Dealer Loans or Contracts. The Backup Servicer shall have no Liability for the acts or omissions of any such Third Party or for the inaccuracy of any data provided, produced or supplied by such Third Party. If any Error exists in any information provided to the Backup Servicer and such Errors cause or materially contribute to the Backup Servicer making a Continuing Error, the Backup Servicer shall have no liability for such Continued Errors; provided, however, that this provision shall not protect the Backup Servicer against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in discovering or correcting any error or in the performance of its duties contemplated herein.

In the event the Backup Servicer becomes aware of Errors and/or Continued Errors which, in the opinion of the Backup Servicer, impair its ability to perform its services hereunder, the Backup Servicer shall promptly notify the Servicer and the Deal Agent of such Errors and/or Continued Errors. With the prior consent of the Servicer and the Deal Agent, the Backup Servicer may undertake to reconstruct any data or records appropriate to correct such Errors and/or Continued Errors and to prevent future Continued Errors. The Backup Servicer shall be entitled to recover its costs thereby expended from the Servicer.

(e) Indemnification under this Article shall include, without limitation, reasonable fees and expenses of counsel and expenses of litigation. If the indemnifying party has made any indemnity payments pursuant to this Article and the recipient thereafter collects any of such amounts from others, the recipient shall promptly repay such amounts collected to the indemnifying party, together with any interest earned thereon.

(f) In performing the Service-Related Activities contemplated by this Agreement, the Backup Servicer agrees to comply in all respects with the applicable state and federal laws and will carry out such activities with the same degree of care as that provided for the Servicer under the Loan Agreement. The Backup Servicer shall maintain all state and federal licenses and franchises necessary for it to perform Service-Related Activities. The Backup Servicer shall not have any Liability for any Error or Continued Error by the Servicer, or for any error, inaccuracy or omission of the Servicer before the Backup Servicer assumes the Service-Related Activities.

(g) Neither the Backup Servicer nor any of the directors or officers or employees or agents of the Backup Servicer shall be under any liability to the Servicer or any party to this Agreement or the Loan Agreement except as provided in this Agreement, for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement; provided, however, that this provision shall not protect the Backup Servicer or any such person against any liability that would otherwise be imposed by reason of a breach of this Agreement or willful misfeasance, bad faith or gross negligence (excluding errors in judgment) in the performance of duties, by reason of reckless disregard of obligations and duties under this Agreement or any violation of law by the Backup Servicer or such person, as the case may be. The Backup Servicer and any director, officer, employee or agent of the Backup Servicer may conclusively rely and shall be fully protected in acting or refraining from acting upon any document, certificate, instrument, opinion, notice, statement, consent, resolution, entitlement order, approval or conversation believed by it to be genuine and made by the proper person and upon the advice or opinion of counsel or other experts selected by it. The Backup Servicer shall not be liable for an error of judgment made in good faith by a Responsible Officer of the Backup Servicer, unless it shall be proven that the Backup Servicer was negligent in ascertaining the pertinent facts.

(h) The Backup Servicer shall maintain its existence and rights as a corporation under the laws of the jurisdiction of its incorporation, and will obtain and preserve its qualification to do business as a foreign corporation in each jurisdiction in which the failure to so qualify would have an adverse effect on the validity or enforceability of any Contract, Dealer Agreement, this Agreement or on the ability of the Backup Servicer to perform its duties under this Agreement or the Loan Agreement.

(i) The provisions of this Section shall survive the termination of this Agreement.

(j) The Backup Servicer shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document.

(k) The Backup Servicer may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care.

(l) To the extent that the Backup Servicer is not indemnified by the Servicer pursuant to Section 2.2 hereunder and under the Loan Agreement, such amounts shall be reimbursable by the Borrower pursuant to the extent of amounts available therefor and in accordance with the priorities for payment set forth in Section 2.7(a) of the Loan Agreement.

(m) Notwithstanding anything to the contrary contained herein, in no event shall the Backup Servicer be liable for special, indirect, or consequential damages of any kind whatsoever, including but not limited to lost profits, even if the Backup Servicer has been advised of the likelihood of such loss or damage and regardless of the form of action.

SECTION 2.10. Backup Monthly Report. Prior to the Assumption Date, on or before 12:00 noon (New York City time) on the Business Day preceding each Distribution Date, the Backup Servicer shall deliver or cause to be delivered to the Deal Agent a report (the “Backup Servicer’s Monthly Report”), in form and substance satisfactory to Deal Agent, signed by an officer of the Backup Servicer, stating that: (i) the Backup Servicer has loaded the Servicer’s Data File as described in Section 2.1(a) on its hardware; (ii) a review of the Monthly Report for the related Distribution Date has been made under such officer’s supervision; (iii) the Backup Servicer has received the Live Data File described in Section 2.6(a); and (iv) to such officer’s knowledge: (x) the electronic media is in readable form; (y) with respect to the review and verification set forth in Section 2.2(a) and 2.2(b), the data on the Servicer’s Data File tie to the related Monthly Report resulting in no discrepancies between them; and (z) the Monthly Report does not contain any errors in accordance with the review criteria set forth in Section 2.2(a) hereunder. If the preceding statements cannot be made in the affirmative, the applicable officer shall state the nature of any and all anomalies, discrepancies and errors, and indicate all actions it is currently taking with the Servicer to reconcile and/or correct the same. Each Backup Servicer’s Monthly Report shall be dated as of the related Determination Date. Upon the request of the Deal Agent, a Backup Servicer’s Monthly Report shall be accompanied by copies of any third party reports relied on or obtained in connection with the Backup Servicer’s duties hereunder. The Backup Servicer, with respect to the Backup Servicer’s Monthly Report, shall not be responsible for delays attributable to the failure of the Servicer or any other Person to deliver information, defects in the information supplied by the Servicer or any other Person or other circumstances beyond the control of the Backup Servicer. After the Assumption Date, the Backup Servicer shall deliver the Monthly Report in accordance with the Loan Agreement.

SECTION 2.11. Backup Servicer’s Expenses. The Backup Servicer shall be required to pay all expenses incurred by it in connection with its activities hereunder, including fees and disbursements of independent accountants, taxes imposed on the Backup Servicer and expenses incurred in connection with distributions and reports to the Servicer and the Deal Agent. When the Backup Servicer incurs expenses after the occurrence of a Servicer Termination Event or Termination Event, in either case, under the Loan Agreement, the parties hereto intend that such expenses constitute expenses of administration under the Bankruptcy Code or any other applicable Federal or State bankruptcy, insolvency or similar law.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

SECTION 3.1. Representations and Warranties of the Backup Servicer. The Backup Servicer represents, warrants and covenants as of the date of execution and delivery of this Agreement:

(a) Organization and Good Standing. The Backup Servicer has been duly organized and is validly existing as a corporation in good standing under the laws of Delaware, with power, authority and legal right to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and had at all relevant times, and now has, power, authority and legal right to enter into and perform its obligations under this Agreement or the Loan Agreement.

(b) Due qualification. The Backup Servicer is duly qualified to do business as a corporation in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions where the failure to do so would materially and adversely affect the performance of its obligations under this Agreement or the Loan Agreement.

(c) Power and Authority. The Backup Servicer has the power and authority to execute and deliver this Agreement and to carry out the terms hereof; and the execution, delivery and performance of this Agreement have been duly authorized by the Backup Servicer by all necessary corporate action.

(d) Binding Obligation. This Agreement shall constitute the legal, valid and binding obligation of the Backup Servicer enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Violation. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement, and the fulfillment of the terms hereof, shall not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time, or both) a default under, the certificate of incorporation or bylaws of the Backup Servicer, or any indenture, agreement, mortgage, deed of trust or other instrument to which the Backup Servicer is a party or by which it is bound, or result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument, other than this Agreement, or violate any law, order, rule or regulation applicable to the Backup Servicer of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Backup Servicer or any of its properties.

(f) No Proceedings. There are no proceedings or investigations pending or, to the Backup Servicer's knowledge, threatened against the Backup Servicer, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Backup Servicer or its properties: (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, or (iii) seeking any determination or ruling that might materially and adversely affect the performance by the Backup Servicer of its obligations under, or the validity or enforceability of, this Agreement.

(g) The Backup Servicer is not required to obtain the consent of any other party or any consent, license, approval or authorization, or registration or declaration with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement.

(h) Facilities. The Backup Servicer has adequate facilities and employees in place to handle the following, in accordance with its Collection Guidelines, including, but not limited to: (i) customer service inquiries/responsibilities; (ii) collections on delinquent and

charged-off contracts; (iii) insurance monitoring and the making of claims with respect thereto; (iv) creating the Monthly Reports; (v) repossession and other legal actions; (vi) statements to performing accounts and other correspondence; (vii) reconciliation of dealer holdback payments; (viii) inventory management; (ix) maintenance of lock-box accounts; (x) electronic skip tracing; and (xi) document storage and title maintenance.

(i) The Backup Servicer shall take all actions it deems necessary to commence servicing within 30 days of receipt of written notice from the Deal Agent, including without limitation, hiring and training new personnel and purchasing any necessary equipment.

(j) The Backup Servicer will keep gateways, hardware, software, systems and the interface used to fulfill its obligations hereunder up-to-date as necessary to ensure continuing compatibility with Credit Acceptance's systems, utilized by Credit Acceptance in its capacity as Servicer, and otherwise maintain a technology platform that will enable the Backup Servicer to fulfill its obligations at all times, provided that the Backup Servicer will not be responsible for ensuring compatibility with systems changed or modified by Credit Acceptance unless Credit Acceptance notifies the Backup Servicer of such changes or modifications.

(k) The Backup Servicer and all of its employees performing the services described hereunder will perform such services in accordance with industry standards applicable to the performance of such services, and with the same degree of care as it applies to the performance of such services for any assets which the Backup Servicer holds for its own account.

(l) Upon a Backup Servicer Event of Default, the Backup Servicer shall promptly (but in any event within two (2) business days) notify the Servicer and the Deal Agent of such Backup Servicer Event of Default.

ARTICLE 4 TERMINATION

SECTION 4.1. Backup Servicer Event of Default.

For purposes of this Agreement, any of the following shall constitute a "Backup Servicer Event of Default":

(a) Failure on the part of the Backup Servicer duly to observe or perform in any material respect any covenant or agreement of the Backup Servicer set forth in this Agreement, which failure continues unremedied for a period of 30 days after the date on which the Backup Servicer shall have actual knowledge thereof or written notice of such failure, requiring the same to be remedied, shall have been given to the Backup Servicer by the Deal Agent.

(b) Any failure by the Backup Servicer (x) after the Assumption Date to deposit to the Collection Account any amount required to be deposited by the Servicer and such failure shall continue unremedied for a period of two (2) days or (y) to deliver to the Deal Agent,

any Backup Servicer's Monthly Report on the related Distribution Date that shall continue unremedied for a period of one (1) Business Day.

(c) The entry of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver, or liquidator for the Backup Servicer in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings, or for the winding up or liquidation of its respective affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days or the entry of any decree or order for relief in respect of the Backup Servicer under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, or similar law, whether now or hereafter in effect, which decree or order for relief continues unstayed and in effect for a period of 60 consecutive days.

(d) The consent by the Backup Servicer to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of or relating to the Backup Servicer or relating to substantially all of its property; or the admission by the Backup Servicer in writing of its inability to pay its debts generally as they become due, the filing by the Backup Servicer of a petition to take advantage of any applicable insolvency or reorganization statute, the making by the Backup Servicer of an assignment for the benefit of its creditors, or the voluntarily suspension by the Backup Servicer of payment of its obligations.

(e) Any representation, warranty or statement of the Backup Servicer made in this Agreement or any certificate, report or other writing delivered by the Backup Servicer pursuant hereto shall prove to be incorrect in any material respect as of the time when the same shall have been made and, within 30 days after written notice thereof shall have been given to the Backup Servicer by the Deal Agent, the circumstances or condition in respect of which such representation, warranty or statement was incorrect shall not have been eliminated or otherwise cured.

SECTION 4.2. Consequences of a Backup Servicer Event of Default.

If a Backup Servicer Event of Default has occurred and is continuing, the Deal Agent may, by notice given in writing to the Backup Servicer, terminate all of the rights and obligations of the Backup Servicer under this Agreement. On or after the receipt by the Backup Servicer of such written notice, all authority, power, obligations and responsibilities of the Backup Servicer under this Agreement shall be terminated. The terminated Backup Servicer agrees to cooperate with the Deal Agent in effecting the termination of the responsibilities and rights of the terminated Backup Servicer under this Agreement.

SECTION 4.3. Backup Servicing Termination.

Prior to the time the Backup Servicer receives a notice from the Deal Agent that the Backup Servicer will become the Servicer, the Backup Servicer may terminate this Agreement for any reason in its sole judgment and discretion upon delivery of 90 days advance written notice to the Deal Agent or the Collateral Agent of such termination.

SECTION 4.4. Return of Confidential Information.

Upon termination of this Agreement, the Backup Servicer shall, at the direction of the Deal Agent, promptly return all written confidential information and any related electronic and written files and correspondence in its possession as are related to this Agreement and the Service-Related Activities contemplated hereunder. The Backup Servicer shall provide reasonable access to its facilities and assistance to any successor servicer or other party assuming the servicing responsibilities, provided, however, that such access shall not unreasonably interfere with the Backup Servicer conducting its day to day operations.

ARTICLE 5
MISCELLANEOUS

SECTION 5.1. Notices, Etc.

(a) On and after the Assumption Date, Credit Acceptance hereby agrees to provide to the Backup Servicer all notices required to be provided to the Servicer pursuant to the Loan Agreement and the other Transaction Documents, as well as a hard copy sent by a nationally recognized courier service with item tracking capability.

(b) Except where telephonic instructions or notices are authorized herein to be given, all notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be sent electronically or by facsimile transmission with a confirmation of the receipt thereof and shall be deemed to be given for purposes of this Agreement on the day that the receipt of such facsimile transmission is confirmed in accordance with the provisions of this Section 5.1. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands, instructions (including payment instructions) and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses and accounts indicated below, and, in the case of telephonic instructions or notices, by calling the telephone number or numbers indicated for such party below:

If to the Borrower:

CAC Warehouse Funding III, LLC
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: Wendy A. Rummler
Telephone: (248) 353-2700 (ext. 4217)
Telecopy: (866) 249-3138

If to the Servicer:

Credit Acceptance Corporation
Silver Triangle Building
25505 West Twelve Mile Road, Suite 3000
Southfield, Michigan 48034-8339

Attention: Wendy A. Rummler
Telephone: (248) 353-2700 (ext. 4217)
Telecopy: (866) 249-3138

If to the Collateral Agent:

Fifth Third Bank
38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Brian Gardner
Facsimile No.: (513) 534-0319
Confirmation No: (513) 534-7949

If to the Deal Agent:

Fifth Third Bank
38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Brian Gardner
Facsimile No.: (513) 534-0319
Confirmation No: (513) 534-7949

If to the Backup Servicer:

Systems & Services Technologies, Inc.
4315 Pickett Road
St. Joseph, MO 64503
Attention: John Chappell, President,
Joseph Booz, EVP/General Counsel
Facsimile: (816) 671-2029
Telephone: (816) 671-2022; (816) 671-2028

with a copy to:
NCO Group, Inc.
507 Prudential Road
Horsham, Pennsylvania 19044
Attn: Joshua Gindin, EVP/General Counsel

SECTION 5.2. Successors and Assigns. This Agreement shall be binding upon the Backup Servicer, and shall inure to the benefit of the Collateral Agent, the Secured Parties and their respective successors and permitted assigns.

SECTION 5.3. No Bankruptcy Petition Against the Borrower. The parties hereto agree that until one year and one day after the Collection Date, they shall not: (i) institute the filing of a bankruptcy petition against the Borrower based upon any claim in its favor arising hereunder or

under the Transaction Documents; (ii) file a petition or consent to a petition seeking relief on behalf of the Borrower under the Bankruptcy Law; or (iii) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of the Borrower or any portion of the property of the Borrower. The parties hereto agree that all obligations of the Borrower are non-recourse to the Borrower except as specifically set forth in the Transaction Documents.

SECTION 5.4. [Intentionally Omitted]

SECTION 5.5. Severability Clause. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 5.6. Amendments. This Agreement and the rights and obligations of the parties hereunder may not be changed orally but only by an instrument in writing signed by the parties hereto.

SECTION 5.7. GOVERNING LAW; SUBMISSION TO JURISDICTION. (a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

(b) EACH OF THE PARTIES HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN THE CITY OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING IN THIS SECTION 5.7(b) SHALL AFFECT THE RIGHT OF ANY PARTY TO BRING ANY ACTION OR PROCEEDING AGAINST ANY OTHER PARTY OR ITS RESPECTIVE PROPERTIES IN THE COURTS OF OTHER JURISDICTIONS.

SECTION 5.8. No Petition. Each of the parties hereto (other than the Deal Agent and each CP Entity) hereby agrees that it will not institute against, or join any other Person in instituting against the Borrower any Insolvency Proceeding so long as there shall not have elapsed one year and one day since the Collection Date. The agreements set forth in this Section 5.8 and the parties' respective obligations under this Section 5.8 shall survive the termination of this Agreement.

SECTION 5.9. Counterparts. This Agreement may be executed in any number of copies, and by the different parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument.

SECTION 5.10. Headings. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Servicer, Deal Agent, the Borrower, the Backup Servicer and the Collateral Agent, have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

CREDIT ACCEPTANCE CORPORATION,
as Servicer

By: /s/ Douglas W. Busk

Name: Douglas W. Busk

Title: Treasurer

SYSTEM & SERVICES TECHNOLOGIES, INC.,
as Backup Servicer

By: /s/ Joshua Gindin

Name: Joshua Gindin

Title: Secretary

FIFTH THIRD BANK,
as Collateral Agent and as Deal Agent

By: /s/ Brian Gardner

Name: Brian Gardner

Title: Vice President

CAC WAREHOUSE FUNDING III, LLC,
as Borrower

By: /s/ Douglas W. Busk

Name: Douglas W. Busk

Title: Treasurer

[Backup Servicing Agreement Signature Page]

Exhibit I
Backup Servicer Certification

CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT, dated as of May 23, 2008 (the "Agreement"), is made between CREDIT ACCEPTANCE CORPORATION, a Michigan corporation ("CAC") and CAC WAREHOUSE FUNDING III, LLC, a Delaware limited liability company ("Funding").

Funding desires to acquire from time to time certain Loans and related rights and collateral, including, but not limited to, certain of CAC's rights in any related Dealer Agreements and Purchase Agreements, all of the related Contracts, and the Collections (other than Dealer Collections) derived therefrom during the full term of this Agreement, and CAC desires to transfer, convey and assign from time to time such Loans and related property to Funding upon the terms and conditions hereinafter set forth. CAC has also agreed to service the Loans and related property to be transferred, conveyed and assigned to Funding.

In consideration of the premises and the mutual agreements set forth herein, it is hereby agreed by and between CAC and Funding as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. All capitalized terms used herein shall have the respective meanings specified herein or, if not so specified, the respective meanings specified in, or incorporated by reference into the Loan and Security Agreement and shall include in the singular number the plural and in the plural number the singular:

"Contributed Property" means the Initial Contributed Property and the Subsequent Contributed Property.

"Initial Contributed Property" means (i) the Loans listed on Exhibit A hereto delivered to the Servicer, the Collateral Agent and the Backup Servicer on the Initial Funding Date and (ii) all Related Security with respect thereto.

"Initial Funding Date" means date of the Initial Funding, May ____, 2008.

"Loan and Security Agreement" shall mean the Loan and Security Agreement dated as of May 23, 2008, among Funding, CAC, the Investors named therein, the CP Entities named therein, Fifth Third Bank, Relationship Funding Company, LLC and Systems & Services Technologies, Inc., as amended, supplemented and otherwise modified from time to time.

"Related Security" With respect to any Loan all of CAC's interest in:

(i) the Dealer Agreements (other than Excluded Dealer Agreement Rights, but including, without limitation, CAC's rights to service the Loans and the related Contracts and receive the related collection fee and receive reimbursement of certain repossession and recovery expenses, in accordance with the terms of the Dealer Agreements) and Contracts securing payment of such Loan;

(ii) all security interests or liens purporting to secure payment of such Loan, whether pursuant to such Loan, the related Dealer Agreement or otherwise, together with all financing statements signed by the related Obligor describing any collateral securing such Loan and all other property obtained upon foreclosure of any security interest securing payment of such Loan or any related Contract;

(iii) all guarantees, insurance (including insurance insuring the priority of perfection of any lien) or other agreements or arrangements of any kind from time to time supporting or securing payment of each Contract whether pursuant to such Contract or otherwise; including any of the foregoing relating to any Contract securing payment of such Loan;

(iv) all of CAC's interests in all Records, documents and writing evidencing or related to such Loan;

(v) all Collections (other than Dealer Collections), the Collection Account, the Reserve Account, and all amounts on deposit therein and investments thereof; and

(vi) the Proceeds of each of the foregoing.

For the avoidance of doubt, the term "Related Security" with respect to any Dealer Loan includes all rights arising after the end of the Revolving Period under such Dealer Loan which rights are attributable to advances made under such Dealer Loan as the result of Dealer Loan Contracts being added after the last date of the last full Collection Period during the Revolving Period to the identifiable group of Dealer Loan Contracts to which such Loan relates.

"Subsequent Contributed Property," means, with respect to the date of any Incremental Funding, (i) the Loans added to Exhibit A hereto as of the date of such Incremental Funding, and (ii) all Related Security with respect thereto.

Section 1.2 Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC, and not specifically defined herein, are used herein as defined in such Article 9.

Section 1.3 Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

ARTICLE II CONTRIBUTION AND SERVICING OF LOANS

Section 2.1 Contribution and Sale of Loans.

(a) In consideration of the payments described in Section 3.1, effective as of the Initial Funding Date, CAC did and hereby does contribute, convey, assign, sell and transfer to

Funding without recourse, except as set forth herein, to Funding all of its right, title and interest in and to (whether now owned or hereafter acquired or arising and wherever located) the Initial Contributed Property.

(b) CAC hereby further agrees that on the date of each Incremental Funding, in consideration of the payment described in Section 3.1 with respect to the date of such Incremental Funding, CAC shall and CAC does hereby agree to, contribute, convey, assign, sell and transfer to Funding without recourse, except as set forth in this Agreement, to Funding all of its right, title and interest in and to (whether now owned or hereafter acquired or arising and wherever located) the Subsequent Contributed Property on and as of the date of such Incremental Funding.

(c) Except as specifically provided in this Agreement, the sale and purchase of Contributed Property under this Agreement shall be without recourse to CAC; it being understood that CAC shall be liable to Funding for all representations, warranties, covenants and indemnities made by CAC pursuant to the terms of this Agreement, all of which obligations are limited so as not to constitute recourse to CAC for the credit risk of the Obligors.

(d) CAC hereby further agrees that the above-described conveyances shall, without the need for any further action on the part of CAC or Funding, include all rights arising after the end of the Revolving Period under any Dealer Loan included in the Initial Contributed Property or Subsequent Contributed Property which rights are attributable to advances made under such Dealer Loans as the result of Contracts being added after the last day of the last full Collection Period during the Revolving Period to the identifiable group of Contracts to which such Dealer Loan relates.

(e) Each such contribution, sale, assignment, transfer and conveyance does not constitute an assumption by Funding (or any of its assigns) or any other Secured Party under the Loan and Security Agreement of any obligations of CAC or any other Person to Obligors or to any other Person in connection with the Loans or under any Contract, Dealer Agreement, Purchase Agreement or other agreement and instrument relating to the Loans.

(f) In connection with any such foregoing conveyance, CAC agrees to record and file on or prior to the Initial Funding Date, at its own expense, a financing statement or statements with respect to the Contributed Property conveyed by CAC hereunder meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect the interests of Funding created hereby, and to deliver either the originals of such financing statements or a file-stamped copy of such financing statements or other evidence of such filings to Funding on or before the Initial Funding Date.

(g) CAC agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents and take all actions as may be necessary or as Funding may reasonably request in order to perfect or protect the interest of Funding in the Loans and other Contributed Property purchased hereunder or to enable Funding to exercise or enforce any of its rights hereunder. CAC shall, upon request of Funding, obtain such additional search

reports as Funding shall request. To the fullest extent permitted by applicable law, Funding shall be and is hereby authorized and permitted to file continuation statements and amendments to financing statements and assignments thereof to preserve and protect its right, title and interest in, to and under the Contributed Property.

(h) It is the express intent of CAC and Funding that the conveyance of the Loans and other Contributed Property by CAC to Funding pursuant to this Agreement be construed as an absolute sale and contribution of such Loans and other Contributed Property by CAC to Funding. Further, it is not the intention of CAC and Funding that such conveyance be deemed a grant of a security interest in the Loans and other Contributed Property by CAC to Funding in the nature of a consensual lien securing an obligation. However, in the event that, notwithstanding the express intent of the parties, the Loans and other Contributed Property are construed to constitute property of CAC, then (i) this Agreement also shall be deemed to be, and hereby is, a security agreement within the meaning of the UCC as enacted in the State of Michigan and any other applicable jurisdiction; and (ii) the conveyance by CAC provided for in this Agreement shall be deemed to be, and CAC hereby grants to Funding, a security interest in, to and under all of CAC's right, title and interest in, to and under the Contributed Property, to secure the rights of Funding set forth in this Agreement or as may be determined in connection therewith by applicable law. CAC and Funding shall, to the extent consistent with this Agreement, take such actions as may be necessary to ensure that, if this Agreement were deemed to create such a security interest in the Loans and other Contributed Property, such security interest would be a perfected security interest in favor of Funding under applicable law and will be maintained as such throughout the term of this Agreement and until the earlier of such time as Funding shall have received all Collections or CAC shall have purchased the Loans and other Contributed Property pursuant to a Clean-up Call.

(i) In connection with such conveyance, CAC agrees to deliver to Funding on the Initial Funding Date, one or more computer files or microfiche lists containing true and complete lists of all applicable Dealer Agreements and Loans conveyed to Funding on the Initial Funding Date, and all Contracts securing all such Loans, identified by, as applicable, account number, dealer number and pool number. Such file or list shall be marked as Exhibit A to this Agreement, shall be delivered to Funding as confidential and proprietary, and is hereby incorporated into and made a part of this Agreement. Such list and such Exhibit A shall be supplemented and updated by lists delivered by CAC to Funding on the date of each Incremental Funding in the Revolving Period describing all Contributed Property conveyed on the date of each such Incremental Funding so that, on each such date, Funding will have an aggregate list and Exhibit A that describes all Loans conveyed by CAC to Funding hereunder on or prior to said date of Incremental Funding, any related Dealer Agreements, the related Purchase Agreements and all Contracts securing all such Loans.

(j) CAC will reflect the transactions described in paragraph (a) of this Section 2.1 on its internal non-consolidated financial statements and on its non-consolidated state tax returns as a sale or other absolute transfer or contribution of the Loans from CAC to Funding, even though CAC will reflect this transaction on its consolidated financial statements as an "on-balance sheet" item in accordance with generally accepted accounting principles. CAC will present the data in

its consolidated financial statements with an accompanying footnote describing Funding's separate existence and stating that such item is a financing secured by the Loans and is non-recourse to CAC.

(k) Each of CAC and Funding represents and warrants as to itself that each remittance of amounts by CAC to Funding under this Agreement will have been (x) in payment of a debt incurred by Funding in the ordinary course of business or financial affairs of Funding and CAC and (y) made in the ordinary course of business or financial affairs of Funding and CAC.

Section 2.2 Servicing of Loans. The servicing, administering and collection of the Loans shall be conducted by the Servicer then authorized to act as such under the Loan and Security Agreement.

ARTICLE III CONSIDERATION AND PAYMENT

Section 3.1 Consideration. The consideration for the Loans and other Contributed Property conveyed on the Initial Funding Date to Funding by CAC under this Agreement shall be an amount equal to (i) the net cash proceeds of each advance to Funding under the Loan and Security Agreement used by Funding to purchase the Loans and other Contributed Property conveyed on the Initial Funding Date, plus (ii) 100% of the sole membership interest in Funding. Thereafter, on the date of each Incremental Funding in the Revolving Period, the consideration for the Loans and other Contributed Property conveyed on the date of such Incremental Funding will be cash in the amount of (i) the Aggregate Outstanding Eligible Loan Net Balance of such Loans, plus (ii) 100% of the sole membership interest in Funding. The Contributed Property shall be deemed to have a fair value equal to the aggregate principal amount of the Loans sold and contributed by CAC to Funding.

Section 3.2 Membership Interest. The membership interest of CAC in Funding shall arise on the Initial Funding Date. Such membership interest may not be sold or otherwise transferred by CAC except as otherwise permitted in the Loan and Security Agreement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties. CAC represents and warrants to Funding, for the benefit of Funding and each of its successors and assigns, as of the Closing Date, the Initial Funding Date and the date of each Incremental Funding, that:

(a) Organization and Good Standing. CAC is duly organized and is validly existing as a corporation in good standing under the laws of the State of Michigan, with power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has and had at all relevant times, full power, authority, and legal right to acquire, own, sell, and service the Loans and the related Contracts, and to perform its obligations under the Transaction Documents.

(b) Due Qualification. CAC is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business, including the servicing of the Loans and the related Contracts as required by this Agreement, requires such qualifications except where such failure will not have a Material Adverse Effect.

(c) Power and Authority; Due Authorization. CAC (i) has all necessary power, authority and legal right to: (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) carry out the terms of the Transaction Documents to which it is a party, and (C) transfer and contribute each Loan and all other Related Security on the terms and conditions herein provided and (ii) has duly authorized by all necessary action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the transfer and contribution of the Loans and all other Related Security on the terms and conditions herein provided. This Agreement and each other Transaction Document to which it is a party have been duly executed and delivered by it.

(d) Valid Sale; Binding Obligations. This Agreement evidences a valid sale, contribution, transfer, and assignment of the Contributed Property and this Agreement and the other Transaction Documents to which CAC is a party constitute legal, valid and binding obligations of CAC enforceable in accordance with their terms, subject to the effects of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' or secured creditors' rights generally and to general principles of equity.

(e) No Violation. The execution, delivery and consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the fulfillment of the terms hereof and thereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the Articles of Incorporation or by-laws of CAC, or any indenture, agreement, or other instrument to which CAC is a party or by which it is or may be bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement (other than this Agreement), or other instrument; or violate any law or, to the best of CAC's knowledge, any order, rule, or regulation applicable to CAC of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over CAC or its properties.

(f) No Proceedings. There are no proceedings or investigations pending, or to CAC's best knowledge threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over CAC or its properties: A) asserting the invalidity of this Agreement or any other Transaction Document to which it is a party; B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which it is a party; or C) seeking any determination or ruling that might materially and adversely affect the performance by CAC of its obligations under, or the validity or enforceability of, this Agreement, or any other Transaction Document to which it is a party.

(g) Solvency; Fraudulent Conveyance. CAC is solvent, is able to pay its debts as they become due and will not be rendered insolvent by the transactions contemplated by the Transaction Documents and, after giving effect thereto, will not be left with an unreasonably small amount of capital with which to engage in its business. CAC does not intend to incur, nor does it believe that it has incurred, debts beyond its ability to pay such debts as they mature. CAC does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official or any of its assets. The amount of consideration being received by CAC upon the sale or other absolute transfer of the Contributed Property to Funding constitutes reasonably equivalent value and fair consideration for the Contributed Property. CAC is not transferring the Contributed Property to Funding with any intent to hinder, delay or defraud any of its creditors.

(h) Bulk Sales. The execution, delivery and performance of this Agreement and the transactions contemplated hereby do not require compliance with any "bulk sales" act or similar law by CAC.

(i) Security Interest. As of the Initial Funding Date, CAC has granted a security interest (as defined in the UCC as enacted in the State of Michigan) to Funding in the Contributed Property, which is enforceable in accordance with Applicable Law. Upon the filing of UCC-1 financing statements naming Funding as secured party and CAC as debtor, Funding shall have a first priority perfected security interest in the Contributed Property. All filings (including, without limitation, UCC filings) as are necessary in any jurisdiction to perfect the interest of Funding in the Contributed Property have been made.

(j) Contribution Agreement. This Contribution Agreement is the only agreement pursuant to which Funding purchases and or otherwise acquires Loans from CAC.

(k) Perfection. As of the Initial Funding Date, CAC will be the owner of all of the Loans and the other Contributed Property, free and clear of all Liens. On or prior to the date of each contribution of Loans and the other Contributed Property to Funding pursuant to this Agreement, all financing statements and other documents required to be recorded or filed in order to perfect and protect the ownership interest of Funding in and to the Loans and the other Contributed Property against all creditors of and purchasers from CAC will have been duly filed in each filing office necessary for such purpose and all filing fees and taxes, if any, payable in connection with such filings shall have been paid in full.

(l) Accuracy of Information. All information with respect to the Loans and other Contributed Property (and the transactions contemplated hereby and thereby) provided to Funding hereunder by CAC was true and correct in all material respects as of the date such information was provided to Funding and did not omit to state any material facts necessary to make the statements contained therein not misleading.

(m) Taxes. CAC has filed on or before their respective due dates, all tax returns which are required to be filed in any jurisdiction or has obtained extensions for filing such tax returns and has paid all taxes, assessments, fees and other governmental charges against CAC or

any of its properties, income or franchises, to the extent that such taxes have become due, other than any taxes or assessments, the validity of which are being contested in good faith by appropriate proceedings and with respect to which adequate provision has been made on the books of the Seller as may be required by GAAP. To the best knowledge of CAC, all such tax returns were true and correct in all material respects and CAC knows of no proposed material additional tax assessment against it nor any basis therefor. Any taxes, assessments, fees and other governmental charges payable by CAC in connection with the execution and delivery of the Transaction Documents have been paid or shall have been paid at or prior to Closing Date.

(n) Place of Business. The principal place of business and chief executive office (and “location” for purposes of the applicable UCC) of CAC is in Southfield, Michigan, and the office where CAC keeps all of its Records is at the address listed in Section 8.3, or such other locations notified to Funding and the Deal Agent in accordance with this Agreement in jurisdictions where all action required by the terms of this Agreement has been taken and completed.

(o) Correct Legal Name. “Credit Acceptance Corporation” is the correct legal name of CAC indicated on the public records of CAC’s jurisdiction of organization.

(p) Accounting. CAC accounts for the transfers from it to Funding of Loans and Related Security under the Contribution Agreement as sales or contributions to capital of such Loans and Related Security in its internal non-consolidated financial statements and on its non-consolidated state tax returns, although the financial statements of CAC and Funding are consolidated in accordance with GAAP.

(q) Good Title. Upon the contribution of the Loans and related property to Funding pursuant to this Agreement, Funding shall acquire all of CAC’s ownership and other interest in each Loan, and in the Related Security, Collections and proceeds with respect thereto, in each case free and clear of any Lien.

(r) Eligibility of Dealer Agreements. Each Dealer Agreement classified as an “Eligible Dealer Agreement” (or included in any aggregation of balances of “Eligible Dealer Agreements”) by CAC in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Dealer Agreement on the date so delivered.

(s) Eligibility of Loans. Each Loan classified as an “Eligible Loan” (or included in any aggregation of balances of “Eligible Loans”) by CAC in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Loan on the date so delivered.

(t) Eligibility of Contracts. Each Contract classified as an “Eligible Contract” (or included in any aggregation of balances of “Eligible Contracts”) by CAC in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Contract on the date so delivered.

(u) Amount of Loans; Computer File. The Funding Notice shall provide (A) the aggregate Outstanding Balance of the Contracts; (B) the Aggregate Outstanding Eligible Loan

Balance; and (C) the Aggregate Outstanding Eligible Loan Net Balance; each as of the Cut-off Date and as reported in the Loan Servicing System. Exhibit A attached hereto is complete and accurately reflects the information regarding the Loans, applicable Dealer Agreements and Contracts in all material respects.

(v) Material Adverse Change. Since March 31, 2008, no event or circumstance has occurred that would have a Material Adverse Effect on (i) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Originator or the Servicer (ii) the validity, enforceability or collectibility of this Agreement or any other Transaction Document or the validity, enforceability or collectibility of the Loans, or (iii) the ability of the Originator or of the Servicer to perform its obligations under this Agreement or any Transaction Document.

(w) Not an Investment Company. CAC is not, and is not controlled by, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or each is exempt from all provisions of such Act.

(x) ERISA. CAC is in compliance in all material respects with the Employee Retirement Income Security Act of 1974, as amended.

(y) Preference; Voidability. The transfer Contributed Property hereunder was not made for or on account of an antecedent debt and such transfer is not voidable under any Section of the Bankruptcy Code.

(z) No Consents. With respect to each Loan and the other Contributed Property, all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by CAC, in connection with the pledge of such Contributed Property to Funding have been duly obtained, effected or given and are in full force and effect.

(aa) Exhibit A. Upon delivery, Exhibit A to this Agreement and each supplement or addendum thereto will be an accurate and complete listing of all Loans and the related Contracts or any related Dealer Agreements and Purchase Agreements in all material respects on the date each such Loan was sold to Funding hereunder, and the information contained therein is and will be true and correct in all material respects as of such date.

(bb) Adverse Selection. No selection procedure believed by CAC to be adverse to the interests of Funding has been or will be used in selecting the Loans or any Dealer Agreements or Purchase Agreements.

(cc) Use of Proceeds. None of the transactions contemplated herein (including, without limitation, the use of the proceeds from the pledge of the Collateral) will violate or result in a violation of Section 7 of the Securities Exchange Act, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. CAC does not own or intend to carry or purchase, and no proceeds from the pledge of the Collateral will be used to carry or purchase,

any “margin stock” within the meaning of Regulation U or to extend “purchase credit” within the meaning of Regulation U.

(dd) Credit Score. With respect to the purchase by Funding of Loans and Related Security on each Payment Date during the Revolving Period, on each such Payment Date, immediately after giving effect thereto, the weighted average of the Final Scores of all Contracts that are or remain transferred on such distribution Date is 665 or greater.

(ee) Consolidated Returns. CAC, the Seller and the Issuer are members of an affiliated group within the meaning of Section 1504 of the Internal Revenue Code which will file a consolidated federal income tax return at all times until the termination of the Basic Documents.

(ff) Compliance with Laws. CAC has complied in all material respects with all applicable, laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject.

Section 4.2 Reaffirmation of Representations and Warranties by CAC; Notice of Breach. The representations and warranties set forth in Section 4.1 shall survive the conveyance of the Loans to Funding, and termination of the rights and obligations of Funding and CAC under this Agreement. Upon discovery by Funding or CAC of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other within three Business Days of such discovery.

ARTICLE V COVENANTS OF CAC

Section 5.1 Affirmative Covenants. So long as this Agreement is in effect, and until all Loans, which have been conveyed to Funding pursuant hereto, shall have been paid in full or written-off as uncollectible, and all amounts owed by CAC pursuant to this Agreement have been paid in full, unless Funding and the Agent otherwise consent in writing, CAC hereby covenants and agrees as follows:

(a) Preservation of Corporate Existence; Conduct of Business. CAC will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a material adverse effect on the Contributed Property.

(b) Compliance with Laws. CAC will comply in all material respects with all Applicable Laws.

(c) Furnishing of Information and Inspection of Records. CAC will furnish to Funding (and its assigns) from time to time such information with respect to the Loans as Funding (and its assigns) may reasonably request, including, without limitation, listings

identifying the Obligor and the Outstanding Balance for each Loan. CAC will at any time and from time to time during regular business hours permit Funding, the Deal Agent, or their agents or representatives, (i) to examine and make copies of and abstracts from all Records and (ii) to visit the offices and properties of CAC for the purpose of examining such Records, and to discuss matters relating to Loans or CAC's performance hereunder with any of the officers, directors, employees or independent public accountants of CAC having knowledge of such matters.

(d) Keeping of Records and Books of Account. CAC will maintain and implement administrative and operating procedures (including without limitation, an ability to recreate records evidencing the Loans and the Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Loans.

(e) Obligations and Compliance with Loans, Dealer Agreements and Purchase Agreements. CAC will duly fulfill and comply with all obligations on the part of CAC to be fulfilled or complied with under or in connection with each Loan, each Dealer Agreement, each Purchase Agreement and the other Basic Transaction Documents will do nothing to impair the rights of Funding (or its assigns) in, to and under the Contributed Property.

(f) Collection Guidelines. As long as it is the Servicer or otherwise acting in respect of a Loan or Contract, CAC will (A) comply in all material respects with the Collection Guidelines in regard to each Loan and Contract, and (B) furnish to Funding prompt notice of any material change in the Collection Guidelines and deliver a copy of such changes to Funding quarterly.

(g) Preservation of Security Interest. CAC will file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and perfect the security interest of Funding in, to and under the Contributed Property. CAC will maintain possession of the Dealer Agreements, Purchase Agreements and the Contract Files and Records, as custodian for the Collateral Agent, as set forth in Section 6.2(c) of the Loan and Security Agreement. CAC, as Servicer, will comply with its covenants under Section 5.4(d) of the Loan and Security Agreement.

(h) Separateness. CAC will take such actions that are required on its part to be performed to cause (i) Funding to be in compliance, at all relevant times, with Section 5.2(o) of the Loan and Security Agreement, and (ii) all factual assumptions set forth in the opinion letters delivered by Dykema Gossett PLLC on the date hereof with respect to certain bankruptcy matters to remain true at all relevant times.

Section 5.2 Negative Covenants. During the term of this Agreement, unless Funding and the Agent shall otherwise consent in writing:

(a) No Sales, Liens, Etc. Except as otherwise provided herein, CAC will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any

Lien upon (or the filing of any financing statement) or with respect to (i) any of the Loans, the Related Security, Collections or other Contributed Property, (ii) any goods (other than inventory), the sale, which may give rise to any Loan, Related Security or Collections or other Contributed Property or (iii) any account to which any Collections of any Loan are sent, or, in each case, assign any right to receive income in respect thereof. CAC shall, and will cause each of its Subsidiaries to, specifically exclude from the property subject to any Lien granted on inventory any and all accounts receivable generated by sales of such inventory and the proceeds thereof and shall provide, upon Funding's request, evidence satisfactory to Funding that any such Lien (and each related UCC financing statement or other related filing) expressly excludes any such accounts receivable. CAC will provide Funding and the Deal Agent with a copy of any inventory financing agreement at least three Business Days prior to the effectiveness thereof.

(b) Credit Guidelines and Collection Guidelines. CAC will not amend, modify, restate or replace, in whole or in part, the Credit Guidelines or Collection Guidelines, which change would impair the collectibility of any Loan or Contract or otherwise adversely affect the interests or the remedies of Funding under this Agreement or any other Transaction Document, unless such change is permitted under the Loan and Security Agreement and unless CAC obtains the prior written consent of Funding and the Deal Agent.

(c) Change in Payment Instructions to Obligors. CAC will not make any change in its instructions to Obligors regarding payments to be made directly or indirectly, unless such change is permitted under the Loan and Security Agreement and Funding and CAC have each consented to such change in writing and have received duly executed documentation related thereto.

(d) Change of Name, Etc. CAC will not change its name, identity, jurisdiction of organization or structure or location of its chief executive office, unless at least ten (10) days prior to the effective date of any such change CAC delivers to Funding and the Deal Agent such documents, instruments or agreements, including, without limitation, appropriate financing statements under the UCC, executed by CAC, as are necessary to reflect such change and to continue the perfection of Funding's and any assignee's interest in the Loans.

(e) Separate Business. CAC will not: (i) fail to maintain separate books, financial statements, accounting records and other corporate documents from those of Funding; (ii) commingle any of its assets or the assets of any of its Affiliates with those of Funding; (iii) pay from its own assets any obligation or indebtedness of any kind incurred by Funding; (iv) directly, or through any of its Affiliates, borrow funds or accept credit or guaranties from Funding.

Section 5.3 Indemnities by CAC.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, CAC hereby agrees to indemnify Funding, or its assignee, and each of their respective Affiliates and officers, directors, employees and agents thereof (collectively, the "Indemnified Parties"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including attorneys' fees and disbursements (all of the foregoing being collectively referred to as the "Indemnified Amounts") awarded against or incurred by such Indemnified Party or other non-monetary damages of any such Indemnified Party arising out of or as a result of this Agreement or in respect of any Contributed Property, excluding, however,

(a) Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Indemnified Party or (b) Indemnified Amounts that arise as a result of non-payment of Loans due to credit problems of the Dealers or Obligors. If CAC has made any indemnity payment pursuant to this Section 5.3 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts then, the recipient shall repay to CAC an amount equal to the amount it has collected from others in respect of such indemnified amounts. Without limiting the foregoing, CAC shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from:

(i) any Contract or Loan treated as or represented by CAC to be an Eligible Contract or Eligible Loan that is not at the applicable time an Eligible Contract or Eligible Loan;

(ii) any representation or warranty made or deemed made by CAC or any of its officers under or in connection with this Agreement, which shall have been false or incorrect in any respect when made or deemed made or delivered;

(iii) the failure by CAC to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law, with respect to any Loan, Dealer Agreement, Purchase Agreement or Contract, or the nonconformity of any Loan, Dealer Agreement Purchase Agreement or Contract with any such Applicable Law;

(iv) the failure to vest and maintain vested in Funding, or its assignees, a first priority perfected ownership in the Contributed Property, free and clear of any Lien;

(v) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Laws with respect to the Contributed Property, whether on the Initial Funding Date or at any subsequent time;

(vi) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Dealer or Obligor) of the relevant Dealer or Obligor to the payment of any Loan or Contract (including, without limitation, a defense based on such Loan or Contract not

being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms);

(vii) any failure of CAC to perform its duties or obligations in accordance with the provisions of this Agreement or any failure by CAC to perform its respective duties under the Loans;

(viii) the failure by CAC to pay when due any taxes for which CAC is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Contributed Property;

(ix) the commingling of Collections of the Loans and Contracts at any time with other funds;

(x) any investigation, litigation or proceeding related to this Agreement or in respect of any Loan or Contract;

(xi) the failure of CAC, in its individual capacity, or any of its agents or representatives to remit to the Servicer, the Deal Agent, or the Collateral Agent Collections of the Loans and Contracts remitted to CAC, in its individual capacity, or any such agent or representative; and

(xii) the failure of a Contract File to contain the relevant original Contract.

Notwithstanding the foregoing, CAC shall have no indemnification obligation hereunder with respect to (x) the purchase price, principal balance or value of any Loan or Contract in respect of which CAC shall have paid the Release Price hereunder pursuant to Article VI or under the Loan and Security Agreement after the date of such payment or (y) any indemnifiable amount paid or payable by CAC as Servicer pursuant to the Loan and Security Agreement.

(b) Any amounts subject to the indemnification provisions of this Section 5.3 shall be paid by CAC to the Indemnified Party within five (5) Business Days following the the Indemnified Party's demand therefor.

(c) The obligations of CAC under this Section 5.3 shall survive the termination of this Agreement.

ARTICLE VI REPURCHASE OBLIGATION

Section 6.1 Mandatory Repurchase upon Breach of Warranty. If any Loan, which has been sold, assigned and/or contributed to Funding by CAC hereunder and which has been reported by CAC to be an Eligible Loan, shall fail to meet the conditions set forth in the definition of "Eligible Loan", as applicable, on the date of such report or for which any representation or warranty made herein in respect of such Loan shall fail to be true on the date so made, then no later than the earlier of (i) knowledge by CAC of such Loan not being an "Eligible

Loan” or such representation or warranty failing to be true or (ii) receipt by CAC from Funding, the Deal Agent, the Collateral Agent or the Servicer of written notice thereof, CAC shall be deemed to have received on such day a Collection of such Loan in full and shall on such day pay to Funding an amount equal to the Release Price of such Loan. If on any day any Contract, which has been sold, assigned and/or contributed to Funding by CAC hereunder and which has been reported by CAC to be an Eligible Contract, shall fail to meet the conditions set forth in the definition of “Eligible Contract” or any report or for which any representation or warranty made, herein in respect of such Contract shall fail to be true on the date so made, then no later than the earlier of (i) knowledge by CAC of such Contract not being an “Eligible Contract” or such representation or warranty failing to be true or (ii) receipt by CAC from Funding, the Deal Agent, the Collateral Agent or the Servicer of written notice thereof, CAC shall be deemed to have received on such day a Collection in the amount of the Release Price of such Contract and shall on such day pay to Funding an amount equal to the Release Price of such Contract. For purposes of this Section 6.1, Release Price shall be calculated as of the last day of the immediately preceding collection period. Upon the request of CAC, Funding shall release its security interest on the Loans and the Contracts for which payment has been made in accordance with this Section 6.1; provided, however, that any Collections relating to any such Loans accrued through the date of the release of the security interest in such Loans shall continue to be owned by Funding.

Section 6.2 Retransfer of All of the Loans. In the event of a breach of any representation or warranty set forth in Sections 4.1(q), 4.1(r) or 4.1(s), which breach could reasonably be expected to have a Material Adverse Effect then, on or prior to the applicable Release Date, CAC shall pay to Funding the Retransfer Amount due on the applicable Release Date. On such Release Date, provided that the conditions precedent to the release have been satisfied, the Loans and Related Security related thereto shall be transferred to CAC; and Funding shall, at the sole expense of CAC, execute and deliver such instruments of transfer, in each case without recourse, representation or warranty, as shall be prepared and reasonably requested by CAC to vest in CAC, or its designee or assignee, all right, title and interest of Funding in, to and under the Loans.

Section 6.3 No Recourse. Except as otherwise provided in this Article VI, the purchase and sale of the Loans under this Agreement shall be without recourse to CAC or the Servicer.

ARTICLE VII CONDITIONS PRECEDENT

Section 7.1 Conditions to Funding’s Obligations Regarding Loans. Consummation of the transactions contemplated hereby on the Closing Date, the Initial Funding Date and, where applicable, on the date of each Incremental Funding, shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of CAC contained in this Agreement shall be true and correct on the Closing Date, the Initial Funding Date and the date of each Incremental

Funding with the same effect as though such representations and warranties had been made on such date and the date of each Incremental Funding;

(b) With respect to those Loans contributed on the Initial Funding Date and the date of each Incremental Funding, all information concerning such Loans provided to Funding shall be true and correct in all material respects as of the Initial Funding Date and the date of each Incremental Funding;

(c) CAC shall have substantially performed all other obligations required to be performed by the provisions of this Agreement;

(d) CAC shall have filed or caused to be filed, or shall have delivered for filing, the financing statement(s) required to be filed pursuant to Section 2.1(e);

(e) All corporate and legal proceedings and all instruments in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to Funding, and Funding shall have received from CAC copies of all documents (including, without limitation, records of corporate proceedings) relevant to the transactions herein contemplated as Funding may reasonably have requested; and

(f) On the Initial Funding Date, CAC shall deliver to Funding and the Deal Agent a Monthly Report as of the Initial Funding Date.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.1 Amendment. This Agreement and the rights and obligations of the parties hereunder may not be changed orally, but only by an instrument in writing signed by Funding and CAC and consented to in writing by the Deal Agent.

This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

Section 8.2 Notices. Except where telephonic instructions or notices are authorized herein to be given, all notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be sent by facsimile transmission with a confirmation of the receipt thereof and shall be deemed to be given for purposes of this Agreement on the day that the receipt of such facsimile transmission is confirmed in accordance with the provisions of this Section 8.3. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands, instructions (including payment instructions) and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses and accounts indicated below, and, in the case of telephonic instructions or notices, by calling the telephone number or numbers indicated for such party below:

(a) in the case of Funding:

CAC Warehouse Funding III, LLC
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: Douglas W. Busk
Telephone: (248) 353-2700 (ext. 4432)
Telecopy: (866) 249-3138

with a copy to:

Fifth Third Bank
38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Brian Gardner
Facsimile: (513) 534-0319

(b) in the case of CAC and in the case of the Servicer (for so long as the Servicer is CAC):

Credit Acceptance Corporation
Silver Triangle Building
25505 West Twelve Mile Road
Southfield, Michigan 48034-8339
Attention: Douglas W. Busk
Telephone: (248) 353-2700 (ext. 4432)
Telecopy: (866) 249-3138

or, as to each party, at such other address as shall be designated by such party in a written notice to each other party.

Section 8.3 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

Section 8.4 Assignment. This Agreement may not be assigned by the parties hereto, except that Funding may assign its rights hereunder pursuant to the Loan and Security Agreement to the Collateral Agent or the Deal Agent, for the benefit of RFC, the Secured Parties and any Additional Entities and the Investors, and that RFC and any Additional Entities may assign any or all of its rights to any Liquidity Bank. Funding hereby notifies CAC (and CAC hereby acknowledges) that Funding, pursuant to the Loan and Security Agreement, has assigned

its rights hereunder to the Deal Agent. All rights of Funding hereunder may be exercised by the Deal Agent or its assignees, to the extent of their respective rights pursuant to such assignments.

Section 8.5 Further Assurances. Funding, CAC and the Servicer agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other parties in order to more fully effect the purposes of this Agreement, including, without limitation, the execution of any financing statements or continuation statements or equivalent documents relating to the Loans for filing under the provisions of the UCC or other laws of any applicable jurisdiction.

Section 8.6 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of Funding, CAC or the Deal Agent, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privilege provided by law.

Section 8.7 Counterparts. This Agreement may be executed in two or more counterparts including telecopy transmission thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 8.8 Binding Effect; Third-Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. The Deal Agent, the Collateral Agent on behalf of RFC and the Investors, and any Liquidity Bank are intended by the parties hereto to be third-party beneficiaries of this Agreement.

Section 8.9 Merger and Integration. Except as specifically stated otherwise herein, this Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement. This Agreement may not be modified, amended, waived or supplemented except as provided herein.

Section 8.10 Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 8.11 Exhibits. The schedules and exhibits referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

Section 8.12 Covenant Not to File a Bankruptcy Petition. CAC agrees that until one year and one day after such time as the Loan and Security Agreement has been terminated and all Obligations thereunder have been paid in full, it shall not (i) institute the filing of a bankruptcy petition against Funding or the Issuer; (ii) file a petition or consent to a petition seeking relief on behalf of Funding or the Issuer under the Bankruptcy Law; or (iii) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or similar official) of

Funding or any portion of the property of Funding. This Section 8.12 shall survive termination of the Agreement.

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

FUNDING:

CAC WAREHOUSE FUNDING III, LLC

By: /s/ Douglas W. Busk

Name: Douglas W. Busk

Title: Treasurer

CAC Warehouse Funding Corporation II

Silver Triangle Building

25505 West Twelve Mile Road

Southfield, Michigan 48034-8339

Attention: Douglas W. Busk

Telephone: (248) 353-2700 (ext. 4432)

Telecopy: (866) 249-3138

CAC:

CREDIT ACCEPTANCE CORPORATION

By: /s/ Douglas W. Busk

Name: Douglas W. Busk

Title: Treasurer

CAC Warehouse Funding Corp.

Silver Triangle Building

25505 West Twelve Mile Road

Southfield, Michigan 48034-8339

Attention: Douglas W. Busk

Telephone: (248) 353-2700 (ext. 4432)

Telecopy: (866) 249-3138

Dealer Agreements, Purchase Agreements, Loans and Contracts

Exhibit A-1

Assignment

Exhibit B-1

INTERCREDITOR AGREEMENT

This Intercreditor Agreement (this "Agreement"), dated May 23, 2008, is among Credit Acceptance Corporation ("CAC"), CAC Warehouse Funding Corporation II ("Warehouse Funding"), Credit Acceptance Funding LLC 2006-2 ("Funding 2006-2"), Credit Acceptance Auto Dealer Loan Trust 2006-2 (the "2006-2 Trust"), Credit Acceptance Funding LLC 2007-1 ("Funding 2007-1"), Credit Acceptance Auto Dealer Loan Trust 2007-1 (the "2007-1 Trust"), Credit Acceptance Funding LLC 2007-2 ("Funding 2007-2"), Credit Acceptance Auto Dealer Loan Trust 2007-2 (the "2007-2 Trust"), Credit Acceptance Funding LLC 2008-1 ("Funding 2008-1"), Credit Acceptance Auto Loan Trust 2008-1 (the "2008-1 Trust"), Wachovia Capital Markets, LLC, as deal agent and collateral agent under the Wachovia Securitization Documents ("Wachovia"), Deutsche Bank Trust Company Americas, as indenture trustee and trust collateral agent under the 2006-2 Securitization Documents (in either such capacity, the "2006-2 Trustee", as the context requires), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2007-1 Securitization Documents (in either such capacity, the "2007-1 Trustee", as the context requires), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2007-2 Securitization Documents (in either such capacity, the "2007-2 Trustee", as the context requires), Wells Fargo Bank, National Association, as indenture trustee and trust collateral agent under the 2008-1 Securitization Documents (in either such capacity, the "2008-1 Trustee", as the context requires), Comerica Bank, as agent under the CAC Credit Facility Documents ("Comerica"), CAC Warehouse Funding III, LLC ("Warehouse Funding III"), Fifth Third Bank, as agent under the Fifth Third Securities Documents ("Fifth Third") and each other creditor who becomes a party hereto after the date hereof.

Capitalized terms used but not otherwise defined herein shall have the meaning set forth in Appendix A attached hereto and made part of this Agreement.

BACKGROUND

A. Pursuant to the terms of the various Dealer Agreements between CAC and the Dealers, Collections from a particular Pool are first used to pay certain collection costs, CAC's servicing fee and to pay back the Pool's Advance balance. After the Advance balance under such Pool has been reduced to zero, the Dealer to whom the Pool relates has a contractual right under the related Dealer Agreement to receive a portion of any further Collections with respect to the Pool (such portion of further Collections otherwise payable to the Dealer is referred to herein as "Back-end Dealer Payments"), subject to CAC's right of offset as described in paragraph I below.

B. CAC has granted a security interest in CAC's rights with respect to its Pools (to the extent not released) and related assets generally under the CAC Credit Facility Documents to Comerica, as collateral agent for the banks which are parties thereto.

C. CAC, Wachovia and certain other parties entered into a transaction as set forth in the Wachovia Securitization Documents (the "Wachovia Securitization") pursuant to which the security interest with respect to certain specifically identified Pools, Purchased Loans and related assets was (and during the revolving period under the Wachovia Securitization Documents will be) released by Comerica, CAC contributed (and will contribute) such Pools, Purchased Loans

and related assets to its wholly-owned subsidiary, Warehouse Funding, and Warehouse Funding granted Wachovia, in its capacity as collateral agent, a security interest in Warehouse Funding's rights to such Pools, Purchased Loans and related assets (such Pools, Purchased Loans and related assets are referred to herein as the "Wachovia Loans").

D. CAC and the 2006-2 Trustee entered into a transaction as set forth in the 2006-2 Securitization Documents (the "2006-2 Securitization") pursuant to which the security interest with respect to certain specifically identified Pools and related assets was (and during the revolving period under the 2006-2 Securitization Documents will be) released by Comerica, CAC sold and contributed (and will be selling and contributing) such Pools and related assets to its wholly-owned subsidiary, Funding 2006-2, which subsequently sold (and will sell) such Pools and related assets to the 2006-2 Trust, a trust the depositor of which is Funding 2006-2, and the 2006-2 Trust granted the 2006-2 Trustee a security interest in its right, title and interest in and to such Pools and related assets (such Pools and related assets are referred to herein as the "2006-2 Pools").

E. CAC and the 2007-1 Trustee entered into a transaction as set forth in the 2007-1 Securitization Documents (the "2007-1 Securitization") pursuant to which the security interest with respect to certain specifically identified Pools and related assets was (and during the revolving period under the 2007-1 Securitization Documents will be) released by Comerica, CAC sold and contributed (and will be selling and contributing) such Pools and related assets to its wholly-owned subsidiary, Funding 2007-1, which subsequently sold (and will sell) such Pools and related assets to the 2007-1 Trust, a trust the depositor of which is Funding 2007-1, and the 2007-1 Trust granted the 2007-1 Trustee a security interest in its right, title and interest in and to such Pools and related assets (such Pools and related assets are referred to herein as the "2007-1 Pools").

F. CAC and the 2007-2 Trustee entered into a transaction as set forth in the 2007-2 Securitization Documents (the "2007-2 Securitization") pursuant to which the security interest with respect to certain specifically identified Pools and related assets was (and during the revolving period under the 2007-2 Securitization Documents will be) released by Comerica, CAC sold and contributed such Pools and related assets to its wholly-owned subsidiary, Funding 2007-2, which subsequently sold such Pools and related assets to the 2007-2 Trust, a trust the depositor of which is Funding 2007-2, and the 2007-2 Trust granted the 2007-2 Trustee a security interest in its right, title and interest in and to such Pools and related assets (such Pools and related assets are referred to herein as the "2007-2 Pools").

G. CAC and the 2008-1 Trustee entered into a transaction as set forth in the 2008-1 Securitization Documents (the "2008-1 Securitization") pursuant to which the security interest with respect to certain specifically identified Pools, Purchased Loans and related assets has been (and during the revolving period under the 2008-1 Securitization Documents will be) released by Comerica, CAC sold and contributed such Pools, Purchased Loans and related assets to its wholly-owned subsidiary, Funding 2008-1, which subsequently sold such Pools, Purchased Loans and related assets to the 2008-1 Trust, a trust the depositor of which is Funding 2008-1, and the 2008-1 Trust granted the 2008-1 Trustee a security interest in its right, title and interest in and to such Pools and related assets (such Pools, Purchased Loans and related assets are referred to herein as the "2008-1 Loans").

H. CAC, Fifth Third and certain other parties are entering into a transaction as set forth in the Fifth Third Bank Securitization Documents (the "Fifth Third Securitization") pursuant to which the security interest with respect to certain specifically identified Pools, Purchased Loans and related assets will be (and during the revolving period under the Fifth Third Securitization Documents will be) released by Comerica, CAC is selling and contributing (and will contribute) such Pools, Purchased Loans and related assets to its wholly-owned subsidiary, Warehouse Funding III, and Warehouse Funding III is granting Fifth Third, in its capacity as collateral agent, a security interest in Warehouse Funding III's rights to such Pools, Purchased Loans and related assets (such Pools, Purchased Loans and related assets are referred to herein as the "Fifth Third Loans").

I. Comerica retains a security interest in Pools, Purchased Loans and related assets which (i) have not been (and will not be) released, and a security interest encumbering such Pools, Purchased Loans and related assets has not been (and will not be) granted to Wachovia pursuant to the Wachovia Securitization, (ii) have not been (and will not be) released, and a security interest encumbering such Pools, Purchased Loans and related assets has not been (and will not be) granted to the 2006-2 Trustee, pursuant to the 2006-2 Securitization, (iii) have not been (and will not be) released, and a security interest encumbering such Pools, Purchased Loans and related assets has not been (and will not be) granted to the 2007-1 Trustee, pursuant to the 2007-1 Securitization, (iv) have not been (and will not be) released, and a security interest encumbering such Pools, Purchased Loans and related assets has not been (and will not be) granted to the 2007-2 Trustee, pursuant to the 2007-2 Securitization, (v) have not been (and will not be) released, and a security interest encumbering such Pools, Purchased Loans and related assets has not been (and will not be) granted to the 2008-1 Trustee, pursuant to the 2008-1 Securitization, and (vi) are not being (and will not be) released, and a security interest encumbering such Pools, Purchased Loans and related assets is not being (and will not be) granted to Fifth Third Bank pursuant to the Fifth Third Securitization (such unreleased Pools, Purchased Loans and related assets are referred to herein as the "Comerica Loans").

J. The Dealer Agreements permit CAC and its assignees, under certain circumstances, to set off any Collections received with respect to any Pool of a Dealer against Advances under other Pools of that Dealer or Purchased Loans from the Dealer and such set off rights are authorized and permitted under the CAC Credit Facility Documents, the Wachovia Securitization Documents, the 2006-2 Securitization Documents, the 2007-1 Securitization Documents, the 2007-2 Securitization Documents, the 2008-1 Securitization Documents and the Fifth Third Securitization Documents.

K. The parties hereto acknowledge that the rights of CAC or its assigns, pursuant to the Dealer Agreements, to set off Collections received with respect to a Pool, or Purchased Loans against the outstanding balance under any other Pool or Purchased Loans are not intended, and should not be permitted, to be used to prejudice the collateral position of any of the parties hereto, and therefore the exercise of such rights should be limited to Back-end Dealer Payments.

In consideration of the mutual premises and promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENTS

1. **Confirmation.** Notwithstanding any statement or provision contained in the Financing Documents or otherwise to the contrary, and irrespective of the time, order or method of attachment or perfection of security interests granted pursuant to the Financing Documents, respectively, or the time or order of filing or recording of any financing statements, or other notices of security interests, liens or other interests granted pursuant to the Financing Documents, respectively, or the giving of or failure to give notice of the acquisition or expected acquisition of purchase money or other security interests, and irrespective of anything contained in any filing or agreement to which any Creditor may now or hereafter be a party and irrespective of the ordinary rules for determining priority under the Uniform Commercial Code or under any other law governing the relative priorities of secured creditors, subject, however, to the terms and conditions of this Agreement:

(a) **Release by Wachovia.** Wachovia, as the collateral agent, (i) releases any and all rights in and to any Collections with respect to the Comerica Loans, the 2006-2 Pools, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans, the Fifth Third Loans or in any Back-end Dealer Payments; provided, that no release shall have been granted with respect to amounts collected under any Pools or Purchased Loans which are Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the Wachovia Loans and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, any successor servicer or Warehouse Funding to use Collections on its behalf contrary to clause (a) (i). Wachovia, as collateral agent, agrees that the lien and security interest granted to it pursuant to the Wachovia Securitization Documents does not and shall not attach to any Comerica Pools, the 2006-2 Pools, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans, the Fifth Third Loans (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto.

(b) **Release by the 2006-2 Trustee.** The 2006-2 Trustee (i) releases any and all rights in and to any Collections with respect to the Comerica Pools, the Wachovia Loans, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans, the Fifth Third Loans or in any Back-end Dealer Payments; provided, that no release shall have been granted with respect to amounts collected under any Pools which are Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the 2006-2 Pools and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, any successor servicer, Funding 2006-2 or the 2006-2 Trust to use Collections on its behalf contrary to clause (b)(i). The 2006-2 Trust agrees that the lien and security interest granted to the 2006-2 Trustee pursuant to the 2006-2 Securitization Documents to which it is a party does not and shall not attach to any Comerica Pools, the Wachovia Pools, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans or the Fifth Third Loans (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto.

(c) **Release by the 2007-1 Trustee.** The 2007-1 Trustee (i) releases any and all rights in and to any Collections with respect to the Comerica Loans, the Wachovia Loans, the 2006-2 Pools, the 2007-2 Pools, the 2008-1 Loans, the Fifth Third Loans or in any Back-end Dealer Payments; provided, that no release shall have been granted with respect to amounts collected under any Pools which are Back-end Dealer Payments that have been set off by CAC or by

Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the 2007-1 Pools and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, any successor servicer, Funding 2007-1 or the 2007-1 Trust to use Collections on its behalf contrary to clause (c)(i). The 2007-1 Trust agrees that the lien and security interest granted to the 2007-1 Trustee pursuant to the 2007-1 Securitization Documents to which it is a party does not and shall not attach to any Comerica Loans, the Wachovia Loans, the 2006-2 Pools, the 2007-2 Pools, the 2008-1 Loans or the Fifth Third Loans (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto.

(d) **Release by the 2007-2 Trustee.** The 2007-2 Trustee (i) releases any and all rights in and to any Collections with respect to the Comerica Loans, the Wachovia Loans, the 2006-2 Pools, the 2007-1 Pools, the 2008-1 Loans, the Fifth Third Loans or in any Back-end Dealer Payments; provided, that no release shall have been granted with respect to amounts collected under any Pools or Purchased Loans which are Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the 2007-2 Pools and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, any successor servicer, Funding 2007-2 or the 2007-2 Trust to use Collections on its behalf contrary to clause (d)(i). The 2007-2 Trust agrees that the lien and security interest granted to the 2007-2 Trustee pursuant to the 2007-2 Securitization Documents to which it is a party does not and shall not attach to any Comerica Loans, the Wachovia Loans, the 2006-2 Pools, the 2007-1 Pools, the 2008-1 Loans or the Fifth Third Loans (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto.

(e) **Release by the 2008-1 Trustee.** The 2008-1 Trustee (i) releases any and all rights in and to any Collections with respect to the Comerica Loans, the Wachovia Loans, the 2006-2 Pools, the 2007-1 Pools, the 2007-2 Pools or in any Back-end Dealer Payments; provided, that no release shall have been granted with respect to amounts collected under any Pools or Purchased Loans which are Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the 2008-1 Loans and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, any successor servicer, Funding 2008-1 or the 2008-1 Trust to use Collections on its behalf contrary to clause (e)(i). The 2008-1 Trust agrees that the lien and security interest granted to the 2008-1 Trustee pursuant to the 2008-1 Securitization Documents to which it is a party does not and shall not attach to any Comerica Loans, the Wachovia Loans, the 2006-2 Pools, the 2007-1 Pools, or the 2007-2 Pools, or the Fifth Third Loans (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto

(f) **Release by Comerica.** Comerica (i) releases any and all rights in and to any Collections with respect to the Wachovia Loans, the 2006-2 Pools, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans and the Fifth Third Loans, other than amounts collected under the Wachovia Loans, the 2006-2 Pools, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans or the Fifth Third Loans which are owed to Dealers as Back-end Dealer Payments and which are subject to set off by CAC pursuant to the related Dealer Agreement and which have not been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the Wachovia Loans, the 2006-2 Pools, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans and the Fifth Third Loans and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, or any successor servicer to use Collections on its

behalf contrary to clause (f)(i) above. Except for Back-end Dealer Payments to the extent provided in clause (f)(i) above, Comerica agrees that the lien and security interest granted to it pursuant to the CAC Credit Facility Documents does not and shall not attach to any Wachovia Loans, the 2006-2 Pools, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans or the Fifth Third Loans and shall not assert any claim against the Wachovia Loans, the 2006-2 Pools, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans, or the Fifth Third Loans or Collections related thereto.

(g) **Release by Fifth Third.** Fifth Third, as the collateral agent, (i) releases any and all rights in and to any Collections with respect to the Comerica Loans, the 2006-2 Pools, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans, the Wachovia Loans or in any Back-end Dealer Payments; provided, that no release shall have been granted with respect to amounts collected under any Pools or Purchased Loans which are Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents against amounts owing under the Fifth Third Loans and (ii) relinquishes all rights it has or may have to require CAC, individually or as servicer, any successor servicer or Warehouse Funding III to use Collections on its behalf contrary to clause (g)(i). Fifth Third, as collateral agent, agrees that the lien and security interest granted to it pursuant to the Fifth Third Securitization Documents does not and shall not attach to any Comerica Pools, the 2006-2 Pools, the 2007-1 Pools, the 2007-2 Pools, the 2008-1 Loans, the Wachovia Loans (or related Collections) or to any Back-end Dealer Payments and shall not assert any claim thereto.

2. Covenant of the CAC Entities.

(a) Each of the CAC Entities covenants that it shall not use any right it may have under the Dealer Agreements, Purchase Agreements, whether at the direction of Comerica, Wachovia, the 2006-2 Trustee, the 2007-1 Trustee, the 2007-2 Trustee, the 2008-1 Trustee or Fifth Third or otherwise, to set off any Collections, other than amounts which are owed to Dealers as Back-end Dealer Payments, from one Pool against amounts owed under another Pool encumbered in favor of another Creditor.

(b) Each of the CAC Entities covenants that it will require any other person or entity which hereafter acquires any security interest in the Pools, Dealer Agreements, Purchased Loans and related assets from a CAC Entity to become parties to this Agreement by executing an amendment or acknowledgment, in form and substance reasonably satisfactory to CAC and the Creditors, by which such persons or entities agree to be bound by the terms of this Agreement, and delivering such signed amendment or acknowledgement hereof to each of the CAC Entities and the Creditors; provided, however, that in the event the amount owed by the CAC Entities to any Creditor shall be reduced to zero and such Creditor shall have no obligation or agreement to make any further advances to any CAC Entity, such Creditor shall have no rights under this Section 2(b).

3. Turnover of Proceeds. The parties hereto agree that if, at any time, a Creditor (a "Receiving Creditor") (x) receives any payment, distribution, security or the proceeds thereof to which another Creditor or Creditors shall, under the terms of Section 1 of this Agreement, be entitled and (y) the Receiving Creditor either (A) had actual knowledge, at the time of such receipt, that such payment, distribution or proceeds were wrongfully received by it or (B) another

Creditor or Creditors shall have given written notice to the Receiving Creditor, prior to such receipt, of its good faith belief that such payments, distributions or proceeds are being misapplied, and such notice contains evidence reasonably satisfactory to the Receiving Creditor of such misapplication, then such Receiving Creditor shall receive and hold the same separately and in trust for the benefit of, and shall forthwith pay over and deliver the same to the relevant Creditor. For purposes of the foregoing, (i) the actual knowledge of the 2006-2 Trustee shall be determined based on the actual knowledge of the 2006-2 Trustee's Responsible Officers (as defined in the 2006-2 Indenture), (ii) the actual knowledge of the 2007-1 Trustee shall be determined based on the actual knowledge of the 2007-1 Trustee's Responsible Officers (as defined in the 2007-1 Indenture), (iii) the actual knowledge of the 2007-2 Trustee shall be determined based on the actual knowledge of the 2007-2 Trustee's Responsible Officers (as determined in the 2007-2 Indenture) and (iv) the actual knowledge of the 2008-1 Trustee shall be determined based on the actual knowledge of the 2008-1 Trustee's Responsible Officers (as determined in the 2008-1 Indenture), it being understood that each such Responsible Officer shall have no duty to make any inquiry regarding the propriety of any payment, distribution or proceeds.

4. Further Assurances. Each Creditor and CAC Entity agrees that it shall be bound by all of the provisions of this Agreement. Without limiting any other provision hereof, each of the Creditors and CAC Entities agrees that it will promptly execute such instruments, notices or other documents as may be reasonably requested in writing by any party hereto for the purpose of confirming the provisions of this Agreement or better effectuating the intent hereof. CAC will reimburse each Creditor for all reasonable expenses incurred by such Creditor pursuant to this Section 4.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to its conflicts of laws rules. Each of the parties hereto agrees to the non-exclusive jurisdiction of any federal court located within the State of New York. Each of the parties hereto hereby waives any objection based on forum non conveniens and any objection to venue of any action instituted hereunder in any of the aforementioned courts, and consents to the granting of such legal or equitable relief as is deemed appropriate by such court.

6. Counterparts. This Agreement may be executed in two or more counterparts including facsimile transmission thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one of the same instrument.

7. Severability. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

8. No Proceedings. Each of the parties hereto hereby agrees that it will not institute against, or join any other person in instituting against Warehouse Funding, Warehouse Funding III, Funding 2006-2, the 2006-2 Trust, Funding 2007-1, the 2007-1 Trust, Funding 2007-2, the

2007-2 Trust, Funding 2008-1, or the 2008-1 Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law so long as there shall not have elapsed one year and one day after there are no remaining amounts owed to any of the Creditors by any of the CAC Entities pursuant to the Wachovia Securitization Documents, the 2006-2 Securitization Documents, the 2007-1 Securitization Documents, the 2007-2 Securitization Documents, the 2008-1 Securitization Documents and the Fifth Third Securitization Documents.

9. Amendment. This Agreement and the rights and obligations of the parties hereunder may not be changed orally, but only by an instrument in writing executed by all of the parties hereto; *provided further* that if the amount owed by the CAC Entities to any Creditor shall be reduced to zero and such Creditor shall have no obligation or agreement to make any further advances to any CAC Entity, this Agreement may be amended by the other parties hereto without the consent of such Creditor.

10. No Third Party Beneficiaries. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns, including any successor or assignor to the 2006-2 Trustee under the 2006-2 Securitization Documents, any successor or assignor to the 2007-1 Trustee under the 2007-1 Securitization Documents, any successor or assignor to the 2007-2 Trustee under the 2007-2 Securitization Documents and any successor or assign to the 2008-1 Trustee under the 2008-1 Securitization Documents.

12. Notices. Except as otherwise provided herein, all notices or demand hereunder to the parties hereto shall be sufficient if made in writing, and either: (i) sent via certified or registered mail (or the equivalent thereof), postage prepaid, (ii) delivered by messenger or overnight courier, or (iii) transmitted via facsimile with a confirmation of the receipt thereof. Notice shall be deemed to be given for purposes of this Agreement on the day of receipt. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands and other communications in writing shall be given to or made upon the respective parties hereto: (a) in the case of any of the CAC Entities, to Silver Triangle Building, 25505 West Twelve Mile Road, Southfield, Michigan 48034-8339, Attention: Douglas W. Busk, telephone: (248) 353-2700 (ext. 4432), facsimile: (866) 249-3138; (b) in the case of Wachovia, to One Wachovia Center, 301 South College Street, Charlotte, North Carolina 28288-0610, Attention: Conduit Administration, telephone: (704) 383-9343, facsimile: (704) 383-9579; (c) in the case of the 2006-2 Trustee, to 60 Wall Street, MS NYC 60-2606, New York, NY 10005, Attention: Lou Bodi, telephone: (212) 250-4855, facsimile: (212) 553-2459; (d) in the case of the 2007-1 Trustee, to MAC #9311-161, Sixth and Marquette Avenue, Minneapolis, Minnesota 55479 Attention: Corporate Trust Services – Asset-Backed Administration, telephone: (612) 667-8058, facsimile: (612) 667-3464; (e) in the case of the 2007-2 Trustee, to MAC #9311-161, Sixth and Marquette Avenue, Minneapolis, Minnesota 55479 Attention: Corporate Trust Services – Asset-Backed Administration, telephone: (612) 667-8058, facsimile: (612) 667-3464; (f) in the case of Comerica, to One Detroit Center, 6th Floor, 500 Woodward Avenue, Detroit, Michigan 48226, Attention: Michael Stapleton, telephone: (313) 222-2863, facsimile: (313) 222-5636; (g) in the case of the 2008-1 Trustee, to MAC #9311-161, Sixth and

Marquette Avenue, Minneapolis, Minnesota 55479 Attention: Corporate Trust Services – Asset-Backed Administration, telephone: (612) 667-8058, facsimile: (612) 667-3464; and (h) in the case of Fifth Third, to 38 Fountain Square Plaza, MD 109046, Cincinnati, Ohio 45263, Attention: Brian Gardner: telephone: (513) 534-7949, facsimile: (513) 534-0319.

13. Termination. Each party's rights and obligations under this agreement shall terminate at the time all amounts due to or owed by such party have been paid in full and such party's applicable Financing Documents have been terminated so long as each party whose rights and obligations are subject to termination pursuant to this Section 13 (i) has no actual knowledge or written notice of payments, distributions, security or the proceeds thereof to which another Creditor or Creditors is entitled, as provided in Section 3 hereof, and (ii) has not received a written notice from Comerica under the CAC Credit Facility Documents that there is a "Default" or an "Event of Default" (as such terms are defined therein) at the time of the termination of the applicable Financing Documents.

14. Integration; Termination of Prior Agreement. This Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement. Without limiting the generality of the foregoing, this Agreement is intended to supersede the Prior Agreement in its entirety. Each of Comerica, Wachovia, the 2006-2 Trustee, the 2007-1 Trustee, the 2007-2 Trustee, the 2008-1 Trustee and the CAC Entities that were parties to the Prior Agreement further acknowledge and agree that, as among themselves, this Agreement supersedes the Prior Agreement with respect to their rights as against each other and that this Agreement shall govern their rights against each other and the other parties hereto.

[signature page follows]

This Intercreditor Agreement has been executed and delivered by the parties hereto on May ____, 2008.

CREDIT ACCEPTANCE CORPORATION

/s/ DOUGLAS W. BUSK

BY: DOUGLAS W. BUSK

TITLE: TREASURER

CAC WAREHOUSE FUNDING CORPORATION II

/s/ DOUGLAS W. BUSK

BY: DOUGLAS W. BUSK

TITLE: VP – FINANCE AND TREASURER

CREDIT ACCEPTANCE FUNDING LLC 2006-2

/s/ DOUGLAS W. BUSK

BY: DOUGLAS W. BUSK

TITLE: TREASURER

CREDIT ACCEPTANCE FUNDING LLC 2007-1

/s/ DOUGLAS W. BUSK

BY: DOUGLAS W. BUSK

TITLE: TREASURER

CREDIT ACCEPTANCE FUNDING LLC 2007-2

/s/ DOUGLAS W. BUSK

BY: DOUGLAS W. BUSK

TITLE: TREASURER

[Signature Page to Intercreditor Agreement]

CREDIT ACCEPTANCE FUNDING LLC 2008-1

/s/ DOUGLAS W. BUSK

BY: DOUGLAS W. BUSK

TITLE: TREASURER

CAC WAREHOUSE FUNDING III, LLC

/s/ DOUGLAS W. BUSK

BY: DOUGLAS W. BUSK

TITLE: TREASURER

[Signature Page to Intercreditor Agreement]

**WACHOVIA CAPITAL MARKETS, LLC,
AS DEAL AGENT**

/s/ CURT SIDDEN

BY: CURT SIDDEN

TITLE: MANAGING DIRECTOR

[Signature Page to Intercreditor Agreement]

COMERICA BANK, AS AGENT

/s/ TIMOTHY J. BISHOP

BY: TIMOTHY J. BISHOP

TITLE: VICE PRESIDENT

[Signature Page to Intercreditor Agreement]

**CREDIT ACCEPTANCE AUTO DEALER
LOAN TRUST 2006-2**

BY: U.S. BANK TRUST NATIONAL
ASSOCIATION, NOT IN ITS INDIVIDUAL
CAPACITY BUT SOLELY AS OWNER TRUSTEE

/s/ **ANNETTE MORGAN**

BY: ANNETTE MORGAN

TITLE: ASSISTANT VICE PRESIDENT

**CREDIT ACCEPTANCE AUTO DEALER
LOAN TRUST 2007-1**

BY: U.S. BANK TRUST NATIONAL
ASSOCIATION, NOT IN ITS INDIVIDUAL
CAPACITY BUT SOLELY AS OWNER TRUSTEE

/s/ **ANNETTE MORGAN**

BY: ANNETTE MORGAN

TITLE: ASSISTANT VICE PRESIDENT

**CREDIT ACCEPTANCE AUTO DEALER
LOAN TRUST 2007-2**

BY: U.S. BANK TRUST NATIONAL
ASSOCIATION, NOT IN ITS INDIVIDUAL
CAPACITY BUT SOLELY AS OWNER TRUSTEE

/s/ **ANNETTE MORGAN**

BY: ANNETTE MORGAN

TITLE: ASSISTANT VICE PRESIDENT

[Signature Page to Intercreditor Agreement]

CREDIT ACCEPTANCE AUTO LOAN TRUST 2008-1

**BY: U.S. BANK TRUST NATIONAL
ASSOCIATION, NOT IN ITS INDIVIDUAL
CAPACITY BUT SOLELY AS OWNER TRUSTEE**

/s/ ANNETTE MORGAN

**BY: ANNETTE MORGAN
TITLE: ASSISTANT VICE PRESIDENT**

[Signature Page to Intercreditor Agreement]

**DEUTSCHE BANK TRUST COMPANY AMERICAS, NOT IN ITS
INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE**

/s/ MARK DIGIACOMO

BY: MARK DIGIACOMO

TITLE: ASST. VICE PRESIDENT

/s/ MICHELE H.Y. VOON

BY: MICHELE H.Y. VOON

TITLE: VICE PRESIDENT

[Signature Page to Intercreditor Agreement]

**WELLS FARGO BANK, NATIONAL ASSOCIATION, NOT IN ITS
INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE**

/s/ MARIANNA C. STERSHIC

BY: MARIANNA C. STERSHIC

TITLE: VICE PRESIDENT

[Signature Page to Intercreditor Agreement]

FIFTH THIRD BANK, AS AGENT

/s/ BRIAN GARDNER

BY: BRIAN GARDNER

TITLE: VICE PRESIDENT

[Signature Page to Intercreditor Agreement]

APPENDIX A

DEFINITIONS

2006-2 Indenture: The Indenture dated as of November 21, 2006 between the 2006-2 Trustee and the 2006-2 Trust, as amended from time to time.

2006-2 Securitization Documents: The Sale and Servicing Agreement dated as of November 21, 2006 among the 2006-2 Trust, Funding 2006-2, CAC, the 2006-2 Trustee, and Systems & Services Technologies, Inc., the 2006-2 Indenture, and the documents related thereto, as amended from time to time.

2007-1 Indenture: The Indenture dated as of April 12, 2007 between the 2007-1 Trustee and the 2007-1 Trust, as amended from time to time.

2007-1 Securitization Documents: The Sale and Servicing Agreement dated as of April 12, 2007, among the 2007-1 Trust, Funding 2007-1, CAC, the 2007-1 Trustee, and Wells Fargo Bank, National Association, as the Backup Servicer, the 2007-1 Indenture, and the documents related thereto, as amended from time to time.

2007-2 Indenture: The Indenture dated as of October 29, 2007 between the 2007-2 Trustee and the 2007-2 Trust, as amended from time to time.

2007-2 Securitization Documents: The Sale and Servicing Agreement dated as of October 29 2007, among the 2007-2 Trust, Funding 2007-2, CAC, the 2007-2 Trustee, and Wells Fargo Bank, National Association, as the Backup Servicer, the 2007-2 Indenture, and the documents related thereto, as amended from time to time.

2008-1 Indenture: The Indenture dated as of April 18, 2008 between the 2008-1 Trustee and the 2008-1 Trust, as amended from time to time.

2008-1 Securitization Documents: The Sale and Servicing Agreement dated as of April 18, 2008, among the 2008-1 Trust, Funding 2008-1, CAC, the 2008-1 Trustee, and Wells Fargo Bank, National Association, as the Backup Servicer, the 2008-1 Indenture, and the documents related thereto, as amended from time to time.

Advance: Amounts advanced to a Dealer upon the acceptance of a Contract by CAC pursuant to a Dealer Agreement.

CAC Credit Facility Documents: The Fourth Amended and Restated Credit Acceptance Corporation Credit Agreement, dated as of February 7, 2006, by and among the Banks signatory thereto, Comerica and CAC, and the documents related thereto, as amended from time to time.

CAC Entities: Each of CAC, Warehouse Funding, Warehouse Funding III, Funding 2006-2, the 2006-2 Trust, Funding 2007-1, the 2007-1 Trust, Funding 2007-2, the 2007-2 Trust, Funding 2008-1 and the 2008-1 Trust.

Collections: All money, amounts or other payments received or collected by CAC, individually or as servicer, or any successor servicer or any other CAC Entity with respect to a Contract in the form of cash, checks, wire transfers or other form of payment in accordance with the Contracts or the Dealer Agreements, including, without limitation, with respect to a Pool amounts collected under any other Pool which are Back-end Dealer Payments that have been set off by CAC or by Comerica pursuant to the CAC Credit Facility Documents, against amounts owing under such Pool.

Contract: A retail installment contract for the sale of used motor vehicles assigned outright by Dealers to CAC or a subsidiary of CAC or written by Dealers in the name of CAC or a subsidiary of CAC (and funded by CAC or such subsidiary) or assigned by Dealers to CAC or a subsidiary of CAC, as nominee for the Dealer, for administration, servicing, and collection, in each case pursuant to an applicable Dealer Agreement.

Creditor: Each of Comerica, Wachovia, the 2006-2 Trustee, the 2007-1 Trustee, the 2007-2 Trustee, the 2008-1 Trustee and Fifth Third.

Dealer: A person engaged in the business of the retail sale or lease of new or used motor vehicles, including both businesses exclusively selling used motor vehicles and businesses principally selling new motor vehicles, but having a used vehicle department, including any such person which constitutes an affiliate of CAC.

Dealer Agreement: The sales and/or servicing agreements between CAC or its subsidiaries and a participating Dealer which sets forth the terms and conditions under which CAC or its subsidiaries (i) accepts, as nominee for such Dealer, the assignment of Contracts for purposes of administration, servicing and collection and under which CAC or its subsidiary may make Advances to such Dealers and (ii) accepts outright assignments of Contracts from Dealers or funds Contracts originated by such Dealer in the name of CAC or any of its subsidiaries, in each case as such agreements may be in effect from time to time.

Financing Documents: The CAC Credit Facility Documents, the Wachovia Securitization Documents, the 2006-2 Securitization Documents, the 2007-1 Securitization Documents and the 2007-2 Securitization Documents, the 2008-1 Securitization Documents and the Fifth Third Securitization Documents.

Fifth Third Securitization Documents: The Loan and Security Agreement dated as of May 9, 2008, among Warehouse Funding III, CAC, Fifth Third Bank, Relationship Funding Company, LLC and Systems & Services Technologies, Inc. and the other parties from time to time party thereto, and the documents related thereto, as amended from time to time.

Pool: A grouping on the books and records of CAC or any of its subsidiaries of Advances or Contracts originated or to be originated with CAC or any of its subsidiaries by a Dealer and bearing the same pool identification number assigned by CAC's computer system.

Prior Agreement: The Intercreditor Agreement dated April 18, 2008 among CAC, Warehouse Funding, Funding 2006-2, the 2006-2 Trust, Funding 2007-1, the 2007-1 Trust, Funding 2007-2, the 2007-2 Trust, the 2008-1 Trust, Funding 2008-1, Wachovia, The Bank of New York (as successor-in-interest to the corporate trust business of JPMorgan Chase Bank,

N.A.), the 2006-2 Trustee, the 2007-1 Trustee, the 2007-2 Trustee, the 2008-1 Trustee and Comerica.

Purchased Loan: A motor vehicle retail installment loan relating to the sale of a used automobile or light-duty truck originated by a Dealer, purchased by the Originator from such Dealer and evidenced by a Purchased Loan Contract; provided, however, that the term "Purchased Loan" shall, for purposes of this Agreement, include only those Purchased Loans identified from time to time on Schedule V hereto, and/or any Funding Notice.

Wachovia Securitization Documents: The Second Amended and Restated Loan and Security Agreement dated as of August 31, 2007, as amended, among Warehouse Funding, CAC, Wachovia Bank, National Association, JPMorgan Chase Bank, N.A., Variable Funding Capital Company LLC, Park Avenue Receivables Company LLC, Wachovia and Systems & Services Technologies, Inc. and the other parties from time to time party thereto, and the documents related thereto, as amended from time to time.

NEWS RELEASE

FOR IMMEDIATE RELEASE

Date: May 27, 2008

**Investor Relations: Douglas W. Busk
Treasurer
(248) 353-2700 Ext. 4432
IR@creditacceptance.com**

NASDAQ: CACC

**CREDIT ACCEPTANCE ANNOUNCES COMPLETION OF
\$50 MILLION ASSET-BACKED FINANCING**

Southfield, Michigan — May 27, 2008— Credit Acceptance Corporation (NASDAQ: CACC) (the “Company”) announced today the completion of a \$50 million asset-backed non-recourse secured financing with an institutional investor.

Under this facility, the Company will contribute loans to a wholly owned special purpose entity and receive 80% of the net book value of the loans. The Company may borrow up to the lesser of 80% of the contributed loans or \$50 million during the first two years of the financing after which the financing will amortize over one year. The Company initially contributed loans having a net book value of \$62.5 million and borrowed \$50 million. The proceeds of the financing will be used by the Company to repay outstanding indebtedness.

Borrowings under the facility will bear interest at a floating rate equal to the commercial paper rate plus 77.5 basis points with the commercial paper rate limited to a maximum of 6.75% by an interest rate cap agreement.

The Company will receive a servicing fee of 6.0% of the cash flows related to the underlying consumer loans. The remaining 94.0%, less amounts due to dealer-partners for payments of dealer holdback, will be used to pay principal and interest on the notes as well as the ongoing costs of the financing. Using a unique financing structure, the Company’s contracted relationship with its dealer-partners remains unaffected with the dealer-partners’ rights to future payments of dealer holdback preserved.

The notes have not been and will not be registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This news release does not and will not constitute an offer to sell or the solicitation of an offer to buy the notes. This news release is being issued pursuant to and in accordance with Rule 135c under the Securities Act of 1933.

Description of Credit Acceptance Corporation

Since 1972, Credit Acceptance has provided auto loans to consumers, regardless of their credit history. Our product is offered through a nationwide network of automobile dealers who benefit from sales of vehicles to consumers who otherwise could not obtain financing; from repeat and referral sales generated by these same customers; and from sales to customers responding to advertisements for our product, but who actually end up qualifying for traditional financing.

Without our product, consumers may be unable to purchase a vehicle or they may purchase an unreliable one, or they may not have the opportunity to improve their credit standing. As we report to the three national credit reporting agencies, a significant number of our customers improve their lives by improving their credit score and move on to more traditional sources of financing. Credit Acceptance is publicly traded on the NASDAQ under the symbol CACC. For more information, visit creditacceptance.com.