
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
AND EXCHANGE ACT OF 1934**

For the year ended December 31, 2011

or

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

For the transition period from to

Commission File Numbers: 333-169730-01

DriveTime Automotive Group, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
Incorporation or organization)

86-0721358

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

DT Acceptance Corporation

(Exact name of registrant as specified in its charter)

ARIZONA

(State or other jurisdiction of
Incorporation or organization)

82-0587346

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

4020 East Indian School Road

Phoenix, Arizona 85018

(Address, including zip code, of principal executive offices)

(602) 852-6600

(Registrants' telephone number, including area code)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒ (Do not check if a smaller reporting company)

Smaller reporting company ☐

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

On December 31, 2011, none of the voting stock of the registrant was held by non-affiliates.

The total number of shares of common stock outstanding as of December 31, 2011, was 101.7696

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Special Note Regarding Forward-looking Statements

This report contains “forward-looking statements,” which include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation, and availability of resources. These forward-looking statements include, without limitation, statements concerning projections, predictions, expectations, estimates, or forecasts as to our business, financial and operational results, and future economic performance; and statements of management’s goals and objectives and other similar expressions concerning matters that are not historical facts. Words such as “may,” “should,” “could,” “would,” “predicts,” “potential,” “continue,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” and similar expressions, as well as statements in future tense, identify forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved.

Forward-looking statements are based on information available at the time those statements are made or management’s good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- we require substantial capital to finance our business;
- we may not be able to generate sufficient cash flow to meet our debt service obligations;
- interest rates affect our profitability and cash flows and an increase in interest rates will increase our interest expense and lower our profitability and liquidity;
- changes to our business plan that are currently being implemented, and those that may be implemented in the future, may not be successful and may cause unintended consequences;
- our focus on customers with subprime credit;
- general and economic conditions and their effect on automobile sales;
- extensive governmental regulations applicable to us, the violation of which could cause our business to suffer;
- changes in laws, regulations, or policies;
- the need to reduce the scope of our operations;
- seasonal and other fluctuations in our results of operations;
- our failure to effectively manage our growth, access the additional required financing to fund our growth, and increased exposure to legal and regulatory risks as a result of our plans to expand;
- we operate in a highly competitive environment, and if we are unable to compete with our competitors, our results of operations and financial condition could be materially adversely affected; and
- other factors discussed in “Item 1—Business,” “Item 1A—Risk Factors,” and “Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Forward-looking statements speak only as of the date the statements are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Industry Data

We use industry and market data throughout this annual report, which we have obtained from market research, independent industry publications or other publicly available information. Our statement that we are the leading used vehicle retailer in the United States with a sole focus on the sale and financing of quality vehicles in the subprime market is based on our review of the other top companies' financial statements, industry publications and research data with respect to such other companies. Although we believe that each such source is reliable as of its respective date, the information contained in such sources has not been independently verified. While we are not aware of any misstatements regarding any industry and market data presented herein, such data is subject to change based on various factors, including those discussed in "Item 1A—Risk Factors."

Part I

Item 1. Business

Unless otherwise indicated, the terms “DriveTime,” the “Company,” “we,” “our” and “us” refer to DriveTime Automotive Group, Inc. and its consolidated subsidiaries.

General

We are the leading used vehicle retailer in the United States with a sole focus on the sale and financing of quality vehicles to the subprime market. Through our branded dealerships, we provide our customers with a comprehensive end-to-end solution for their automotive needs, including the sale, financing, and maintenance of their vehicles. As of December 31, 2011, we owned and operated 89 dealerships and 16 reconditioning facilities located in 35 geographic regions throughout 17 states. For the year ended December 31, 2011, we sold 56,109 vehicles, generated \$1.1 billion of total revenue, and generated \$180 million of Adjusted EBITDA. We provide financing for substantially all of the vehicles we sell. We do not utilize third-party finance companies or banks to finance vehicles for our customers, and many of our customers may be unable to obtain financing to purchase a vehicle from another company, so financing is an essential component of the services that we provide to our customers. As of December 31, 2011, our loan portfolio had a total outstanding principal balance of \$1.5 billion. We maintain our loan portfolio and related financings on our balance sheet.

Over the past 19 years, we have developed an integrated business model that consists of vehicle acquisition, reconditioning, sales, underwriting and finance, loan servicing, and after sale support. We believe that our model enables us to operate successfully in the underserved subprime market. In addition, we believe that our model allows us to systematically open new dealerships in existing and new markets throughout the United States.

We operate in the large and highly fragmented used vehicle sales and financing markets. According to CNW, for 2011, used vehicle sales were generated from 53,000 franchise and independent dealers nationwide.

As of December 31, 2011, information regarding regions in which we operate is as follows:

State	Twelve Months Ended December 31, 2011		As of December 31, 2011				
	# of Units Sold	Percent of Unit Sales Volume	Number of Stores	Number of Reconditioning Facilities	# of Active Loans	Loan Principal	% of Portfolio
Texas	12,129	21.6%	18	4	34,129	\$ 351,210	23.9%
Florida	8,640	15.4%	15	2	23,493	\$ 243,024	16.6%
North Carolina	5,677	10.1%	9	1	13,933	\$ 150,920	10.3%
Arizona	4,075	7.3%	6	1	10,740	\$ 112,097	7.6%
Virginia	3,721	6.6%	6	1	10,641	\$ 106,715	7.3%
Georgia	3,765	6.7%	7	1	10,323	\$ 106,415	7.3%
California	2,537	4.5%	4	1	7,312	\$ 72,137	4.9%
Nevada	2,352	4.2%	2	1	6,258	\$ 67,631	4.6%
New Mexico	1,832	3.3%	3	1	5,408	\$ 53,484	3.6%
Tennessee	2,972	5.4%	5	1	3,323	\$ 56,925	3.9%
Colorado	1,423	2.6%	2	1	3,769	\$ 40,558	2.8%
South Carolina	2,542	4.5%	3	0	3,160	\$ 37,987	2.6%
Oklahoma	1,704	3.0%	2	0	2,097	\$ 28,229	1.9%
Alabama	1,665	3.0%	3	0	1,653	\$ 25,455	1.7%
Indiana	581	1.0%	2	1	564	\$ 6,843	0.5%
Mississippi	410	0.7%	1	0	406	\$ 5,844	0.4%
Ohio	84	0.1%	1	0	84	\$ 1,206	0.1%
	<u>56,109</u>	<u>100%</u>	<u>89</u>	<u>16</u>	<u>137,293</u>	<u>\$1,466,680</u>	<u>100.0%</u>

Integrated Business Model

Our integrated business model is focused on giving our customers the ability to acquire quality used vehicles through the following six key activities:

- *Vehicle acquisition.* We acquire inventory primarily from used vehicle auctions. Our centralized vehicle selection strategy takes into account many factors, including the retail value, age, and costs of buying, reconditioning, and delivering the vehicle for resale, along with buyer affordability and desirability. At December 31, 2011, we employed over 30 buyers who averaged over five years of experience with us. For the year ended December 31, 2011, we purchased 62,586 vehicles from over 150 auctions nationwide.
- *Vehicle reconditioning and distribution.* Subsequent to acquisition, vehicles are transported to one of our 16 regional reconditioning facilities, where we recondition the vehicles and perform a rigorous multi-point inspection for safety and operability. On average, we spend approximately \$1,400 in reconditioning costs per vehicle sold, including parts and labor. We determine the distribution of vehicles to our dealerships based on current inventory mix and levels, along with sales patterns at each dealership.
- *Vehicle sales and marketing.* We focus on selling quality used vehicles with affordable financing terms through our extensive network of company-owned dealerships. Vehicle pricing is developed centrally for all dealerships and all regions and features our no-haggle pricing. We utilize targeted television, radio, and online advertising programs to promote our brand and encourage customers to complete an online credit application and visit one of our dealerships. Approximately 50% of our customers completed an online credit application before visiting one of our dealerships in the year ended December 31, 2011. Customers can also search our website to view the inventory of our vehicles in their respective regions. Our dealerships are generally located in high traffic commercial districts and showcase our DriveTime logos and color schemes.
- *Underwriting and finance.* Using information provided as part of the credit application process, our centralized proprietary credit scoring system determines a customer's credit grade and the corresponding minimum down payment and maximum installment payment. We monitor the performance of our portfolio and close rates on a real-time basis, allowing us to centrally adjust pricing and financing terms to balance sales volumes and loan performance.
- *Loan servicing.* We perform all servicing functions for our loan portfolio, from collections through the resale of repossessed vehicles. Customers can make cash payments through an electronic payment network at over 3,800 Wal-Mart stores and more than 15,000 other locations nationwide. Customers can also make payments through traditional payment methods such as check, money order, bill-pay and ACH. Our experienced collection staff utilizes our proprietary collection software, which we developed specifically for subprime auto loans. We use behavioral models designed to predict payment habits, as well as automated dialer and messaging systems to enhance collection efficiency. We utilize our vehicle acquisition and sales expertise in representing our vehicles at auction in order to maximize the recovery value of repossessed vehicles.
- *After sale support.* After-sale support consists of our DriveCare® limited warranty; a 36 month / 36,000 mile warranty, including three oil changes a year at Sears Automotive and other locations and 24/7 roadside assistance, on each vehicle we sell. We self-administer our warranty program through our in-house team of customer service representatives, including warranty claim specialists who are certified mechanics, and our pre-approved vendor network of independent third-party repair facilities.

We believe that our business model has several advantages over our competition and that we provide our customers with a unique buying experience featuring:

- vehicle financing with affordable down payments and installment payments;
- branded, attractive dealership facilities, each of which maintains a large inventory of quality, reconditioned used vehicles;

- numerous payment options, which include cash payments at alternative retail and other locations nationwide, as well as online, by phone, and through other traditional payment methods;
- professional and courteous service, including our no haggle pricing and three day “no questions asked” return policy.

To provide financing to our customers, we have traditionally relied upon portfolio warehouse facilities and securitization transactions, both of which provide liquidity needed to fund our portfolio originations, retail sales and loan servicing platforms.

The DriveTime Brand

In recent years, the DriveTime brand has evolved from a traditional buy-here, pay-here dealership model to a comprehensive retail experience. Our dealerships are retail focused and facilitate the sale of our vehicles through dealerships similar to new car franchise stores. Over the past couple of years we have centralized payments and loan collections, removing these functions from the dealership facilities. We have opened 21 new dealerships over the past two years under this model. We have also remodeled our existing dealerships and they are branded with an open, contemporary design, unique signage, flooring, furniture, paint, wallpaper, and awnings. We believe our branded dealership facilities are essential to our customer experience and help promote our image as a courteous, transparent and respectful professional business.

Our website evolved during 2011 with a focus on the customer experience and the unique features of the DriveTime brand. The redesign of our website, www.drivetime.com, provides customers with more comprehensive information about available inventory, including pictures, pricing, and details of each vehicle. The website also educates customers on the DriveTime sales process by affording customers the opportunity to take a virtual tour of a DriveTime dealership. We believe these changes will lead to greater transparency and a better overall customer experience. These changes are focused on helping customers to get comfortable with our simplistic sales approach and providing information on our differentiation within the subprime used vehicle market, prior to and without having to physically visit a dealership. We also believe that our new website will lead to a greater internet presence and more resources for customers as they pursue the purchase of a vehicle with DriveTime. After the purchase of a vehicle, our customers also have access to www.mydrivetime.com, which allows them to manage their account, sign up for ACH payments, make one time payments, and see their account balance. We believe that www.mydrivetime.com adds clarity and enhances our customer relationship throughout the life of their loan.

We have developed our advertising campaign to include more information about our sales process including: lower down payments, the option to be approved on our website, in person, or through a mobile device, and extra benefits included as part of the purchase price. Our advertising strategy has changed its core message to the tag lines “The Nation’s Largest Dealer Helping People with Credit Issues,” “The Go-to-Guys for Cars and Credit,” and “One True Price TM.” “The Nation’s Largest Dealer Helping People with Credit Issues,” is designed to highlight our unique position as an industry leader as well as our core focus of providing vehicles and financing to individuals with subprime credit. “The Go-to-Guys for Cars and Credit” refers to our business model of providing both vehicles and financing to customers who may not be able to acquire vehicle financing through other traditional sources.

To illustrate our One True Price TM concept, the following are currently included in our sales price:

- 36 month/36,000 mile warranty: We provide a 36 month/36,000 mile limited warranty which covers major mechanical and other electronic components of the engine block, the transmission, climate control, and drive axles.
- 3 oil changes/year for 3 years: We provide up to three oil changes per year at Sears Automotive Centers and other locations throughout the nation.
- 24/7 roadside assistance: We provide 24/7 nationwide towing services up to three times a year for lost key, emergency tire service, jump-starts, batteries, and more.

- Document fees: We never charge customers fees for processing purchase and financing related paperwork.
- Anti-theft device: Beginning in 2012, all of our vehicles are equipped with an anti-theft device that not only assists in tracking and recovering vehicles if stolen, but in many cases the device lowers auto insurance rates.
- Total loss protection: If a customer's vehicle is in an accident and the insurance company declares a total loss, DriveTime will forgive the difference between the insurance company's declared cash value of the vehicle and the remaining loan balance as long as the customer's loan and insurance are current and a deductible is satisfied.
- Life assistance: In the event of a customer's untimely death, we forgive the balance of the customer's loan.
- A three day "no questions asked" return policy.

Some of the additional incentives we offer currently include:

- RateAdvantage®: allows a customer to qualify for a lower interest rate if they provide additional down payment subsequent to date of sale.
- DT Champ™: preferred pricing for DriveTime repeat customers.

A vital component of our lead and sales generation is web-based marketing and online assets. Approximately 50% of our sales are generated by customers who complete an online application prior to visiting one of our dealerships. Credit applications are submitted via www.drivetime.com and other marketing websites such as www.goforapproval.com (for television campaigns) and www.go4approval.com (for yellow page campaigns). In addition to our websites, we generate leads and sales through search engine optimization, pay per click marketing, targeted e-mail, third-party and affiliate marketing. Allowing customers the ability to submit their credit and personal information online, prior to visiting a dealership, along with a personal call from our internet call center with a message of their loan approval, is intended to provide customers with peace of mind when dealing with sensitive credit issues.

Dealership Operations

Each of our dealerships features a wide selection of makes and models to satisfy the preferences and budgets of our potential customers. Our dealerships generally maintain an inventory of approximately 70 vehicles. Our newly renovated and spacious branded dealership facilities offer customers a retail experience uncommon in the subprime space. Customers are guided through the retail process by our personnel. Our retail process is designed to be transparent and to let the customer "drive" the process. Customers are provided with information on the purchase process and transactions move at the customer's pace.

Each dealership is operated by a general manager, who has responsibility for the operations of the dealership facility and is compensated in part based on overall dealership profitability and other operating metrics. Our dealerships also typically employ between one to three sales managers, seven to ten sales advisors, and administrative support personnel. Sales advisors primary compensation is comprised of a base salary and incentive bonus programs focused on dealership profitability, as well as the achievement of monthly sales targets.

Industry

Used vehicle sales. The market for used vehicles is among the largest and most highly fragmented retail markets in the United States. Although the number of industry-wide dealerships has contracted in recent years, due to the recessionary environment and franchise terminations, unit sales of used vehicles have recently

increased. According to CNW, in 2011 there were 38.8 million used vehicle sale transactions, representing 75% of the overall vehicle market by unit sales. Sales typically occur through one of three channels: (i) the used vehicle retail operations of the approximately 15,500 manufacturers' franchised new car dealerships, which represented 35.7% of industry sales in 2011, (ii) approximately 37,600 independent used vehicle dealerships, which represented 35.5% of industry sales in 2011, and (iii) individuals who sell used vehicles in private transactions, which represented 28.8% of industry sales in 2011.

Vehicle financing. The industry is generally segmented by credit characteristics of the borrower (prime versus subprime). Originations for customers within the subprime used vehicle market averaged \$30.5 billion per annum over the last five years ending December 31, 2011 and increased to \$40.6 billion in 2011, an \$8.1 billion increase over 2010.

The used vehicle financing segment is highly fragmented and is served by a variety of financing sources that include independent finance companies, "buy-here, pay-here dealers" and select traditional lending sources such as banks, savings and loans, credit unions, and captive finance subsidiaries of vehicle manufacturers. Many traditional lending sources have historically avoided the subprime market due to its relatively high credit risk and the associated collection efforts and costs.

Our market. Within the subprime market, we cater to customers who have the income necessary to purchase a used vehicle, but because of their impaired credit histories, cannot qualify for financing from traditional third-party sources. Our average customer is 30 to 45 years of age, has an annual income of \$30,000 to \$50,000, and has a FICO score between 450 and 570. A customer with a FICO score below 620 is typically considered to have subprime credit.

Inventory

Our centralized inventory management allows us to monitor inventory mix and maintain adequate levels of inventory at each dealership. It also enables us to quickly adjust vehicle acquisition and pricing in light of market conditions and to ensure affordability at all of our stores. Using our proprietary models and real-time data, we deliver weekly buy targets to over 30 buyers based on current inventory levels, projected sales volumes, inventory turn times, and targeted vehicle pricing. We acquire inventory from used vehicle auctions, daily rental agencies, and commercial fleets. Approximately 88% of our inventory is acquired at auction, with the remainder purchased through fleet purchases and other sources.

After purchase, vehicles are transported to one of our 16 regional reconditioning facilities, where we perform a rigorous multi-point inspection for safety and operability, and assess the cost of reconditioning. Vehicles that fail inspection due to significant structural or mechanical defects are returned or resold at auction. Through arrangements with our auction sources, we limit our exposure of loss through arbitration agreements, whereby our cost of returning vehicles is limited to transportation if we discover major mechanical or structural defects with vehicles that were not disclosed. We utilize our proprietary inventory management system to determine and monitor labor, parts, and other costs associated with reconditioning each vehicle. Reconditioned vehicles are distributed to our dealerships based on real-time projected inventory turn times and levels at each dealership. For the year ended December 31, 2011, the average cost per vehicle sold, including auction fees, reconditioning costs, parts and labor, transportation costs, and other incremental costs such as warranty costs, was \$9,700, the average vehicle age was 5.4 years, and the average mileage was approximately 79,741 miles.

Underwriting and Credit Scoring Models

We have dedicated, and will continue to dedicate substantial resources to developing, maintaining, and updating our proprietary credit scoring models that are focused on predicting the credit risk of our customers. Many companies use FICO scores as a standard metric to assess the credit risk of customers. In contrast, we have

over ten years of experience in developing credit scoring models that are more finely tuned to the nuances within the subprime auto segment. Our internal scoring model is comprised of eight credit grades ranging from A+ to D-, with A+ being the highest and D- being the lowest credit grade. Our scoring models provide a substantial improvement over traditional FICO scores in rank-ordering the likelihood of credit risk default within the subprime auto segment. Our scoring models also include the use of alternative data sources along with traditional credit bureau data which enhance the ability to separate the credit risk levels of the subprime auto segment into different categories. Alternative data sources span hundreds of different metrics. Our centralized proprietary credit scoring models are currently used to classify customers into various risk grades that are linked to financing parameters. We believe our ability to quantify a customer's risk profile based upon historical data, breadth of data, and sophisticated modeling techniques, allows us to better predict loan performance, manage the blended quality of our portfolio of loans, and obtain appropriate risk adjusted returns than generic scores, such as the commonly used FICO scores.

The scoring models are periodically updated to account for changes in loan performance, data sources, economic cycles, and business processes. The first credit scoring model was deployed in July 2001. Since then, six subsequent generations of credit scoring models have been implemented, with the most recent scoring models being implemented in January 2011. The credit scoring models have evolved over time and better leverage data collected from additional data sources than in prior models, resulting in improvements in identifying differences in the credit risk of our customers.

Prior to each sale, we require our customers to complete a credit application. Upon entering the customer information into our origination system, our proprietary credit scoring system determines the customer's credit grade, which is used by the dealership manager to help select vehicles that fit the required deal terms and the customer's needs. The customer's credit grade and type of vehicle determine the term, maximum installment payment, and minimum payment amounts. The annual percentage rate (APR) charged is a function of the customer's credit grade, down payment, and model year of the vehicle. Our centralized risk management and pricing departments set these terms and they cannot be altered by dealership personnel.

Our centralized risk management group manages the credit mix of our portfolio of finance receivables on a company-wide basis. This group is also responsible for monitoring the origination and underwriting processes, providing underwriting training to the dealerships, monitoring loan servicing, and static-pool tracking of portfolio loss performance and profitability. The static-pool tracking of portfolio loss performance is also monitored by our internal credit grade. Over the past several years, the unit loss rate results by credit grade have been relatively consistent through economic cycles and across different generations of scoring models.

We provide financing for all of the used vehicles we sell at our dealerships through retail installment sales contracts. The foundation for underwriting these loans is our proprietary credit scoring models described above.

Loan Portfolio

We actively monitor our portfolio performance and the credit grade mix of originations. Our proprietary credit grading system segments our customers into eight distinct credit grades. We control the grade mix of originations through the deal terms provided to our customers, which are established centrally by our risk management team, and applied consistently throughout our dealership network. We have higher minimum down payments and lower maximum installment payments for our lower credit grade customers, resulting in lower close rates for our lower credit grade customers. Our loans have an average original term of approximately 57 months and an average life of only 33 months, due to charge-offs and pay-offs. Due to the fact that our loans have a relatively short average life, we are able to closely monitor credit trends and make appropriate adjustments to both the grade mix and pricing of our originations.

Monitoring and Collections

We seek to minimize credit losses by carefully monitoring our portfolio of finance receivables and periodically updating our credit scoring models based on actual experience and recent trends. After completing a sale, each loan is automatically added to our comprehensive loan servicing and collection system. Our proprietary collection system was developed specifically for subprime auto loans and provides us the transparency and tools necessary to effectively and efficiently service our loan portfolio. We set daily queues of delinquent accounts for each collector to manage based on the customer's delinquency status and an internally generated behavioral score for the customer.

In addition to behavioral models designed to predict payment habits, we utilize an automated dialer and messaging system to enhance collection efficiency for early delinquencies. Customers begin receiving phone calls on the first day of delinquency. We have loan servicing facilities in Arizona, Florida, Texas, and Virginia, and in the fourth quarter of 2011 began utilizing offshore collections for early delinquencies. Collectors focus their efforts on obtaining customer payments. All collector calls are recorded and are randomly selected for quality review. Calls are evaluated based on (i) respect - listening to the customers and showing that we understand their situation; (ii) transparency—empowering customers with information to help them be successful; and (iii) options—being solution focused and helping to educate customers about different tools and programs available to them.

During 2011, we began installing anti-theft/GPS units on our vehicles. These units are used to both locate vehicles for purposes of repossession, and assist in recovery of vehicles, if stolen. These units do not include starter-interrupt functionality. We believe that these units will assist us in repossessing vehicles more effectively when collection efforts have been exhausted. We utilize our vehicle acquisition and sales expertise in representing our vehicles at auction in order to maximize the recovery value of repossessed vehicles.

Integrated Information Systems

We manage the operations of our reconditioning facilities, dealerships, loan servicing centers, and our accounting and reporting functions with an integrated information system. When we purchase a used vehicle, our purchasing group records the purchase in our system, and the system adds the vehicle to inventory and makes the appropriate accounting entries for vehicle cost. Reconditioning costs are also tracked for each vehicle. When a sale occurs and a loan is generated, the system adds the loan to our loan servicing and collection systems. We use both local and wide-area data and voice communication networks that allow us to account for all purchase and sale activity centrally and to service large volumes of contracts from our centralized collections facilities. We also have internally developed comprehensive databases and management tools, including credit scoring models, static pool analyses, behavioral scoring, and predictive modeling to set inventory acquisition and underwriting guidelines, structure contract terms, establish collection strategies, and monitor underwriting effectiveness.

Our systems and databases are maintained in secured data centers. Our data centers are configured with redundant power, cooling, and network access. Fire protection systems, including passive and active design elements, are installed. We utilize multiple backup systems in an effort to ensure uninterruptible power. Our network features multiple wide area network connections using a redundant routing architecture and multiple access points to public networks.

Systems and databases are configured for high availability and disaster recovery. High availability is achieved through the use of server and database clustering and redundancy at multiple hardware layers. We back-up all of our databases and systems on a regular basis. We leverage a blended data duplication disk backup and traditional tape backup strategy that supports rapid data recovery. Tape backups are stored in a secure offsite location. Critical systems are attached to a storage area network and data replication is in place across data centers. Server virtualization technology is utilized to improve the efficiency and availability of resources and applications. We have a comprehensive disaster recovery plan in place to cover intermittent or extended periods of interruption in one or more of our critical systems. We periodically test our disaster recovery procedures.

Indirect Lending

In December 2011, we launched a new indirect lending line of business, GFC Lending, LLC dba GO Financial (“GO”). GO provides subprime auto financing to third-party automobile dealerships, focusing primarily in markets where we do not have existing DriveTime dealerships. The third-party automobile dealerships originate retail installment sales contracts to finance purchases of vehicles by their customers who have modest incomes and who have experienced credit difficulties or have a limited credit history (subprime customers). GO enters into a dealer servicing agreement with each of the third-party automobile dealerships whereby, subsequent to verification of a qualifying customer loan, GO advances funds (“Dealer Advance”) to the dealership through a non-recourse loan. GO is neither the legal lender nor a named lender on the underlying customer loan agreement. Once originated, GO performs the loan servicing of both the Dealer Advance to the dealership and the underlying customer loan to the end customer. Another subsidiary of DTAC (“DTCC”) serves as the servicer of the underlying customer loans, on behalf of GO. GO has no recourse to the dealerships with respect to customer loan performance. GO has a secured interest in each customer loan and the underlying collateral (the vehicle) and receives priority repayment of customer loans from cash flows collected by GO from customers.

The amount of each Dealer Advance from GO to a dealership is dependent upon the vehicle, our credit rating of the dealership and the credit quality of the customer, and is a percentage of the amount financed. GO provides the third-party dealership with a credit scoring model and underwriting guidelines similar to those used by DriveTime in its direct lending originations. The Dealer Advance amount is typically sixty percent (60%) to eighty percent (80%) of the customer loan. The exact amount of each Dealer Advance from GO to the dealership varies from loan to loan, based on a predetermined set of risk characteristics. Each individual dealership builds discrete pools of 80 loans and Dealer Advances are repaid by the dealerships based on cash flows collected by GO from the pool of underlying customer loans.

In general terms, each dealer agreement is a form of cash flow sharing arrangement. The dealer agreement assigns the responsibilities for administering, servicing, and collecting the amounts due on customer loans from the dealership to GO. The dealer agreement states that as cash payments are received from the underlying customer loans, twenty percent (20%) of the cash is allocated to GO as a return covering both GO’s interest income on the Dealer Advance and servicing fee related to the customer loan. Eighty percent (80%) of the cash is allocated first to repayment of incremental and direct servicing expenses incurred by GO and then allocated to the pay down of the Dealer Advance. Once all Dealer Advances within a pool have been repaid in full, the future payments received from customers continue to be allocated twenty percent (20%) to GO, however the remaining eighty percent (80%), net of any incremental and direct servicing expenses, is allocated to the dealership.

We believe this indirect lending program will provide an opportunity for independent dealerships to sell additional vehicles to customers with subprime credit, and will provide us with incremental profitability to supplement our existing operations. At December 31, 2011 and February 29, 2012, we had \$0.1 million and \$2.5 million, respectively, in dealer finance receivables outstanding, which are included in other assets on our consolidated balance sheets.

Intellectual Property

We have an ongoing program under which we evaluate our intellectual property and consider appropriate federal and state intellectual property related filings. We believe that there is significant value in our trademarks, but that our business as a whole is not materially dependent on our trademarks. We believe we have taken appropriate measures to protect our proprietary rights.

Employees

At December 31, 2011 we employed 2,410 people, consisting of 1,611 people in our retail operations, 567 people in our portfolio operations, and 232 people in our corporate operations. None of our employees are

covered by a collective bargaining agreement and we generally believe that relations with our employees are good.

Competition

We operate in a highly fragmented and competitive industry. Our primary competitors include a number of used vehicle departments of franchise dealers, “buy-here, pay-here” dealerships, and independent used vehicle dealers that operate within the subprime segment of the used vehicle sales industry. We also compete with a broad range of financial institutions and independent finance companies offering financing in the subprime segment and the banks and finance companies that purchase their loans. We continually strive to successfully distinguish ourselves from our competitors and compete in this industry in a cost-effective manner. In addition, periodically larger companies with significant financial and other resources have entered or announced plans to enter the used vehicle sales and/or finance industry, or relax their credit standards and compete with us, at least at the upper end of our customer segment. These dealerships also compete with us in areas such as the purchase of inventory, which can result in increased wholesale costs for used vehicles and lower margins, and the dealerships and finance companies could also enter into direct competition with us at any time at the lower end of the subprime market.

While traditional financial institutions have not consistently serviced subprime borrowers, the high interest rates and margins of companies involved in subprime financing have, at times, encouraged certain of these traditional institutions to enter, or contemplate entering, this market. Due to the economic downturn, many finance companies reduced or eliminated subprime auto financing. According to CNW, the percentage of subprime auto originations in January 2007 represented 45.9% of all auto loan originations. By December 2011 subprime auto loan originations represented only 10.4% of all auto loan originations. However, several companies have recently re-entered our market and present new competition. Also, traditional lenders have begun to increase their subprime auto finance originations, however, these originations have yet to reach pre-recession levels.

Regulation

Our sales, finance, and collections operations are subject to ongoing regulation, supervision, and licensing under various federal, state, and local statutes, ordinances, and regulations. Among other things, these laws require that we obtain and maintain certain licenses and qualifications, limit or prescribe terms of the contracts that we originate, provide specified disclosures to customers, limit our right to repossess and sell collateral, and prohibit us from discriminating against certain customers.

Our financing activities with customers are subject to federal truth-in-lending, fair credit reporting, and equal credit opportunity laws and regulations, as well as state and local motor vehicle finance laws, installment finance laws, usury laws, and other installment sales laws. Our debt collection activities with customers are subject to federal fair debt collection practices and fair credit reporting laws and regulations. We are also subject to federal and state consumer protection, privacy, and related laws and regulations. We charge fixed interest rates in excess of traditional prime and non-prime finance companies on the contracts originated at our dealerships. Some states regulate finance fees and charges that may be paid as a result of vehicle sales.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law on July 21, 2010, established a new regulator, the Consumer Financial Protection Bureau, to oversee consumer financial products and services, including mortgage, credit card, payday lending and auto finance. The Bureau’s authority includes rulemaking, enforcement and an array of enforcement tools ranging from fines to legal action. The Bureau is also establishing cooperation agreements with various agencies including the Federal Trade Commission and State Attorneys General. The FTC retains certain of its rulemaking and enforcement authority, including enforcement authority over the Federal Debt Collections Practices Act and for warranty issues, and under the new law it is required to prescribe rules addressing unfair and deceptive practices by auto dealers.

We believe that we are currently in substantial compliance with all material federal, state, and local laws and regulations applicable to our business. We may not, however, be able to remain in compliance with such laws.

Environmental

We are subject to a complex variety of federal, state, and local laws, regulations, and permits relating to the environment and human health and safety. These requirements change frequently and tend to become more stringent over time, and are a significant consideration for us as our operations involve the use of storage tanks, the disposal of wastewater, and the emission of hazardous substances to the air, as well as the use, storage, recycling, and disposal of hazardous materials, such as motor oil and filters, transmission fluids, antifreeze, refrigerants, paints, thinners, batteries, cleaning products, lubricants, degreasing agents, tires, and fuel. If we violate or fail to comply with these laws, regulations, or permits, we could be fined or otherwise sanctioned by regulators. Pursuant to such requirements, we have made and will continue to make capital and other expenditures.

We could also be responsible for costs relating to any contamination at our current or formerly owned or operated properties or third party waste disposal sites. This liability may be imposed even if we were not at fault. In addition to potentially significant expenses to investigate and remediate contamination, such matters can give rise to claims from governmental authorities and other third parties for fines or penalties, natural resource damages, or personal injury or property damage.

Item 1A. Risk Factors

You should carefully consider the following risks and the other information contained in this report, including our consolidated financial statements and related notes and “Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The risks described below are those that we believe are the material risks we face. Any of the risks described below, and others that we may not anticipate, could significantly and adversely affect our business, prospects, financial condition, results of operations, and liquidity. As a result, the trading price of our Senior Secured Notes could decline and you may lose all or part of your investment.

We require substantial capital to finance our business.

We have borrowed, and will continue to borrow, substantial amounts of capital to fund our operations and we periodically refinance such debt. If we cannot obtain the financing we need, or cannot do so on a timely basis and on favorable terms, our liquidity could be materially adversely affected.

At December 31, 2011, we had approximately \$1.2 billion in aggregate principal amount of indebtedness outstanding, which includes \$141.3 million under portfolio warehouse facilities that are due to expire between 2012 and 2013. The portfolio warehouse facilities contain term-out features resulting in final maturities between 12 and 24 months from their expiration dates, depending on the facility.

We historically have restored capacity under our portfolio warehouse facilities from time to time by securitizing portfolios of finance receivables. However, the securitization market experienced significant disruptions in recent periods, and our ability to successfully and efficiently complete securitizations was and may in the future be affected by several factors, including the:

- condition of financial markets generally;
- conditions in the asset-backed securities markets specifically;
- performance of our portfolio.

Due to the disruption in the securitization markets at the onset of the financial crisis, we were able to obtain alternative financing through a variety of debt instruments, including our pooled auto loan program (“PALP”) through which we entered into private securitization transactions and were able to secure over \$800 million in portfolio financing. We also issued \$60.1 million in junior secured notes to both related and unrelated third parties, as well as \$75.0 million in subordinated notes to our principal shareholder.

Although we have secured substantial additional sources of financing and began doing securitizations again in December 2009, we may not be able to secure similar additional financing, and we may in the future face difficulties in renewing loans and facilities if lenders and counterparties are also facing liquidity and capital challenges.

Our substantial debt could have adverse effects on our business and we may incur additional indebtedness in the future.

For the year ended December 31, 2011, we incurred \$73.1 million in interest expense associated with our debt obligations. See “Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.” In addition, we may incur additional debt in the future, subject to certain limitations contained in the agreements that govern our indebtedness. The degree to which we are leveraged could have adverse effects on our business, including:

- our ability to obtain additional financing in the future may be impaired;
- a significant portion of our cash flow from operations must be dedicated to the payment of interest and principal on our debt, and related expenses, which reduces the funds available to us for our operations;

- some of our debt is and will continue to be at variable rates of interest, which may result in higher interest expense in the event of increases in market interest rates;
- the agreements that govern our indebtedness contain, and any agreements to refinance our indebtedness likely will contain, financial and restrictive covenants, and our failure to comply with such covenants may result in an event of default which, if not cured or waived, could result in the acceleration of that indebtedness and trigger an event of default under other indebtedness;
- our level of indebtedness will increase our vulnerability to general economic downturns and adverse industry conditions;
- our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our industry; and
- our leverage could place us at a competitive disadvantage vis-à-vis our competitors who have less leverage relative to their overall capital structures.

We may not be able to generate sufficient cash flow to meet our debt service obligations.

Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt obligations will depend on our future financial performance and cash flows, which will be affected by a range of economic, competitive, and business factors, many of which are outside of our control. If we do not generate sufficient cash flow from operations, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments, or seeking to raise additional capital. The terms of the agreements that govern our indebtedness contain limitations on our ability to incur additional indebtedness. We cannot assure you that any refinancing would be possible, that any assets could be sold, or, if sold, of the timing of the sales and the amount of proceeds realized from those sales, or that additional financing could be obtained on acceptable terms, if at all, or would be permitted under the terms of the agreements governing our indebtedness then outstanding. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or at all, would have a material adverse effect on our business, financial condition, and results of operations, as well as on our ability to satisfy our debt obligations.

Our failure to comply with the agreements relating to our outstanding indebtedness, including as a result of events beyond our control, could result in an event of default or limits on our ability to borrow funds to finance our business.

The agreements that govern our indebtedness (including the indenture governing the notes) contain, and any agreements that govern future indebtedness may contain, covenants that impose significant operating and financial restrictions on, among other things, our ability to:

- incur additional debt;
- incur liens;
- sell or otherwise dispose of assets;
- make investments, loans, or advances;
- engage in merger and acquisition activity;
- pay dividends, redeem capital stock, or make certain other restricted payments or investments;
- engage in certain sale and leaseback transactions;
- enter into new lines of business; and
- enter into transactions with our affiliates.

The agreements that govern our indebtedness also contain certain covenants relating to the performance of our portfolio, which ultimately impacts the manner in which we operate our business. For example, the advance rate on our portfolio warehouse facilities may be reduced if our portfolio does not perform as expected. The agreements governing any future indebtedness could contain financial and other covenants more restrictive than those that are currently applicable to us.

Failure to comply with the agreements governing our indebtedness could result in an event of default under one or more such agreements, could cause cross-defaults on other agreements governing our indebtedness, including the notes, and could prevent us from securing alternate sources of funds necessary to operate our business. Any of these events would have a material adverse effect on our results of operations and financial condition. From time to time, we have breached technical or other covenants under the agreements governing our indebtedness, and we have obtained waivers from the applicable lenders. In a future event of default, there can be no assurance we will be able to receive waivers, and our inability to obtain these waivers may have a material adverse impact on our business.

Our ability to obtain certain financings in the future is restricted by the Fixed Charge Coverage Ratio of the debt incurrence test under the indenture relating to the notes. We do not currently meet these requirements nor do we anticipate meeting these requirements for the foreseeable future, which will limit our ability to obtain certain financings, especially the incurrence of senior unsecured debt.

There is a high degree of risk associated with borrowers with subprime credit. The allowance for credit losses that we have established to cover losses inherent in our loan portfolio may not be sufficient or may need to be substantially increased, which could have a material adverse effect on our results of operations and the value of your collateral.

Substantially all of the sales financing we extend and the loans that we service are with borrowers with subprime credit. Loans to borrowers with subprime credit have lower collection rates and are subject to higher loss rates than loans to borrowers with prime credit. Although we have extensive experience in subprime auto lending, there can be no assurance that our collections and loss rate will not increase over time.

We maintain an allowance for credit losses to cover losses on an aggregate basis at a level we consider sufficient to cover estimated losses inherent in our portfolio of receivables. On a quarterly basis we review and may make upward or downward adjustments to the allowance. However, our allowance may not be sufficient to cover losses inherent in our portfolio, and we may need to increase our allowance for reasons related to, among other things, the continued weak economic environment and deterioration of the housing market, or significant increases in delinquencies or charge-offs. A significant variation in the timing of or increase in credit losses in our portfolio or a substantial increase in our allowance or provision for credit losses would have a material adverse effect on our results of operations.

In addition, because a portion of the collateral securing the notes consists of receivables, the remaining residual property rights in receivables securing other financings (and the value of which are therefore determined by the value of receivables sold or otherwise pledged) or the remaining residual value of special purpose entities that have themselves put in place financings secured by receivables (and the value of which are therefore determined by the value of receivables owned), the value of the collateral securing the notes will be sensitive to the performance of the underlying receivables.

Our focus on customers with subprime credit may raise concerns on the part of future business partners, lenders, counterparties, and regulators and may adversely affect our business.

We focus on the subprime segment of the used vehicle sales and financing market and provide loans to borrowers with subprime credit who, as a class, have lower collection rates and are subject to higher loss rates than prime and near prime borrowers. In addition, the subprime industry has been the subject of extensive media attention, enhanced regulatory scrutiny, and Congressional hearings as a result of what has been characterized as inappropriate consumer practices by subprime lenders in the mortgage industry.

These issues may raise concerns on the part of future business partners, lenders, counterparties, and regulators. As a result, we are unable to assess whether, and to what extent, they may have an adverse effect on our business in the future, including on our reputation, revenues and profitability. In particular, we cannot predict whether these issues may negatively affect our ability to obtain new financing to support our operations or any necessary regulatory approvals or business licenses in connection with our plans to expand our business, either of which could have a material adverse effect on our business.

Interest rates affect our profitability and cash flows and an increase in interest rates will increase our interest expense and lower our profitability, cash flows, and liquidity.

Much of our financing income results from the difference between the rate of interest that we pay on the funds we borrow and the rate of interest that we earn on the finance receivables in our portfolio. While we earn interest on our finance receivables at a fixed rate, we pay interest on certain of our borrowings at floating rates. When interest rates increase, our interest expense increases. Increases in our interest expense that we cannot offset by increases in interest income could have a material adverse impact on our profitability and liquidity. Correspondingly, a significant reduction in our average APR could have a material adverse impact on our profitability, if not offset by a corresponding reduction in our loan losses, borrowing costs, or increases to gross margin on vehicles sold.

Changes in accounting policies could adversely affect our reported results of operations.

We have identified several accounting policies as being “critical” to the fair presentation of our financial condition and results of operations because they involve major aspects of our business and require management to make judgments about matters that are inherently uncertain. Materially different amounts could be recorded under different conditions or using different assumptions.

Additionally, the Financial Accounting Standards Board is currently considering various proposed rule changes including, but not limited to, potential changes in accounting for leases, revenue recognition, and impairment of financial assets. In addition, the Securities and Exchange Commission (the “SEC”) is currently considering adopting rules that would require U.S. issuers to prepare their financial statements contained in SEC filings in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. Specifically, IFRS proposed changes would impact fair value of financial instruments and revenue recognition. The implementation of these or other new accounting requirements or changes to U.S. generally accepted accounting principles could adversely affect our reported results of operations and financial condition.

Our proprietary credit scoring system may not perform as expected and fail to properly quantify the credit risks associated with our customers, which could have a material adverse effect on our financial condition and results of operations.

We have developed, and revise from time to time, complex proprietary credit scoring models that use traditional and non-traditional variables to classify our customers into various risk grades that are linked to loan parameters. There is no guarantee that our credit scoring models will perform as intended or that they will perform in future market conditions. Failure of our credit scoring models to properly quantify the credit risks associated with our customers could have a material adverse effect on our results of operations and financial condition.

We depend on the accuracy and completeness of information furnished to us by or on behalf of our customers. If we and our systems are unable to detect any misrepresentations in this information, this could have a material adverse effect on our results of operations and financial condition.

Our typical customers have limited or no credit histories. In deciding whether to extend credit to customers, we rely heavily on information furnished to us by or on behalf of our customers, including employment and

personal financial information. If a significant percentage of our customers intentionally or negligently misrepresented any of this information, and we and our systems did not detect such misrepresentations, this could have a material adverse effect on our ability to effectively manage our credit risk, which could have a material adverse effect on our results of operations, cash flows, and financial condition.

General economic conditions and their effect on automobile sales may adversely affect our business.

Vehicles sales have historically been impacted by economic factors. Many factors affect the industry, including general economic conditions, consumer confidence, the level of personal discretionary income, interest rates, the price of fuel, and credit availability. Deteriorating economic and market conditions throughout the United States or within a region in which we do business could result in a decline in vehicle sales, a decrease in collectability of our finance receivables, or an increase in vehicle pricing. We cannot assure you that the industry will not experience sustained periods of decline in vehicle sales in the future. Any future decline could have a material adverse effect on our business.

We are subject to extensive governmental regulation, and if we are found to be in violation of any of the federal, state, or local laws or regulations applicable to us, our business could suffer. We are also subject to numerous legal and administrative proceedings which, if the outcomes are unfavorable to us, could adversely affect our business, operating results, and prospects.

The automotive retailing and finance industries are subject to a wide range of federal, state, and local laws and regulations, such as local licensing requirements, and retail financing, debt collection, consumer protection, environmental, health and safety, creditor, wage-hour, anti-discrimination, and other employment practices laws and regulations. The violation of these or future requirements or laws and regulations can result in administrative, civil, or criminal sanctions against us, which may include a cease and desist order against the subject operations or even revocation or suspension of our license to operate the subject business. As a result, we have incurred and will continue to incur capital and operating expenditures and other costs to comply with these requirements, laws, and regulations. Further, over the past several years, private plaintiffs and federal, state, and local regulatory and law enforcement authorities have increased their scrutiny of advertising, sales, financing, and insurance activities in the sale and leasing of motor vehicles. In addition, many state attorneys general have been increasingly active in the area of consumer protection. We are also subject, and may be subject in the future, to inquiries and audits from state and federal regulators. There can be no assurance that such activities will not continue in the future or have a material adverse effect on our business.

From time to time, we may be involved in various legal and administrative proceedings. We are also currently the subject of investigative inquiries from the Consumer Protection Division of the Office of Texas Attorney General. See “Item 3—Legal Proceedings.” It is not feasible to predict the outcome of these proceedings or any claims made against us, and the outcome of any such proceedings or claims could adversely affect our reputation, results of operations, or financial condition.

Changes in laws, regulations, or policies may adversely affect our business.

The laws and regulations governing our lending, servicing, debt collection, and insurance activities or the regulatory or enforcement environment at the federal level or in any of the states in which we operate may change at any time and may have an adverse effect on our business. New legislation, including proposals to substantially reform the financial institution regulatory system, is being considered by the current Congress and new legislative proposals will from time to time continue to be introduced in Congress in the future. It is possible that, in response to the recent economic conditions and the financial crisis, laws and regulations will be changed in ways that will require us to modify our business models or objectives.

For example, on July 21, 2010, the President signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), which significantly changes the regulation of financial

institutions and the financial services industry. Among other things, the Dodd-Frank Act establishes as an independent entity within the Federal Reserve, the Consumer Financial Protection Bureau (the “CFPB”), which has the authority to promulgate consumer protection regulations applicable to all entities offering consumer financial services or products, including non-bank commercial companies in the business of extending credit and servicing consumer loans. Although the CFPB has begun operations and now has a director, the exact scope and substance of the regulations that may be adopted by the CFPB, particularly as they relate to our operations, is still unknown at this time. The Dodd-Frank Act contains numerous other provisions affecting financial industry participants of all types, many of which may have an impact on our operating environment in substantial and unpredictable ways. The Dodd-Frank Act and regulations promulgated thereunder, including by the CFPB, are likely to affect our cost of doing business, may limit or expand our permissible activities, may affect the competitive balance within our industry and market areas and could have a material adverse effect on us. Our management continues to assess the Dodd-Frank Act’s probable impact on our business, financial condition and results of operations, and to monitor developments involving the entities charged with promulgating regulations thereunder. However, the ultimate effect of the Dodd-Frank Act on the financial services industry in general, and on us in particular, is uncertain at this time. The nature and extent of future legislative and regulatory changes affecting financial institutions and non-bank commercial companies, including as a result of the Dodd-Frank Act, is very unpredictable at this time, and any changes could have a material adverse effect on us. In addition, governmental regulations which would deplete the supply of used vehicles, such as environmental protection regulations governing emissions or fuel consumption, could have a material adverse effect on us.

Furthermore, Congress has previously considered and may in the future adopt various forms of legislation designed to spur automobile sales. Depending on the legislation that is adopted, if any, these incentives may only be available to consumers who purchase new vehicles or vehicles achieving high fuel-efficiency standards. If these incentives are limited solely to purchasers of new vehicles, or if we are unable to maintain an inventory of vehicles achieving the mandated fuel-efficiency standards, this legislation could have a material adverse effect on our results of operations, cash flows, and financial condition.

We are unable to predict how these or any other future legislative proposals or programs will be administered or implemented or in what form, or whether any additional or similar changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future. Any such action could affect us in substantial and unpredictable ways and could have an adverse effect on our results of operations and financial condition.

Our inability to remain in compliance with regulatory requirements in a particular jurisdiction could have a material adverse effect on our operations in that market and on our reputation generally. No assurance can be given that applicable laws or regulations will not be amended or construed differently or that new laws and regulations will not be adopted, either of which could materially adversely affect our business, financial condition, or results of operations.

As a result of the credit crisis, we have in the past, and could be required in the future to reduce the scope of our operations, which could have a material adverse effect on our results of operations, cash flows, and financial condition.

During 2008 and early 2009, we contracted our operations in response to the economic crisis. While we expanded our operations and opened new dealerships throughout 2010 and 2011, if we again experience economic uncertainty or economic deterioration, this could require us to reduce the scope of our operations. If we choose to close dealerships in the future, we face certain additional risks, including risks related to:

- an inability to obtain anticipated cost reductions;
- a reduction in portfolio originations;
- legal and regulatory risks related to closed stores and lay-offs, including the risk of lawsuits;
- vandalism, theft, or other damages to vacant stores;

- diversion of management's attention from normal business operations; and
- failure to generate sufficient cash flows to help fund our operations.

If we were to lose the right to service our portfolio of receivables, this could result in decreased collections, which could have a material adverse effect on our results of operations and financial condition.

We retain the right to service all receivables that we finance, including those pledged as collateral to our portfolio warehouse facilities and those sold to securitization trusts. We are entitled to a fee for our servicing activities, typically equal to 4% of the value of receivables being serviced. As of December 31, 2011, our serviced loan portfolio consisted of approximately 137,300 active accounts, with a total outstanding principal balance of \$1.5 billion. Subject to certain conditions, if we experience an event of default under the agreements governing our financing arrangements, we may lose the right to service our receivables. Loss of this right could have a material adverse effect on our cash flows. In addition, if we lose our servicing rights, transitioning servicing activities to a third party could result in interruptions in collections, which could decrease the likelihood that the receivables will be repaid. Moreover, a replacement servicer might lack the requisite experience in servicing such subprime receivables. As a result, we may experience decreased collections, which could have a material adverse effect on our results of operations and financial condition and on the value of the collateral securing the notes.

Our operations and the finance receivables we generate are concentrated geographically, and a downturn in the economies or markets in which we operate could adversely affect vehicle sales and collections.

As of December 31, 2011, we operated our dealerships in 17 states. Adverse economic conditions, natural disasters, or other factors affecting any state or region where high concentrations of our customers reside could adversely affect vehicle sales and collections. If adverse economic conditions, natural disasters, or other factors occur that affect the regions in which we do business, or if borrowers in these regions experience financial difficulties, a significant number of borrowers may not be able to make timely loan payments, if at all, or may be more prone to filing for bankruptcy protection, which could have a material adverse effect on our results of operations and financial condition.

We may experience seasonal and other fluctuations in our results of operations.

Sales of motor vehicles historically have been subject to substantial cyclical variation characterized by periods of oversupply and weak demand. We believe that many factors affect the industry, including consumer confidence in the economy, the level of personal discretionary spending, interest rates, fuel prices, credit availability, and unemployment rates. A recession or an industry or general economic slowdown could materially adversely impact our business.

Historically, we have experienced higher revenues in the first quarter of the calendar year than in the last three quarters of the calendar year. We believe these results are due to seasonal buying patterns resulting in part because many of our customers receive income tax refunds during the first quarter of the year, which are a primary source of down payments on used vehicle purchases. Our loan performance also has historically followed a seasonal pattern with delinquencies and charge-offs being the highest in the second half of the year. Accordingly, our results in any quarter may not indicate the results we may achieve in any subsequent quarter or for the full year. A significant portion of our general and administrative expenses do not vary proportionately with fluctuations in revenues. We expect quarterly fluctuations in operating results to continue as a result of seasonal patterns. Such patterns may change, however, due to factors affecting the automotive industry or otherwise.

Our failure to effectively manage our growth could harm our business, we may not be able to access the additional financing required to fund our growth, and our plans to expand our operations will expose us to increased legal and regulatory risks that may adversely affect our business.

We continually evaluate expanding our operations by opening new dealerships, some of which will potentially be located in existing DriveTime markets and some of which are expected to be located in markets in which we do not currently operate. This growth may result in the incurrence of additional debt and operating expenses, which could adversely affect our profitability and liquidity. Moreover, growth and expansion of our operations may place a significant strain on our resources and increase demands on our executive management team, management information and reporting systems, financial management controls and personnel, and regulatory compliance systems and personnel. We may not be able to expand our operations or effectively manage or integrate our expanding operations, or achieve planned growth on a timely or profitable basis. If we are unable to achieve our planned growth or manage our growth effectively, we may experience operating inefficiencies and our results of operations may be materially adversely affected.

In addition, expansion into new states will increase our legal and regulatory risk. Our failure or alleged failure to comply with applicable laws and regulations in any new jurisdiction, and ensuing inquiries or investigations by regulatory and enforcement authorities, may result in regulatory action, including suspension or revocation of one or more of our licenses, civil or criminal penalties, or other disciplinary actions, and restrictions on or suspension of some or all of our business operations. As a result, our business could suffer, our reputation could be harmed, and we could be subject to additional legal risk. This could, in turn, increase the size and number of claims and damages asserted against us, subject us to regulatory investigations, enforcement actions, or other proceedings, or lead to increased regulatory or supervisory concerns. We may also be required to spend additional time and resources on any remedial measures, which could have an adverse effect on our business. We cannot predict the timing or form of any current or future regulatory or law enforcement initiatives, and any such initiatives could have a material adverse effect on our results of operations and financial condition.

We operate in a highly competitive environment, and if we are unable to compete with our competitors, our results of operations and financial condition could be materially adversely affected.

Our primary competitors are the numerous small “buy-here, pay-here” dealerships, independent used vehicle dealers, and used vehicle departments of franchise dealers that operate in the subprime segment of the used vehicle sales industry, and the banks and finance companies that purchase their loans. There is no assurance that we can successfully distinguish ourselves from our competitors or compete in this industry in a cost-effective manner or at all. Moreover, if our competitors grow and strengthen through consolidation in the industry while we are unable to identify attractive consolidation opportunities, we could end up at a competitive disadvantage and experience declining market share and revenue. In addition, larger companies with significant financial and other resources have periodically entered or announced plans to enter the used vehicle sales and/or finance industry, or relax their credit standards and compete with us, at least at the upper end of our customer segment. These dealerships also compete with us in areas such as the purchase of inventory, which can result in increased wholesale costs for used vehicles and lower margins, and the dealerships and finance companies could also enter into direct competition with us at any time at the lower end of the subprime market.

Increased competition may cause downward pressure on the interest rates that we charge on finance receivables originated by our dealerships, or lower margins, or may cause an increase in our operating costs, all of which could have a material adverse effect on our results of operations and financial condition.

If we are unable to obtain sufficient numbers of used vehicles for our inventory in a cost-effective manner, our operations and financial results will be adversely impacted.

We require a large number of quality used vehicles for our dealerships. We acquire most of our used-vehicle inventory through auctions, and primarily through two auction companies. During the year ended December 31, 2011, we acquired approximately 88% of our vehicles at auction, and approximately 78% of our vehicles from

two auction companies. To a lesser extent, we also acquire used vehicles from wholesalers, franchised and independent dealers, and fleet owners, such as leasing companies and rental companies. The sources from which we can purchase vehicles of a quality and in a quantity acceptable to us are limited, and there is substantial competition to acquire the vehicles we purchase. We may not be able to obtain sufficient inventory in a cost-effective manner or at all. In this regard, recent declines in new vehicle sales and a reduced number of vehicles that are eligible for daily rental will adversely impact the availability and quality of future inventory. Any decline in the number of or increased competition for quality vehicles could diminish our ability to obtain sufficient inventory at a price that we can reflect in retail market prices and would adversely affect our business.

If our inventory or other costs of operations increase and we are unable to pass along these costs to our customers, we may be unable to maintain or grow margins.

Our inventory and other costs are variable and dependent upon various factors, many of which are outside of our control. Our average cost of vehicle sold has increased 38% over the past two years. A continuing rise in vehicle acquisition cost could erode our sales margins and negatively affect our results of operations. Rising auction prices have also lead to the acquisition of a higher mileage and older age vehicle, which could cause an increase in reconditioning and warranty costs, both of which would also negatively affect our sales margins and overall profitability. If we incur cost increases, we may seek to pass those increases along to our customers. However, the income of our average customer limits the maximum monthly payment our customers can afford, and we may be unable to pass these costs along to our customers in the form of higher sales prices, which would adversely affect our ability to maintain or increase margins. Recently, used vehicle values have continued to increase.

Our business is exposed to various operational risks. A failure of or interruption in our communications and information systems could adversely affect our revenues and profitability.

Our business is highly dependent on communications and information systems and is exposed to many types of operational risks, including the risk of fraud by employees or other parties, record-keeping error, errors resulting from faulty computer or telecommunication systems, computer failures or interruption, and damage to computer and telecommunication systems caused by internal or external events. We periodically update or change the integrated computer systems and other components of our operating systems. Any significant failure of such systems, whether as a result of third-party actions or in connection with planned upgrades and conversions, could disrupt our operations and adversely affect our ability to collect on contracts and comply with legal and regulatory requirements. Additionally, our systems are vulnerable to interruption or malfunction due to events beyond our control, including natural disasters and network and telecommunications failures. Our systems may also be vulnerable to unauthorized access, computer hackers, computer viruses, and other security problems. A user who circumvents security measures could misappropriate proprietary information or cause interruptions to or malfunctions in operations. As a result, we may be required to expend significant resources to protect against the threat of these security breaches or to alleviate problems caused by these incidents. We have backup systems and we periodically test disaster recovery scenarios; however, this may not prevent a systems failure or allow us to timely resolve any systems failures. Any interruption to our systems could have a material adverse effect on our results of operations and financial condition.

Reliance on our outsourced business functions could adversely affect our business.

We outsource a portion of our collections and internet sales functions to companies in Barbados and Honduras. While we believe there are benefits to these arrangements, outsourcing increases our operational complexity and decreases our control. We rely on these service providers to provide a high level of service and support, which subjects us to risks associated with inadequate or untimely service. For example, the outsourcing of collection functions could result in lower collection rates than we would have achieved had we performed the same functions internally. In addition, if these outsourcing arrangements were not renewed or were terminated or the services provided to us were otherwise disrupted, we would have to obtain these services from an alternative

provider or provide them using our internal resources. We may be unable to replace, or be delayed in replacing, these sources and there is a risk that we would be unable to enter into a similar agreement with an alternate provider on terms that we consider favorable or in a timely manner. In the future, we may outsource other business functions. If any of these or other risks related to outsourcing were realized, our financial position, liquidity and results of operations could be adversely affected.

The personal information that we collect may be vulnerable to breach, theft, or loss, the occurrence of any of which could adversely affect our reputation and operations.

Possession and use of personal information in our operations subjects us to risks and costs that could harm our business. We collect, use, and retain large amounts of personal information regarding our customers, employees, and their families, including social security numbers, tax return information, personal and family financial data, and credit card numbers. Our computer networks and the networks of certain of our vendors that hold and manage confidential information on our behalf may be vulnerable to unauthorized access, employee theft or misuse, computer hackers, computer viruses, and other security threats. Confidential information may also inadvertently become available to third parties when we integrate systems or migrate data to our servers following an acquisition or in connection with periodic hardware or software upgrades.

Due to the sensitive nature of the personal information stored on our servers, our networks may be targeted by hackers seeking to access this data. A user who circumvents security measures could misappropriate sensitive information or cause interruptions or malfunctions in our operations. Although we use security and business controls to limit access and use of personal information, a third party may be able to circumvent those security and business controls, which could result in a breach of privacy. In addition, errors in the storage, use, or transmission of personal information could result in a breach of privacy. Possession and use of personal information in our operations also subjects us to legislative and regulatory burdens that could require us to implement certain policies and procedures, such as the procedures we adopted to comply with the Red Flags Rule that was promulgated by the Federal Trade Commission under the federal Fair Credit Reporting Act and that requires the establishment of guidelines and policies regarding identity theft, and could require us to make certain notifications of data breaches and restrict our use of personal information. A violation of any laws or regulations relating to the collection or use of personal information could result in the imposition of fines against us. As a result, we may be required to expend significant resources to protect against the threat of these security breaches or to alleviate problems caused by these breaches. A major breach, theft, or loss of personal information that is held by us or our vendors, or a violation of laws or regulations relating to the same, could have a material adverse effect on our reputation and result in further regulation and oversight by federal and state authorities and increased costs of compliance.

New business ventures could expose us to business risks not previously encountered.

In the fourth quarter of 2011, we introduced an indirect lending line of the business through a wholly-owned subsidiary called GFC Lending, LLC dba GO Financial (“GO”). This line of business is in addition to our other operations, and does not replace DriveTime vehicle sales or financings. Although we have leveraged much of the knowledge and resources of our existing infrastructure, the third party nature of GO transactions exposes GO’s portfolio to risk that has not been traditionally present in the DriveTime portfolio. We will continue to monitor and make changes to our business plan to minimize risks to the GO portfolio, however, the following risks are inherent to GO:

- GO will rely on third party dealers, not owned or operated by DriveTime, for its originations; the quality and accuracy of the loans originated, including customer fraud, vehicle quality, and the presence or absence of warranties or extended services contracts covering vehicle repair, will impact the quality of receivables in our GO portfolio.
- GO deals have customer payment terms different from our traditional arrangements, but those which are customary in the indirect lending business.

- The infrastructure we built to facilitate GO transactions could fail and would result in substantial write-offs to capitalized software projects.
- GO may experience operating difficulty in certain states in which we are doing business due to regulatory restrictions specific to subprime lending.
- Loan portfolio performance may prove to be unprofitable if loss rates of the GO portfolio exceed our expectations.
- The GO brand could negatively impact the DriveTime brand.
- As GO grows, it may end up with a concentration of third-party dealers in a state or states increasing credit quality and dealer risks.
- Third parties will administer ancillary product offerings, such as vehicle service contracts, and if they fail to perform our loans may perform worse than anticipated and we will have the cost and risk of finding competent, cost effective alternatives in a timely manner.
- Our third-party dealers must also comply with credit and trade practice statutes and regulations. Their failure to comply with these statutes and regulations could result in consumers having rights of rescission and other remedies.
- The sale of vehicle service contracts and other products by our third party dealers in connection with loans assigned to us is also subject to state laws and regulations. As we are the holder of loans that may, in part, finance these products, some of these state laws and regulations may apply to our servicing and collection of the loans. Although these laws and regulations do not significantly affect our business, there can be no assurance that insurance or other regulatory authorities in the jurisdictions in which these products are offered will not seek to regulate or restrict the operation of our business in these jurisdictions.
- A number of risks related to DriveTime also apply to GO, including capital to finance the business, our substantial debt, cash flow, compliance with our agreements with our lenders, the risk of being in the subprime segment of the market, interest rates, efficacy of our credit scoring model, servicing of our loans, key personnel, confidentiality of customer information, and regulatory changes and concerns.

There can be no assurance that GO will be successful, and it could have unintended consequences which would have an adverse effect on our results of operations or financial condition. GO also involves numerous other risks, including the diversion of management's attention from other business concerns.

We are dependent on the services of certain key personnel and the loss of their services could harm our business.

We believe that our success depends on the continued employment of our senior executive management team, including our Chief Executive Officer and President, Raymond C. Fidel, our Chief Financial Officer, Mark G. Sauder, our Executive Vice President of Credit Risk, Alan J. Appelman, and our Executive Vice President and General Counsel, Jon D. Ehlinger. The unexpected loss of the services of any of our key executive management personnel or our inability to attract new management when necessary could have a material adverse effect on our operations. We do not currently maintain key person life insurance on any member of our executive management team other than Mr. Fidel.

Additionally, our success depends on the key management personnel at our corporate offices and the dealerships in our local markets. The market for qualified employees in the automotive and finance industries and in the markets in which we operate, particularly for qualified general managers, loan managers, and collections personnel, is highly competitive and may subject us to increased labor costs during periods of low unemployment. We also believe that our competitors pursue many of our managerial and collections and sales and service personnel from time to time. The loss of a group of key employees in any of our markets could have a material adverse effect on our business and results of operations in that market or across many or all markets in which we operate.

If all or some portion of our employees elect to collectively bargain or join a union, these actions could adversely affect our operations.

As of December 31, 2011, none of our employees was represented by a labor union. The automotive industry is historically an industry in which there is a high degree of labor union participation. If all or some portion of our employees elect to join a labor union, we could experience increased operational costs, work stoppages or strikes, and/or barriers to communication between management and employees. These factors could lead to inefficiencies in the operation of the affected facilities or groups and could cause us to experience a material adverse effect.

We are subject to environmental laws, regulations, and permits that could impose significant liabilities, costs, and obligations.

We are subject to a complex variety of federal, state, and local laws, regulations, and permits relating to the environment and human health and safety. If we violate or fail to comply with these laws, regulations, or permits, we could be fined or otherwise sanctioned by regulators. These environmental requirements, and the enforcement thereof, change frequently, have tended to become more stringent over time, and may necessitate substantial capital expenditures or operating costs. Under certain environmental laws, we could be responsible for the costs relating to any contamination at our or our predecessors' current or former owned or operated properties or third-party waste disposal sites. We cannot assure you that our costs and liabilities relating to environmental matters will not adversely affect our results of operations, business, financial condition, reputation, or liquidity.

States impose limits on the interest rates we can charge on the installment sales contracts we provide to our customers, and new or lower limits may harm our ability to offset increased interest expenses and can adversely affect our profitability and liquidity.

We operate in states that impose limits on the contract interest rate that a lender may charge, and laws or regulations that limit the interest rates that we can charge can adversely affect our profitability and liquidity. When a state limits the amount of interest that we can charge on our installment sales contracts, we may not be able to offset an increase in interest expense caused by rising interest rates or greater levels of borrowings under our credit facilities. In addition, no assurance can be given that we will not be prohibited by new state laws from charging the interest rates we are currently able to charge on our installment sales contracts or from raising interest rates above certain desired levels. Therefore, these interest rate limitations can adversely affect our profitability and liquidity.

A change in state laws, or the application thereof, relating to the extent to which we can obtain a refund of sales tax for customer defaults could have a material adverse effect on our business.

In general, we are required to collect and remit state and local sales tax on each vehicle we sell. Subject to certain requirements, certain states allow us to collect a refund of prior sales taxes paid to the extent that the receivable becomes uncollectible. For the years ended December 31, 2009, 2010, and 2011 we claimed \$12.3 million, \$8.9 million, and \$8.4 million, respectively, in sales tax credits and refunds relating to receivables that have become uncollectible. If state laws change with respect to the extent to which we can claim a refund for sales tax in such situations, or state taxing authorities change their position with respect thereto, we could experience a material adverse effect. In this regard, on February 24, 2011, we received an unfavorable ruling from the Nevada Supreme Court with respect to the efficacy of certain sales tax refunds we requested for prior tax years. While only applicable to 2002 and 2003, this ruling could affect subsequent tax years as well.

We may be adversely affected by product liability exposure claims.

DriveTime, and the automotive industry generally, is exposed to product liability claims in the event that the failure of our products to perform to specifications results, or is alleged to result, in property damage, bodily injury, and/or death. In connection with such product liability claims, we may incur significant costs to defend

such claims and we may experience material product liability losses in the future. We cannot assure you that we will have sufficient resources, including insurance to the extent it is available, to cover such product liability claims, and the outcome of various legal actions and claims could have a material adverse effect on our results of operations and financial condition.

We have programs for our customers to provide insurance covering our collateral in the event of theft or an accident. If our customers do not maintain insurance, it could negatively impact our operations and/or profitability.

Certain of our customers have difficulty obtaining and maintaining affordable insurance for their vehicles. We offer a separate collateral protection insurance program. Under this program, we offer customers dual interest collateral protection insurance administered through a third party with whom we have a contractual relationship. We do not offer a liability insurance product. There is a risk customers will not maintain collateral protection insurance, which could adversely affect our recoveries.

Failure to register our dealership sales business subsidiary in the relevant jurisdictions would cause a severe disruption in our operations.

In connection with our applications for renewal of the relevant license or registration, a state licensing authority could decide to withhold or delay approval of the relevant license or registration and prohibit DriveTime Car Sales, a subsidiary of DTAG, from operating one or more of our dealerships until certain requirements are met. We cannot anticipate what these requirements might entail or whether we will be able to comply with any such requirements in a timely manner. If the relevant license or registration is not granted for DriveTime Car Sales to operate in any state, it would cause a severe disruption in our operations in that state, which could have a material adverse effect on our business, financial condition and results of operations. We have recently expanded our operations into new states and intend to continue our expansion. A failure to attain the proper licensing and registration requirements for our expansion could disrupt our ability to further expand our business.

We could suffer a material adverse effect if the IRS challenged our position on intercompany sales of receivables.

We generally recognize losses for U.S. federal income tax purposes on the intercompany sales of receivables from DTAG to DTAC. This practice is standard within our industry and our interpretation is not meaningfully different from other companies in our industry. However, the IRS may challenge our position and seek to defer our recognition of such losses. If the IRS were able to successfully challenge our position, there could be a material adverse effect on our results of operations and financial condition.

Our Chairman and principal shareholder can direct our management and policies through his right to elect our board of directors and to control substantially all matters requiring a stockholder vote.

Ernest C. Garcia II, our Chairman and principal shareholder, beneficially owns the majority of our outstanding common stock. Mr. Garcia is not actively involved in the day-to-day management of our operations, and, in addition, certain agreements to which we are a party, including the indenture governing the notes, the agreements governing our other indebtedness, and our origination agreement with DTAC pursuant to which DTAC purchases all of the auto loan receivables we originate, limit the control Mr. Garcia otherwise could exercise over our business and operations. In practice, Mr. Garcia has limited or no involvement in business or operational decisions, which are reserved for the executive management team and the board of directors. Nevertheless, subject to the limitations provided in such agreements, Mr. Garcia has the power to elect our entire board of directors and determine the terms and outcome of any corporate transaction or other matters required to be submitted to shareholders for approval, including the amendment of our certificate of incorporation, mergers, consolidations and the sale of all or substantially all of our assets. Because his interests as an equity holder may conflict with the interests of holders of the notes, he may cause us to take actions that, in his judgment, could enhance his equity but may be prejudicial to the holders of the notes.

Conflicts of interest may arise as a result of affiliations that our directors or executive officers have with Verde Investments, Inc. or other companies with which we have material relationships.

Ernest C. Garcia II, our Chairman and controlling stockholder, is also the owner of Verde Investments, Inc., a company with which we have historically had material leasing and financing relationships. See “Item 13—Certain Relationships and Related Transactions, and Director Independence.” In addition, there may occur future transactions between us and Verde which could give rise to a conflict of interest on the part of Mr. Garcia. While transactions that we enter into in which a director or officer has a conflict of interest are generally permissible so long as the material facts relating to the director’s or officer’s relationship or interest as to the transaction are disclosed to our Board of Directors and a majority of our disinterested directors, or a committee consisting solely of disinterested directors, approves the transaction, any such conflict of interest could have a material adverse effect on our business, results of operations or financial condition.

Item 1B. Unresolved Staff Comments.

The Company is neither an accelerated filer nor a large accelerated filer, nor is it a well-known seasoned issuer, and, therefore, this Item is not applicable to the Company.

Item 2. Properties

Dealerships and Facilities

As of December 31, 2011, we operated 89 dealerships and 16 reconditioning facilities in 35 geographic regions in 17 states. Select information regarding these dealerships is as follows:

Region	Total SQ Footage of Facilities	Date first Facility opened	Number of Dealerships	Number of Reconditioning Facilities	Reconditioning Facility Bays with Lifts	DriveTime Owned Facilities
Dallas	66,128	Sept 1997	8	2	79	0
Atlanta	58,600	Sept 1997	5	1	90	1
Orlando	26,227	Sept 1999	7	1	45	0
Phoenix	35,012	Dec 1994	5	1	32	2
San Antonio	15,956	March 1997	5	1	60	1
Tampa	27,639	Jan 1997	5	1	48	2
Los Angeles	41,530	Sept 1997	4	1	32	0
Greensboro	21,137	Feb 2007	3	0	0	0
Las Vegas	40,697	Oct 1996	2	1	23	1
Charlotte	35,534	Aug 2006	5	1	68	1
Austin	31,800	Nov 2004	3	0	0	0
Richmond	12,431	Dec 1999	3	1	26	1
Albuquerque	16,810	Oct 1997	3	1	7	0
Jacksonville	12,582	April 2006	3	0	0	0
Norfolk	11,779	May 2005	3	0	0	0
Denver	41,660	May 2007	2	1	32	0
Greenville	18,950	May 2010	1	0	0	0
Fayetteville	15,000	July 2010	1	0	0	0
Houston	92,676	June 2011	2	1	28	1
Columbia	23,733	June 2010	1	0	0	0
Birmingham	12,300	Oct 2010	2	0	0	0
Oklahoma City	4,348	Jan 2010	1	0	0	0
Nashville	26,678	Dec 2009	2	0	0	0
Memphis	38,992	Nov 2010	1	1	26	1
Tulsa	8,651	July 2010	1	0	0	0
Mobile	18,017	Dec 2010	1	0	0	0
Tucson	3,821	May 1994	1	0	0	0
Chattanooga	10,010	Oct 2010	1	0	0	0
Indianapolis	44,275	April 2011	2	1	25	1
Knoxville	9,931	Dec 2010	1	0	0	0
Charleston	10,790	March 2011	1	0	0	0
Jackson	8,000	May 2011	1	0	0	0
Augusta	7,618	Sept 2011	1	0	0	0
Cincinnati	12,000	Sept 2011	1	0	0	0
Savannah	6,600	Nov 2011	1	0	0	0
	<u>867,912</u>		<u>89</u>	<u>16</u>	<u>621</u>	<u>12</u>

Item 3. Legal Proceedings

We are involved in various claims and actions arising in the ordinary course of business. In the opinion of management, based on consultation with legal counsel, the ultimate disposition of these matters will not have a material adverse effect on us. We believe appropriate accruals have been made for the disposition of these matters. In accordance with ASC 450, *Contingencies*, we establish an accrual for a liability when it is both probable that the liability has been incurred and the amount of the loss can be reasonably estimated. These accruals are reviewed monthly and adjusted to reflect the impact of negotiations, settlements and payments, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Legal expenses related to defense, negotiations, settlements, rulings, and advice of outside legal counsel are expensed as incurred.

In August 2008, we received a Civil Investigative Demand from the Texas Office of Attorney General, Consumer Protection Division, asking for the production of certain materials. The demand indicates it is the subject of an investigation of possible violations of the Deceptive Trade Practices Act, Sections 17.46(a) and (b) in the marketing, advertising, financing, and selling of used vehicles. We provided the Texas Office of Attorney General with all requested information in August 2008. At that time, we met with the state's Attorney General's Office to provide them with an overview of the Company and discuss the requested materials. In addition, the Attorney General's Office indicated that they would review the materials we provided to them and if there were any concerns they would contact us to meet, discuss and resolve the concerns. The Texas Attorney General has requested additional information and documentation from time to time, most recently in February 2010 when it requested clarifying information limited to vehicle inspections, after sale repairs, warranty, loan servicing, and consumer concerns. We believe the request is routine in nature and we have responded accordingly. We believe we are in compliance with all applicable state laws and regulations and we intend to continue to cooperate with state officials, and we will continue to fully cooperate with the state's Attorney General's Office in responding to the demand and any follow up discussions with them. We believe we do not have loss contingencies related to this matter.

Additionally, in the ordinary course of business, we are a defendant in various other types of legal proceedings. Although we cannot determine at this time the amount of the ultimate exposure from these lawsuits, if any, based on the advice of counsel management does not expect the final outcome to have a material adverse effect on us.

Item 4. Mine Safety Disclosures.

None.

Part II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

There is no established public trading market for our common equity. Approximately 98.3% of our common equity is beneficially owned by our Chairman and principal shareholder, Ernest C. Garcia, II. The remaining 1.7% is held, subject to certain vesting restrictions, by our Chief Executive Officer, Raymond C. Fidel, subject to vesting as described more fully under "Item 11—Executive Compensation— Compensation Discussion and Analysis—Chief Executive Officer Restricted Stock Grant." See also Note 12—Shareholders' Equity & Dividends to our consolidated financial statements for information regarding cash dividends.

Item 6. Selected Financial Data

The following table sets forth our selected historical consolidated financial and operating data as of the dates and for the periods indicated. The consolidated statements of operations for the years ended December 31, 2011, 2010, and 2009, and data from the consolidated balance sheet as of December 31, 2011 and 2010, have been derived from our audited financial statements, which are included elsewhere in this report. The consolidated statements of operations for the years ended December 31, 2008 and 2007, and the consolidated balance sheet data as of December 31, 2009, 2008 and 2007, have been derived from our audited financial statements, which are not included in this report. Our historical results are not necessarily indicative of our results for any future period.

You should read the following selected financial and other data in conjunction with “Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this report.

	Year Ended December 31,				
	2011	2010	2009	2008	2007
	(\$ in thousands)				
Consolidated Statements of Operations:					
Revenue:					
Sales of used vehicles	\$ 838,242	\$ 760,767	\$694,460	\$ 796,750	\$ 963,621
Interest income	283,065	264,974	251,822	261,875	250,628
Total revenue	1,121,307	1,025,741	946,282	1,058,625	1,214,249
Costs and expenses:					
Cost of used vehicles sold	544,504	481,210	394,362	477,255	575,234
Provision for credit losses	207,198	175,900	223,686	300,884	283,407
Portfolio debt interest expense	43,475	68,314	75,293	64,323	57,930
Non-portfolio debt interest expense	3,034	14,757	35,373	32,759	18,771
Senior secured notes interest expense	26,541	15,031	—	—	—
Selling and marketing	22,790	27,900	31,491	28,644	36,210
General and administrative	168,331	154,374	150,600	159,561	154,018
Depreciation expense	16,075	13,751	13,061	14,088	15,784
Loss (Gain) on extinguishment of debt, net ⁽¹⁾	—	3,418	(30,311)	(19,699)	—
Total costs and expenses	1,031,948	954,655	893,555	1,057,815	1,141,354
Income before income taxes	89,359	71,086	52,727	810	72,895
Income tax expense ⁽²⁾	1,221	404	730	1,090	1,000
Net income (loss)	\$ 88,138	\$ 70,682	\$ 51,997	\$ (280)	\$ 71,895

	As of and for the Years Ended December 31,				
	2011	2010	2009	2008	2007
	(Unaudited)				
	(\$ in thousands, except per vehicle sold data)				
Dealerships:					
Dealerships in operation at end of period	89	85	78	86	103
Average number of vehicles sold per dealership per month	54	54	52	49	55
Retail Sales:					
Number of used vehicles sold	56,109	52,498	49,500	55,415	66,922
Average age of vehicles sold (in years)	5.4	4.3	4.1	4.1	3.9
Average mileage of vehicles sold	79,741	71,300	68,076	67,428	64,898
Per vehicle sold data:					
Average sales price	\$ 14,940	\$ 14,491	\$ 14,029	\$ 14,378	\$ 14,399
Average cost of used vehicle sold	\$ 9,704	\$ 9,166	\$ 7,967	\$ 8,612	\$ 8,596
Average gross margin	\$ 5,236	\$ 5,325	\$ 6,062	\$ 5,766	\$ 5,803
Gross margin percentage	35.0%	36.7%	43.2%	40.1%	40.3%
Loan Portfolio:					
Principal balances originated	\$ 829,164	\$ 747,329	\$ 686,214	\$ 789,360	\$ 959,517
Average amount financed per origination	\$ 14,781	\$ 14,244	\$ 13,867	\$ 14,250	\$ 14,341
Number of loans outstanding – end of period	137,293	134,264	127,737	125,070	124,228
Principal outstanding – end of period	\$1,466,680	\$1,381,092	\$1,312,216	\$1,342,855	\$1,343,085
Average principal outstanding during the period	\$1,469,528	\$1,378,486	\$1,364,782	\$1,410,292	\$1,271,678
Average effective yield on portfolio ⁽³⁾	19.5%	19.9%	19.3%	19.3%	20.0%
Allowance for credit losses as a percentage of portfolio principal	15.1%	15.0%	16.6%	18.1%	18.2%
Portfolio performance data:					
Portfolio delinquencies over 30 days ⁽⁴⁾	11.2%	9.1%	7.4%	9.4%	8.6%
Principal charged-off as a percentage of average principal outstanding	23.0%	22.0%	26.6%	30.3%	27.2%
Recoveries as a percentage of principal charged-off	42.8%	38.5%	31.7%	29.4%	32.9%
Net charge-offs as a percentage of average principal outstanding	13.1%	13.5%	18.2%	21.4%	18.2%
Financing and Liquidity:					
Unrestricted cash and availability ⁽⁵⁾	\$ 230,267	\$ 145,837	\$ 40,407	\$ 50,232	\$ 126,309
Ratio of net debt to shareholders' equity ⁽⁶⁾	2.4x	2.4x	3.4x	3.9x	3.8x
Total average debt	\$1,100,128	\$1,141,428	\$1,047,522	\$1,153,122	\$1,063,806
Weighted average effective borrowing rate on total debt ⁽⁷⁾	6.6%	9.2%	10.6%	8.4%	7.2%

	As of December 31,				
	2011	2010	2009	2008	2007
	(\$ in thousands)				
Consolidated Balance Sheet Data:					
Cash and cash equivalents	\$ 25,930	\$ 23,677	\$ 21,526	\$ 25,533	\$ 42,241
Restricted cash and investments held in trust ⁽⁸⁾	99,716	81,891	84,064	71,223	107,271
Finance receivables ⁽⁹⁾	1,495,340	1,408,741	1,340,591	1,375,019	1,375,961
Allowance for credit losses	(221,533)	(208,000)	(218,259)	(242,600)	(244,034)
Inventory	212,247	145,961	115,257	100,211	136,642
Total assets	1,766,829	1,568,154	1,432,080	1,430,738	1,515,646
Portfolio debt	924,026	817,040	873,363	732,621	923,477
Non-portfolio debt	99,296	55,338	213,852	374,446	246,537
Senior secured debt	198,058	197,829	—	—	—
Total debt ⁽¹⁰⁾	1,221,380	1,070,207	1,087,215	1,107,067	1,170,014
Shareholders' equity	457,849	418,767	293,145	266,008	276,771

- (1) During the years ended December 31, 2008, 2009, and 2010, we repurchased outstanding indebtedness, resulting in net gains and losses on extinguishment of debt.
- (2) We elect to be treated as an S-corporation for federal and state income tax purposes. There is no provision for income taxes, except for a reduced amount of entity level state tax in certain jurisdictions, and for one of our subsidiaries which is a C-corporation. Income and losses flow through to our shareholders, who report such income and losses on individual income tax returns.
- (3) Average effective yield represents the interest income earned at the contractual rate (stated APR) less the write-off of accrued interest on charged-off loans and amortization of loan origination costs (which includes the write-off of unamortized loan origination costs on charged-off loans), plus interest earned on investments held in trust and late fees earned.
- (4) Delinquencies are presented on a Sunday-to-Sunday basis, which reflects delinquencies as of the nearest Sunday to period end. Sunday is used to eliminate any impact of the day of the week on delinquencies since delinquencies tend to be higher mid-week. We modified our charge-off policy in December 2011. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability—Modification to Charge-off Policy, for more information. As a result, certain delinquencies from 91-120 days past due are now included in our delinquency ratio. As of December 31, 2011, delinquencies that were 91-120 days past due represented 0.30% of the total portfolio.
- (5) Unrestricted cash and availability consists of cash and cash equivalents plus available borrowings under the portfolio warehouse, residual, and inventory facilities, based on assets pledged or available to be pledged to the facilities.
- (6) Net debt is calculated as total debt less restricted cash and investments held in trust securing various debt facilities. Ratio of net debt to shareholders' equity is calculated as net debt divided by total shareholders' equity.
- (7) Includes the effect of unused line fees and amortization of discounts and debt issuance costs.
- (8) Restricted cash and investments held in trust consist of cash and cash equivalents pledged as collateral under securitization transactions, portfolio warehouse facilities, and term financing facilities.
- (9) Finance receivables include principal balances, accrued interest, and capitalized loan origination costs.
- (10) Total debt excludes accounts payable, accrued expenses, and other liabilities.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations and our liquidity and capital resources should be read in conjunction with our consolidated financial statements and related notes that appear elsewhere in this report. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this report, particularly in "Item 1A—Risk Factors" and "Special Note Regarding Forward-Looking Statements."

Overview

We are the leading used vehicle retailer in the United States with a sole focus on the sale and financing of quality vehicles to the subprime market. Through our branded dealerships, we provide our customers with a comprehensive end-to-end solution for their automotive needs, including the sale, financing, and maintenance of their vehicles. As of December 31, 2011, we owned and operated 89 dealerships and 16 reconditioning facilities located in 35 geographic regions throughout 17 states. For the year ended December 31, 2011, we sold 56,109 vehicles, generated \$1.1 billion of total revenue, and generated \$180 million of Adjusted EBITDA. We provide financing for substantially all of the vehicles we sell. We do not utilize third-party finance companies or banks to finance vehicles for our customers, and many of our customers may be unable to obtain financing to purchase a vehicle from another company, so financing is an essential component of the services that we provide to our customers. As of December 31, 2011, our loan portfolio had a total outstanding principal balance of \$1.5 billion. We maintain our loan portfolio and related financings on our balance sheet.

Fiscal 2011 Highlights

- Total revenue increased 9.3% to \$1.1 billion in 2011, from \$1.0 billion in 2010.
- Unit sales increased 6.9% to 56,109 in 2011, from 52,498 in 2010.
- We opened 11 stores in seven new geographic regions including Charleston, South Carolina; Indianapolis, Indiana; Jackson, Mississippi; Augusta, Georgia; Cincinnati, Ohio; Savannah, Georgia; and Houston, Texas.
- We completed the rebranding and remodeling of our legacy dealerships.
- We added Wells Fargo to our banking relationships by executing a \$150.0 million long-term portfolio warehouse facility. Wells Fargo also serves as lead-lender on our new \$140.0 million inventory facility.
- We completed three securitizations, by issuing an aggregate of \$708.1 million of asset backed securities.
- We launched an indirect lending line of business, GO Financial ("GO"), during the fourth quarter 2011. GO provides indirect subprime auto financing to non- DriveTime dealers, focusing primarily in markets where we do not have existing dealerships.

Statement of Operations—Line Item Descriptions

Revenue

Sales of used vehicles

We derive a significant portion of our revenue from the sale of used vehicles. Revenue from sales of used vehicles is derived by the number of vehicles sold multiplied by the sales price per vehicle. Sales revenue is reported net of a reserve for returns. Factors affecting revenue from sales of used vehicles include the number of used vehicles we sell and the price at which we sell our vehicles.

The number of used vehicles we sell depends on the volume of customer applications received and the conversion rate from customer application to sale. Application volume is a function of the number of dealerships, advertising, customer referrals, repeat customer volume, other marketing efforts, competition from other used car dealerships, availability of credit from other subprime finance companies, and general economic conditions. The conversion rate from customer application to sale is a function of our underwriting standards, customer sales experience, customer affordability, vehicle inventory, and warranty provided. The price at which we sell our vehicles is dependent on base inventory cost, reconditioning costs, and our pricing strategy.

Interest income

Interest income consists of interest earned on installment sales contracts net of amortization of loan origination costs, plus late payment fees and interest earned on investments held in trust. We write-off accrued interest on charged-off loans as a reduction to interest income. Interest income is affected by (i) the principal balance of our loan portfolio, (ii) the average APR of our loan portfolio, and (iii) the payment performance by our borrowers on their loans.

Costs and expenses

Cost of used vehicles sold

Cost of used vehicles sold includes the cost to acquire vehicles, reconditioning and transportation costs associated with preparing the vehicles for resale, vehicle warranty, and other related costs. The cost to acquire vehicles includes the vehicle purchase price, auction fees, wages, and other buyer costs. A liability for the estimated cost of vehicle repairs under our DriveCare® limited vehicle warranty program is established at the time a used vehicle is sold by charging cost of used vehicles sold.

The cost of used vehicles sold is affected by a variety of factors including: (i) the cost of vehicles purchased at auction, (ii) the supply and demand of vehicles purchased at auction, (iii) the quality, make, model, and age of vehicles acquired, (iv) transportation costs, (v) reconditioning parts and labor costs along with costs to operate our reconditioning facilities, and (vi) warranty costs.

Provision for credit losses

Provision for credit losses is the charge recorded to operations to maintain an allowance adequate to cover losses inherent in the portfolio. We charge-off the entire principal balance of receivables that are contractually 91 or more days past due at the end of a month unless the customer has made a qualifying minimum payment within the previous 30 days from month-end, in which case the customer loan would not charge-off until 121 days contractually past due. At time of charge-off, we record a receivable for estimated recoveries on charged-off receivables, which is included in other assets. The allowance for credit losses varies based on size of the loan portfolio and the expected performance of the loans. Loan performance is a function of the underlying credit quality of the portfolio, the effectiveness of collection activities, auction values for repossessed vehicles, other ancillary collections, and overall economic conditions.

We anticipate the allowance for credit losses to grow as we increase origination volume and grow our portfolio. However, the allowance as a percentage of portfolio principal may increase or decrease based on the underlying performance of loans originated, value of collateral, and the change in credit grade mix of loans originated.

Interest expense

Portfolio debt interest expense consists of interest and related amortization of debt issuance costs on our portfolio warehouse facilities, securitizations, PALP financings, and term residual financings.

Non-portfolio debt interest expense consists of interest expense and related amortization of discounts and debt issuance costs on our senior unsecured notes payable, inventory facility, real estate mortgage financing, and an equipment note payable. Non-portfolio debt interest expense is dependent on the amount of indebtedness and the interest expense associated therewith, both of which are dependent on the financial markets and economy as a whole.

Senior secured debt interest expense consists of interest expense and related amortization of discount and fees on our 12.625% Senior Secured Notes due 2017.

Selling and marketing

Selling and marketing expenses are generally affected by the cost of advertising media and our marketing strategy. Selling and marketing expenses include advertising and marketing-related costs. Prior to 2010, selling and marketing expenses included the commission expense of our sales force under our previous sales compensation structure. In 2010, we began transitioning the compensation our sales force through a structure that was weighted more heavily toward salaries and bonuses than commission. Therefore, compensation of our sales force in 2010 and 2011 is included in general and administrative expense.

General and administrative

General and administrative expenses include compensation and benefits, property-related expenses, collection expenses on our portfolio, store closing costs, and other ancillary expenses, such as professional fees and services.

General and administrative expenses increase and decrease primarily as a result of costs associated with expansion and contraction of our dealership base. As we grow our portfolio, certain collection related costs may increase as we manage a larger servicing platform.

Gain (Loss) on extinguishment of debt, net

Gain (Loss) on extinguishment of debt, net represents the difference between the carrying value of the debt we repurchased and the purchase price at which we repurchased the debt, net of the write-off of unamortized debt issuance costs and discounts.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles (GAAP). The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions or conditions, impacting our reported results of operations and financial condition.

Certain accounting policies involve significant judgments and assumptions by management, which have a material impact on the carrying value of assets and liabilities and the recognition of income and expenses. Management considers these accounting policies to be critical accounting policies. The estimates and assumptions used by management are based on historical experience and other factors, which are believed to be reasonable under the circumstances. The significant accounting policies which we believe are the most critical to aid in fully understanding and evaluating our reported financial results are described below.

Revenue recognition

Revenue from the sale of used vehicles is recognized upon delivery, when the sales contract is signed, and the agreed-upon down payment or purchase price has been received. Sales of used vehicles include revenue from the sale of used vehicles at the contractual sales price, net of a reserve for returns. The reserve for returns is estimated using historical experience and trends and could be affected if future vehicle returns differ from historical averages. A 10.0% increase in our rate of returns would result in a \$0.1 million and \$0.2 million increase in our sales return allowance (and corresponding decrease in revenue) for the year-ended December 31, 2011 and 2010, respectively. Revenue is recognized at time of sale since persuasive evidence of an arrangement in the form of an installment sales contract exists, we have delivered the vehicle to the customer, transferred title, the sale has a fixed and determinable price, and collectability is reasonably assured.

Allowance for credit losses

We maintain an allowance for credit losses on an aggregate basis at a level we consider sufficient to cover probable credit losses inherent in our portfolio of receivables as of each reporting date utilizing a loss emergence period to cover estimated losses. The allowance takes into account historical credit loss experience, including timing, frequency and severity of losses. This estimate of existing probable credit losses inherent in the portfolio is primarily based on static pool analyses by month of origination based on origination principal, credit grade mix and deal structure, including down payment and term. The evaluation of the adequacy of the allowance also considers factors and assumptions regarding the overall portfolio quality, delinquency status, the value of the underlying collateral, current economic conditions that may affect the borrowers' ability to pay, and the overall effectiveness of collection efforts.

The static pool loss curves by grade are adjusted for actual performance to date, and historical seasonality patterns. The forecasted periodic loss rates, which drive the forecast for estimated gross losses (before recoveries) are calculated by factoring amortization speed and origination terms. Charge-offs have a natural seasonality pattern such that they are typically lower during the first and second quarters of each calendar year because customers tend to have additional money from tax refunds to apply to their loans, compared to the third and fourth quarters when charge-offs tend to increase. Recoveries are estimated using historical unit and dollar static pool recovery activity to forecast recoveries for estimated charge-offs at the balance sheet date. The forecasted recovery rates (on a per unit basis) are based on the historical unit recovery trend by recovery type and adjusted for the estimated impact of economic and market conditions.

The allowance model is sensitive to changes in assumptions such that an increase or decrease in our forecasted net charge-offs would increase or decrease the allowance as a percentage of principal outstanding required to be maintained. The amount of our allowance is sensitive to losses within credit grades, recovery values, deal structure, the loss emergence period and overall credit grade mix of the portfolio. In the event loss assumptions used in the calculation of the allowance for credit losses were to increase, there would be a corresponding increase in the amount of the allowance for credit losses, which would decrease the net carrying value of finance receivables and increase the amount of provision for credit losses, thereby decreasing net income. A 5% increase in our frequency loss assumption would increase the allowance for credit losses and our provision for credit losses by \$10.4 million and \$8.4 million as of December 31, 2011 and 2010, respectively. Also, a 5% decrease in our assumed recoveries per loan charged-off, would result in an increase to the allowance

for credit losses and provision for credit losses of \$6.0 million and \$4.2 million as of December 31, 2011 and 2010, respectively. Our ability to forecast net charge-offs and track static pool net losses by month of origination are a critical aspect of this analysis.

Although it is reasonably possible that events or circumstances could occur in the future that are not presently foreseen, which could cause actual credit losses to be materially different from the recorded allowance for credit losses, we believe that we have given appropriate consideration to the relevant factors and have made reasonable assumptions in determining the level of the allowance. Our credit and underwriting policies, adherence to such policies, and the execution of collections processes have a significant impact on collection results, as well as the economy as a whole. Changes to the economy, unemployment, auction prices for repossessed vehicles, and collections and recovery processes could materially affect our reported results.

Recovery receivables

Recovery receivables consist of estimated recoveries to be received on charged-off receivables, including proceeds from selling repossessed vehicles at auction, along with insurance, bankruptcy and deficiency collections. The recovery amount from selling repossessed vehicles at auction is a forecast of vehicles to be recovered from loans previously charged-off and vehicles currently in our possession. Based on our extensive experience and historical database of auction recoveries, we estimate the number of units we will recover and the value that we will receive for these vehicles at auction. Our forecast utilizes historical data with respect to recovery rates, values, and time from charge-off to repossession. In order to estimate auction recoveries we utilize historical static pool unit recovery rates, as adjusted for recent market trends, to arrive at the forecasted recovery dollars by static pool month of charge-off. Insurance, bankruptcy and deficiency collections are estimated using historical trends adjusted for changes to recovery practices.

Valuation of inventory

Inventory consists of used vehicles held-for-sale or currently undergoing reconditioning and is stated at the lower of cost or market value. Vehicle inventory cost is determined by specific identification. Direct and indirect vehicle reconditioning costs including parts and labor, costs to transport the vehicles to our dealership locations, buyer costs, and other incremental costs are capitalized as a component of inventory cost. Determination of the market value of inventory involves assumptions regarding wholesale loss rates derived from historical trends and could be affected by changes in supply and demand at our retail locations and at the auctions. A 1.0% decrease in the valuation of our inventory at December 31, 2011 would result in a decrease in net income of approximately \$2.1 million.

Secured financings

We sell loans originated at our dealerships to our bankruptcy-remote securitization subsidiaries, which, in turn, transfer the loans to separate trusts that issue notes and certificates collateralized by these loans. The notes (asset-backed securities) are sold to investors, and we retain the certificates. We continue to service all securitized loans. We have determined that the trusts are variable interest entities and that DTAC is the primary beneficiary of those trusts. Therefore, loans included in the securitization transactions are recorded as finance receivables and the asset-backed securities that are issued by the trusts are recorded as a component of portfolio term financings in the accompanying consolidated balance sheets.

Limited warranty

Our DriveCare® limited warranty provides major mechanical and air-conditioning coverage, on every used vehicle we sell. The limited warranty covers vehicles for 36 months or 36,000 miles, whichever comes first, and includes three oil changes a year at Sears Automotive and other locations and 24/7 roadside assistance. The warranty is included in the sales price of the vehicle and is not sold as a separate product. A liability for the

estimated cost of vehicle repairs under our warranty program is established at the time a used vehicle is sold by charging costs of used vehicles sold. The liability is evaluated for adequacy through an analysis based on the program's historical performance of cost incurred per unit sold, management's estimate of frequency of vehicles to be repaired and severity of claims based on vehicles currently under warranty, the make, mileage, and age of vehicles under warranty, the estimated cost of oil changes, and the estimated cost of roadside assistance, both of which are based on the program's historical performance and our expectation of future usage. These assumptions are further affected by mix, mileage, and age of vehicles sold and our ability to recondition vehicles prior to sale. A 5.0% increase in our warranty frequency assumptions related to warranty usage and a 5.0% increase in our warranty severity assumptions would result in a \$1.5 million increase in our warranty accrual at December 31, 2011, and a corresponding reduction in net income.

Factors Affecting Comparability

We have set forth below selected factors that we believe have had, or can be expected to have, a significant effect on the comparability of recent or future results of operations:

New business line

In December 2011, we launched GO Financial. GO provides indirect subprime auto financing to non-DriveTime dealers, focusing primarily in markets where we do not have existing DriveTime dealerships. This business line was launched during our fourth quarter and was not material to our financial results, however in 2012, we expect that GO's originations of dealer financings will continue to grow. Growth of GO will increase our total revenue and portfolio size over time, however, GO is not expected to have a significant net impact to our consolidated results for 2012. Further, GO will incur operating expense as it hires personnel, organizes and registers in various states with various regulatory authorities, and incurs other costs of doing business thereby increasing our general and administrative expenses.

Modification to Charge-off Policy

Prior to December 2011, loans were charged-off at 91 days contractually past due. In December 2011, we made a modification to our charge-off policy. Under our new policy, we charge-off the entire principal balance of receivables that are contractually 91 or more days past due at the end of a month, unless the customer has made a qualifying minimum payment within the previous 30 days from month-end, in which case the customer loan would not charge-off until 121 days contractually past due. This change in policy was made as a result of a change in delinquency patterns, partially resulting from a fully centralized collections environment, and an analysis which indicated that loans which have made a payment within 30 days, are collectible, therefore, should not be charged-off. This change was treated as a change in accounting estimate. If this change was not executed, for the year-ended December 31, 2011, net charge-offs would have been \$2.6 million higher than reported, provision for credit losses would have been \$2.0 million higher than reported, interest income would have been \$0.1 million lower than reported, and net income would have been \$2.1 million lower than reported. Although the change in policy may cause our delinquencies to be higher than historical rates, we do not expect this change to have a significant impact on 2012 charge-offs or the allowance as a percent of principal outstanding.

Results of Operations

Comparison of years ended December 31, 2011 and 2010

The following table sets forth our results of operations for the periods indicated:

	Year Ended December 31,		
	2011	2010	% Change
	(\$ in thousands)		
Revenue:			
Sales of used vehicles	\$ 838,242	\$ 760,767	10.2%
Interest income	283,065	264,974	6.8%
Total revenue	1,121,307	1,025,741	9.3%
Costs and expenses:			
Cost of used vehicles sold	544,504	481,210	13.2%
Provision for credit losses	207,198	175,900	17.8%
Portfolio debt interest expense	43,475	68,314	(36.4)%
Non-portfolio debt interest expense	3,034	14,757	(79.4)%
Senior secured debt interest expense	26,541	15,031	76.6%
Selling and marketing	22,790	27,900	(18.3)%
General and administrative	168,331	154,374	9.0%
Depreciation expense	16,075	13,751	16.9%
Loss (Gain) on extinguishment of debt, net	—	3,418	(100.0)%
Total costs and expenses	1,031,948	954,655	8.1%
Income before income taxes	89,359	71,086	25.7%
Income tax expense	1,221	404	202.2%
Net income	\$ 88,138	\$ 70,682	24.7%

Sales of used vehicles

Revenue from sales of used vehicles increased for the year ended December 31, 2011 compared to the same period during 2010. This increase in revenue was primarily due to an increase in sales volume of 6.9%, coupled with an increase in the average sales price per vehicle of 3.1%. The increase in sales volume is primarily attributable to an increase in the average number of stores in operation as a result of opening a net of four new stores in 2011. The increase in average sales price per vehicle sold is attributable to an overall increase in the average cost of used vehicles sold, primarily as a result of an increase in wholesale used vehicle prices causing our acquisition cost to increase. See also “—Cost of used vehicles sold”.

Interest income

Interest income increased for the year ended December 31, 2011 compared to 2010. This increase is primarily due to an increase in our average portfolio principal outstanding for the year ended December 31, 2011, partially offset by a decrease in average portfolio yield. Average portfolio principal outstanding increased \$91.0 million during the year ended December 31, 2011, compared to 2010. This increase was the result of an increase in originations over portfolio run-off. Average portfolio yield decreased slightly, as a result of a decrease in average APR of loans originated during the period. See “Originations” below for further discussion.

Cost of used vehicles sold

Total cost of used vehicles sold increased for the year ended December 31, 2011 compared to 2010. This increase is due to an increase in the number of vehicles sold and an increase in the average total cost of vehicles sold of 5.9%. Our cost of vehicles sold per unit increased primarily as a result of higher acquisition costs at

auction and an increase in vehicle reconditioning costs. Acquisition costs have increased as a result of an appreciation in wholesale used vehicle prices. Wholesale used vehicle prices increased during the year ended December 31, 2011, compared to 2010, as a result of increased demand for used vehicles, coupled with a decrease in supply of used vehicles nationwide. Vehicle reconditioning costs have increased as a result of an increase in the average age and mileage of vehicles sold, in an effort to maintain overall affordability for our customers.

Gross margin

Gross margin total dollars increased for the year ended December 31, 2011 compared to 2010, however gross margin as a percentage of sales revenue decreased. The increase in gross margin dollars is attributable to an increase in total units sold year over year. The decrease in gross margin percentage is primarily attributable to an increase in our “Cost of used vehicles sold” as described above, while only a portion of these costs were passed on to our customers through an increase in sales price. In an effort to maintain affordability for our customers, our total cost per vehicle sold increased 5.9% during the year ended December 31, 2011, while our average price per vehicle sold only increased 3.1%, for the year ended December 31, 2011, compared to the same period in 2010.

Provision for credit losses

Provision for credit losses increased for the year ended December 31, 2011, compared to 2010. The increase is primarily the result of an increase in the principal balance of loans outstanding as a result of an increase in originations over portfolio run-off, in conjunction with a slight increase in allowance for credit losses as a percentage of loan principal.

Net charge-offs as a percent of average outstanding principal decreased to 13.1% from 13.5% for the year ended December 31, 2011 compared to the same period in 2010 as a result of an increase in gross charge-offs which was more than offset by an improvement in our recovery rate. Gross principal charged-off increased to 23.0% for the year ended December 31, 2011, compared to 22.0% in 2010. Influencing gross loss rates are general economic conditions including unemployment and underemployment rates and wholesale vehicle prices, which have resulted in the sale of an older, higher mileage vehicle and longer financing terms to maintain customer payment affordability. Recoveries as a percentage of principal charged-off increased to 42.8% from 38.5% for the year ended December 31, 2011, compared to 2010. The improvement in recoveries is due primarily to higher auction values stemming from appreciation in the wholesale used vehicle market.

Portfolio debt interest expense

Total portfolio debt interest expense decreased for the year ended December 31, 2011 compared to 2010. This decrease is a result of a decrease in the overall cost of funds of portfolio debt to 5.1% for the year ended December 31, 2011, compared to 8.2% for 2010. The decrease in our costs of funds is attributable to lower borrowing costs of our recent securitizations and a decrease in borrowing costs of our warehouse facilities. The original duration weighted average coupon of our three most recent securitizations was 3.03% for 2011-1, 2.88% for 2011-2, and 3.97% for 2011-3. In addition, our warehouse facility renewals and additions in 2011 were at lower interest rates than in 2010.

Non-portfolio debt interest expense

Total non-portfolio debt interest expense decreased for the year ended December 31, 2011 compared to 2010. This decrease was primarily due to the exchange of \$60.1 million junior secured notes and \$40.0 million of subordinated debt (with effective rates of 22.4% and 12.2%, respectively) for equity, and the exchange of \$2.0 million junior secured notes and \$35.0 million in subordinated debt for an equal principal amount of Senior Secured Notes, both of which occurred in conjunction with the offering of our Senior Secured Notes in June 2010. As a result, the average balance of non-portfolio debt decreased \$64.8 million for the year ended December 31, 2011 compared to 2010. Further, the average cost of funds of non-portfolio debt decreased to 4.7% for the year ended December 31, 2011, from 11.6% for the same period in 2010, as a result of these transactions.

Senior secured debt interest expense

Senior secured debt interest expense increased during the year ended December 31, 2011 compared to 2010. This increase was a result of the issuance in June 2010 of our Senior Secured Notes. As a result, we incurred a full year of interest expense in 2011 versus a partial year in 2010. The weighted average effective rate on these notes is 13.3%, which includes amortization of discount and deferred financing costs.

Selling and marketing expense

Selling and marketing expenses decreased for the year ended December 31, 2011 compared to 2010. This decrease was primarily a result of a decrease of \$11.1 million in sales commissions as we completed the transition from a 100% commission structure to a base salary plus team and individual bonus compensation structure for sales personnel. This transition began in 2010 and was fully complete in 2011. This decrease was partially offset by a \$5.9 million increase in our advertising expenses, primarily related to our television and internet marketing strategy, an increase in television commercial production, and an increase in advertising associated with operating in new geographic locations as a result of expansion of our dealership base into seven new geographic regions.

General and administrative expense

General and administrative expenses increased for the year ended December 31, 2011 compared to 2010. This increase was primarily the result of the increased number of dealerships and reconditioning centers in operation year over year and a corresponding increase in salaries and wages as we increased the number of employees in conjunction with our overall expansion. Salaries and wages expense also increased due to the new salaries and wages structure of sales personnel. See “—Selling and marketing expense” as described above. Lease expense also increased due to the increased number of facilities in operation.

Depreciation expense

Depreciation expense increased for the year ended December 31, 2011 compared to 2010. This increase was primarily the result of an increase in capital expenditures associated with the expansion of our dealership base and information technology infrastructure.

Net income

Net income for the year ended December 31, 2011 increased compared to 2010. The increase in net income for 2011 is a result of an increase in total revenue of 9.3%, primarily as a result of an increase in the volume of vehicles sold and a larger average loan portfolio. Partially offsetting the increase in total revenue was an increase in provision for credit losses and general and administrative expenses, as discussed above.

Originations

The following table sets forth information regarding our originations for the periods indicated:

	<u>Year Ended December 31,</u>		
	<u>2011</u>	<u>2010</u>	<u>Change</u>
	(\$ in thousands, except per loan data)		
Amount originated	\$829,164	\$747,329	\$81,835
Number of loans originated	56,096	52,468	3,628
Average amount financed	\$ 14,781	\$ 14,244	\$ 537
Average APR originated	20.7%	21.8%	(1.1)%
Average term (in months)	56.9	53.9	3.0
Average down payment	\$ 1,103	\$ 1,213	\$ (110)
Down payment as a percent of amount financed	7.5%	8.5%	(1.0)%
Percentage of sales revenue financed ⁽¹⁾	98.9%	98.2%	0.7%

⁽¹⁾ Represents the dollar amount originated divided by the dollar amount of revenue from sales of used vehicles.

We originate loans in conjunction with each vehicle we sell, unless the sale is a cash transaction. The balance on these loans, together with accrued interest and unamortized loan origination costs, comprises our portfolio of finance receivables. Our receivables are then financed through securitizations and warehouse facilities in order to generate liquidity for our business. See “—Liquidity and Capital Resources.”

During 2011, the number of loans and principal balance of loans we originated increased as compared to 2010. These increases were due to an increase in the number of used vehicles sold and an increase in the average amount financed per loan originated as a direct result of an increase in the average sales price per vehicle sold and a decrease in the average down payment per loan originated. Average APR decreased for the year ended December 31, 2011 compared to the same period in the prior year. The average term increased for the year ended December 31, 2011, compared to the same period in 2010. These changes are a result of our overall interest rate and financing/underwriting strategy, which is designed to optimize affordability to our customers, while considering the effects of retail costs and vehicle pricing.

Receivables portfolio

The following table shows the characteristics of our finance receivables portfolio for the periods indicated:

	As of and for the Year Ended December 31,		
	2011	2010	Change
	(\$ in thousands, except per loan data)		
Principal balance receivables, end of period	\$1,466,680	\$1,381,092	\$85,588
Average principal balance, during the period	\$1,469,528	\$1,378,486	\$91,042
Number of loans outstanding, end of period	137,293	134,264	3,029
Average remaining principal per loan, end of period	\$ 10,683	\$ 10,286	\$ 397
Weighted Average APR of contracts outstanding	20.8%	21.0%	(0.2)%
Average age per loan (in months)	15.0	15.3	(0.3)
Delinquencies over 30 days	11.2%*	9.1%	2.1%

* - includes delinquencies over 91-120 days past due of 0.3%

Finance receivables principal balance, average principal balance and the number of loans outstanding period over period increased as of and for the year ended December 31, 2011, compared to 2010, due to origination volume exceeding portfolio run-off (regular principal payments, payoffs, and charge-offs).

Delinquencies

As a percentage of total outstanding loan principal balances, delinquencies over 30 days were 11.2% and 9.1% at December 31, 2011 and 2010, respectively. The increase in delinquencies is the result of our change in collection strategy for early delinquencies, including utilizing dialer technology, coupled with our modification in charge-off policy (see “Factors Affecting Comparability, Modification to Charge-off Policy”). Further influencing delinquencies is the effects of the current economic environment, including high unemployment and underemployment. In conjunction with our centralization of collections during 2010, we are utilizing messaging and dialer technologies for early delinquencies in order to achieve a more cost effective collections process. As a result, we anticipate delinquencies to be relatively higher than our historical rates. We will continue to monitor portfolio performance and delinquencies in an effort to balance cost effectiveness and efficiencies based on the current economy.

Comparison of years ended December 31, 2010 and 2009

The following table sets forth our results of operations for the periods indicated:

	Year Ended December 31,		
	2010	2009	% Change
	(\$ in thousands)		
Revenue:			
Sales of used vehicles	\$ 760,767	\$694,460	9.5%
Interest income	264,974	251,822	5.2%
Total revenue	1,025,741	946,282	8.4%
Costs and expenses:			
Cost of used vehicles sold	481,210	394,362	22.0%
Provision for credit losses	175,900	223,686	(21.4)%
Portfolio debt interest expense	68,314	75,293	(9.3)%
Non-portfolio debt interest expense	14,757	35,373	(58.3)%
Senior secured debt interest expense	15,031	—	100.0%
Selling and marketing	27,900	31,491	(11.4)%
General and administrative	154,374	150,600	2.5%
Depreciation expense	13,751	13,061	5.3%
Loss (Gain) on extinguishment of debt, net	3,418	(30,311)	(111.3)%
Total costs and expenses	954,655	893,555	6.8%
Income before income taxes	71,086	52,727	34.8%
Income tax expense	404	730	(44.7)%
Net income	\$ 70,682	\$ 51,997	35.9%

Sales of used vehicles

Revenue from sales of used vehicles increased for the year ended December 31, 2010 compared to 2009. The increase in revenue was primarily due to an increase in sales volume, coupled with an increase in the average sales price per vehicle sold for the year ended December 31, 2010 compared to 2009. The increase in sales volume is attributable to an increase in the average number of stores in operation year over year. The increase in the number of stores in operation is a result of opening a net of seven new stores since 2009. The increase in average sales price per vehicle sold is attributable to an overall increase in the average cost of used vehicles sold, primarily as a result of an increase in acquisition costs from appreciation in wholesale industry used vehicle values. See also “—Cost of used vehicles sold”.

Interest income

Interest income increased for the year ended December 31, 2010 compared to 2009. The increase in 2010 compared to 2009 was primarily due to an increase in the average effective yield on our receivables portfolio to 19.9% from 19.3% and to a lesser extent, an increase in average portfolio principal outstanding during the year ended December 31, 2010 compared to 2009.

Cost of used vehicles sold

Total cost of used vehicles sold increased for the year ended December 31, 2010 compared to 2009. The increase was due to an increase in the number of vehicles sold and an increase in the average cost of vehicles sold. Our cost of vehicles sold per unit increased primarily as a result of higher acquisition costs at auction as a result of an appreciation in wholesale industry used vehicle values, increased reconditioning costs, and increased costs associated with our limited warranty as a result of expanded coverage of our DriveCare® warranty program in December 2009. Wholesale used vehicle prices increased in 2010 compared to 2009 as a result of increased demand for used vehicles, coupled with a decrease in supply of used vehicles nationwide.

Gross margin

Gross margin total dollars decreased for the year ended December 31, 2010, compared to 2009. Gross margin as a percentage of sales revenue decreased for the year ended December 31, 2010. The decrease in gross margin for the year ended December 31, 2010 is primarily attributable to an increase in our “Cost of used vehicles sold” as described above, while only a portion of these costs were passed on to our customers through an increase in sales price. In an effort to maintain affordability for our customers, our total cost per vehicle sold increased 15.0% during the year ended December 31, 2010, while our average price per vehicle sold only increased 3.3%, for the year ended December 31, 2010, compared to the same period in 2009.

Provision for credit losses

Provision for credit losses decreased for the year ended December 31, 2010 compared to 2009. The decrease was primarily attributable to a decrease in net charge-offs due to tightening our loan underwriting standards on loan originations beginning in the second quarter of 2008, coupled with an increase in recoveries as a percent of principal charged-off, and a decrease in the allowance as a percentage of outstanding principal due to the improved quality of our finance receivable portfolio.

Net charge-offs as a percent of average outstanding principal decreased to 13.5% for the year ended December 31, 2010 compared to 18.2% for 2009. This improvement is primarily the result of the tightening of our loan underwriting standards beginning in the second quarter of 2008. As a result, gross principal charged-off decreased to 22.0% for the year ended December 31, 2010 from 26.6% for 2009. In addition, recoveries as a percentage of principal charged-off increased to 38.5% for the year ended December 31, 2010 compared to 31.7% for 2009. The improvement in recoveries is due primarily to higher auction values stemming from appreciation in the wholesale used vehicle market, improved effectiveness of our repossession efforts, and the increase in seasoning of our loan portfolio. During 2010 we recorded a \$5.5 million recovery adjustment, which is reflected in the aforementioned net charge-off and recovery rates. Excluding the effect of this adjustment, our net charge-offs for 2010 would have been 13.1% and recoveries as a percent of principal charged-off would have been 40.3%.

The allowance for credit losses decreased, as a percentage of principal outstanding balance to 15.0% at December 31, 2010 from 16.6% at December 31, 2009. The decrease in the allowance as a percent of outstanding principal balance was due primarily to the improved performance and credit quality of our portfolio due to the tightening of our loan underwriting standards in the second quarter of 2008.

Portfolio debt interest expense

Total portfolio debt interest expense decreased for the year ended December 31, 2010 compared to 2009. The decrease is in-part attributable to lower borrowing costs of our 2010 securitizations and the termination of our PALP agreement with Santander, which bore a higher cost of funds than our other portfolio debt. The original duration weighted average coupon of our two securitizations in 2010 and 2009 was 3.66% for 2010-1 and 5.40% for 2009-1. In addition, our warehouse facility renewals and additions in 2010 were at lower interest rates than 2009. These changes in our portfolio debt interest expense structure caused an overall decrease in our portfolio debt interest cost of funds to 8.2% for 2010 compared to 9.6% for 2009.

Non-portfolio debt interest expense

Total non-portfolio debt interest expense decreased for the year ended December 31, 2010 compared to 2009. The decrease was primarily due to the exchange of debt discussed above, which occurred in conjunction with the offering of our 12.625% Senior Secured Notes in June 2010. As a result, the decrease in interest expense for the year ended December 31, 2010 is attributable to a decrease in the average balance of junior secured debt and subordinated debt, which contained effective rates of 22.4% and 12.2%, respectively, thereby decreasing our overall cost of funds for non-portfolio debt from 13.0% for the year ended December 31, 2009 to 11.6% for 2010.

Senior secured debt interest expense

Senior secured debt interest expense increased for the year ended December 31, 2010 compared to 2009. The increase is a result of the issuance of our Senior Secured Notes as discussed above.

Selling and marketing expense

Selling and marketing expenses decreased for the year ended December 31, 2010, compared to 2009. The decrease was due to a decrease of \$6.3 million in sales commissions as we began to transition the compensation structure of our sales force from a 100% commission structure during 2009 to a base salary plus team and individual bonus compensation structure during 2010. This decrease was partially offset by an increase in our advertising expenses of \$2.8 million, primarily related to our television and internet marketing strategy, and advertising in seven new geographic locations, as a result of expansion of our dealership base.

General and administrative expense

General and administrative expenses increased for the year ended December 31, 2010 compared to 2009. This increase was primarily due to an increase in salaries and wages expenses of \$13.0 million during the year ended December 31, 2010 compared to 2009, primarily due to the new salaries and wages structure of sales personnel. See “—Selling and marketing expense” as described above. This increase was partially offset by a decrease in store closing costs of \$2.0 million attributable to closing fewer facilities in 2010 than in 2009. In addition, there was a decrease of \$7.6 million in legal expenses relating to a legal settlement in the first quarter of 2009, whereas we did not incur such expense in 2010.

Depreciation expense

Depreciation expense increased for the year ended December 31, 2010 compared to 2009. This increase was primarily the result of an increase in capital expenditures associated with the expansion of our dealership base and information technology infrastructure.

Gain on extinguishment of debt, net

During the year ended December 31, 2010, we repurchased outstanding indebtedness in the form of PALP debt in an aggregate principal amount of \$227.9 million, for which we paid a fee of \$3.4 million. The fee was recorded as loss on the extinguishment of debt.

During the year ended December 31, 2009, we repurchased outstanding indebtedness in various transactions during the year in aggregate principal amount \$135.2 million, resulting in net gains on the extinguishment of debt of \$30.3 million.

Net income

Net income for the year ended December 31, 2010 compared to 2009. Excluding loss on extinguishment of debt of \$3.4 million in 2010 and gain on extinguishment of debt of \$30.3 million in 2009, net income would have increased \$52.4 million for the year ended December 31, 2010. This increase is primarily attributable to an increase in revenue from sales of used vehicles and interest income, a lower provision for credit losses (as described above), a decrease in total interest expense, and a decrease in general and administrative expenses, partially offset by a decrease in gross margin from the sale of used vehicles.

Originations

The following table sets forth information regarding our originations for the periods indicated:

	Year Ended December 31,		
	2010	2009	Change
	(\$ in thousands, except per loan data)		
Amount originated	\$747,329	\$686,214	\$61,115
Number of loans originated	52,468	49,487	2,981
Average amount financed	\$ 14,244	\$ 13,867	\$ 377
Average APR originated	21.8%	21.1%	0.7%
Average term (in months)	53.9	51.5	2.4
Average down payment	\$ 1,213	\$ 1,109	\$ 104
Down payment as a percent of amount financed	8.5%	8.0%	0.5%
Percentage of sales revenue financed ⁽¹⁾	98.2%	98.8%	(0.6)%

- ⁽¹⁾ Represents the dollar amount originated divided by the dollar amount of revenue from sales of used vehicles.

We originate loans in conjunction with each vehicle we sell, unless the sale is a cash transaction. The balance on these loans, together with accrued interest and unamortized loan origination costs, comprises our portfolio of finance receivables. Our receivables are then financed through securitizations and warehouse facilities in order to generate liquidity for our business. See “—Liquidity and Capital Resources.”

The principal amount of receivables we originated increased for the year ended December 31, 2010, compared to the same period in 2009. We also originated more loans for the year ended December 31, 2010 compared to the same period in 2009. The increase was due to an increase in the number of used vehicles sold, and an increase in the average amount financed per loan originated as a direct result of an increase in the average sales price per vehicle sold, despite an increase in the average down payment per loan originated. Average APR for loans originated increased in the year ended December 31, 2010 compared to the same period in 2009, due to changes in our overall interest rate pricing strategy.

Receivables portfolio

The following table shows the characteristics of our finance receivables portfolio for the periods indicated:

	As of and for the Year Ended December 31,		
	2010	2009	Change
Principal balance receivables, end of period	\$1,381,092	\$1,312,216	\$68,876
Average principal balance, during the period	\$1,378,486	\$1,364,782	\$13,704
Number of loans outstanding, end of period	134,264	127,737	6,527
Average remaining principal per loan, end of period	\$ 10,286	\$ 10,273	\$ 13
Weighted Average APR of contracts outstanding	21.0%	20.6%	0.4%
Average age per loan (in months)	15.3	14.5	0.8
Delinquencies over 30 days	9.1%	7.4%	1.7%

Finance receivables principal balance increased from December 31, 2009 to December 31, 2010 due to origination volume exceeding portfolio run-off (regular principal payments, payoffs, and charge-offs). The average age per loan (in months) increased for the year ended December 31, 2010 compared to 2009, due to lower gross charge-offs and an increase in loan term.

Delinquencies

As a percentage of total outstanding loan principal balances, delinquencies over 30 days were 9.1% and 7.4% at December 31, 2010 and 2009, respectively. The increase in delinquencies is the result of a more seasoned loan portfolio as well as a change in our collection strategy for early delinquencies. In conjunction with our centralization of collections, we are utilizing messaging and dialer technologies for early delinquencies in order to achieve a more cost effective collections process.

Seasonality

Historically, we have experienced higher revenues in the first quarter of the calendar year than in the last three quarters of the calendar year. We believe these results are due to seasonal buying patterns resulting, in part, because many of our customers receive income tax refunds during the first quarter of the year, which are a primary source of down payments on used vehicle purchases. Our portfolio of finance receivables also has historically followed a seasonal pattern, with delinquencies and charge-offs being the highest in the second half of the year.

Seasonality of Total Earnings:

To illustrate the seasonality in total revenue, costs and expenses, and income before taxes, a summary of the quarterly financial data follows:

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Total</u>
	(\$ in thousands)				
2011:					
Total revenue	\$332,856	\$275,405	\$286,012	\$227,034	\$1,121,307
Costs and expenses ⁽¹⁾	\$291,841	\$242,975	\$273,575	\$223,557	\$1,031,948
Income before income taxes	\$ 41,015	\$ 32,430	\$ 12,437	\$ 3,477	\$ 89,359
Net income	\$ 40,503	\$ 32,093	\$ 12,376	\$ 3,166	\$ 88,138
2010:					
Total revenue	\$297,038	\$245,747	\$263,323	\$219,633	\$1,025,741
Costs and expenses ⁽¹⁾	\$263,405	\$225,975	\$244,838	\$220,437	\$ 954,655
Income / (loss) before income taxes	\$ 33,633	\$ 19,772	\$ 18,485	\$ (804)	\$ 71,086
Net income / (loss)	\$ 33,284	\$ 19,322	\$ 19,232	\$ (1,156)	\$ 70,682
2009:					
Total revenue	\$286,745	\$233,025	\$233,165	\$193,347	\$ 946,282
Costs and expenses ⁽¹⁾	\$275,238	\$195,199	\$224,238	\$198,880	\$ 893,555
Income / (loss) before income taxes	\$ 11,507	\$ 37,826	\$ 8,927	\$ (5,533)	\$ 52,727
Net income / (loss)	\$ 11,137	\$ 37,536	\$ 8,817	\$ (5,493)	\$ 51,997

⁽¹⁾ Includes net gains / losses on extinguishment of debt.

Seasonality of Retail Sales:

To illustrate the seasonality of retail sales units, a summary of quarterly data has been provided:

<u>Year</u>	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Full Year</u>
2007	21,664	15,413	15,959	13,886	66,922
2008	20,820	12,745	12,230	9,620	55,415
2009	15,787	11,941	12,297	9,475	49,500
2010	16,303	12,284	13,382	10,529	52,498
2011	18,095	13,639	14,233	10,142	56,109

Seasonality of Loan Performance:

This table represents the performance of our entire loan portfolio outstanding for each period shown, and does not represent static pools based on origination year. As is evident from the table below, the seasonality in our business results in net charge-offs typically being the highest in the third and fourth quarter of each year and the lowest in the first and second quarter of each year.

Net Charge-Offs as a Percent of Average Portfolio Principal Balance:

<u>Year</u>	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Full Year</u>
2007	3.8%	3.2%	5.5%	5.4%	18.2%
2008	4.9%	4.4%	5.7%	6.5%	21.4%
2009	4.9%	3.9%	4.8%	4.6%	18.2%
2010 ⁽¹⁾	3.3%	2.5%	3.7%	3.7%	13.1%
2011	3.0%	2.4%	3.7%	4.0%	13.1%

- (1) Net charge-offs are adjusted to remove a negative impact of a non-recurring adjustment related to recoveries in the fourth quarter of 2010. The unadjusted total net charge-offs were 13.5% for 2010.

Liquidity and Capital Resources

General

We require capital for the purchase of inventory, to provide financing to our customers, for working capital and for general corporate purposes, including the purchase of property and equipment, and to open new dealerships and reconditioning facilities.

We have historically funded our capital requirements primarily through operating cash flow, portfolio warehouse facilities, securitizations, term facilities, inventory and other revolving debt facilities, real estate mortgage financing, and other notes payable (including senior secured notes, junior secured notes, senior unsecured notes, and subordinated notes).

Financing sources

We currently fund our capital requirements through the following debt instruments:

- Portfolio term financings including asset-backed securitizations, which offer fixed rate secured financing for our receivables portfolio.
- Portfolio warehouse facilities including agreements with four different institutional lenders.
- Senior Secured Notes due 2017.
- Other secured notes payable including a revolving inventory facility, a mortgage loan for our operations call center in Mesa, Arizona, and other notes and capital leases secured by property and equipment.
- Operating leases for the majority of our dealerships, reconditioning centers, operations facilities and our corporate offices.

For additional details and terms regarding these debt instruments, see Note 8—Debt Obligations to our condensed consolidated financial statements included in Item 1 of this report.

Our warehouse facilities include certain favorable terms and conditions, including (i) the inability of the lender to subjectively lower collateral values and effectively lower advance rates; (ii) limited recourse; and (iii) limited foreclosure rights upon a default.

We actively manage utilization of our various funding sources as we seek to minimize borrowing costs through drawing on our lower cost facilities and minimizing unused line fees, while at the same time balancing the effective advance rates and liquidity generated by each of the credit facilities in order to meet our funding needs. The effective advance rates on our portfolio warehouse and term financings are based on the outstanding principal balance of the loans we originate. However, our initial investment in the loans we originate is lower than the original principal balance of the loans.

Recent financing transactions

- In December 2011, we executed an agreement for a warehouse facility with Wells Fargo. The facility size is \$150.0 million, with an advance rate of 57.6%, and has a termination date of December 2013, with a term-out feature resulting in a final maturity of December 2015.
- In October 2011, we amended and restated our existing inventory agreement and added Wells Fargo as a lender and agent for other lenders. The new facility has a maximum capacity of \$140.0 million, inclusive of a \$10.0 million seasonal increase to the base facility through the months of November to January of each year.
- In December 2011, simultaneously with the expiration of the warehouse facility with Deutsche Bank, we executed a new agreement for a warehouse facility. The facility size is \$150.0 million with a termination date of December 27, 2012.
- During 2011, we completed three securitization transactions (2011-1, 2011-2, and 2011-3) by issuing \$708.1 million of asset backed securities. All of the bonds, collateralized by approximately \$880.0 million of finance receivables, were sold to third parties. The asset backed securities were rated by Standard and Poors (S&P) and DBRS and each securitization was structured in four tranches without external credit enhancement from a monoline Insurer. The initial weighted average coupon of these securitizations ranged from 2.88% to 3.97%.
- In May 2011, we paid off the outstanding balance on our warehouse facility with Santander and terminated the facility.
- In May 2011 we executed a renewal of our warehouse facility with RBS, increasing the facility size from \$50.0 million to \$125.0 million, increasing the advance rate from 50% to 53%, decreasing the interest rate, and extending the maturity to May 2012. In March 2012, we extended this agreement to a maturity of March 2013 and removed the requirement in the agreement that DTAC maintain a demand note in favor of the lender.
- In April 2011, we executed a renewal of our warehouse credit facility with UBS, extending the term from April 2011 to August 15, 2012, decreasing the interest rate and increasing the advance rate from 50% to 60%.

Operating leases

Operating leases are a significant component of our financing sources. At December 31, 2011, we lease the majority of our dealership and reconditioning center locations. We also lease our corporate office in Phoenix, Arizona, and operations collections facilities in Dallas, Texas; Orlando, Florida; and Richmond, Virginia. As each lease matures, we evaluate the existing location to determine whether the dealership should be relocated to another site in the region closer in proximity to new car franchises and/or higher traffic retail areas. As of December 31, 2011, we had approximately \$76.4 million in aggregate operating lease obligations.

Shareholder distributions

Income from S-corporations flows through to the individual shareholders, who report income/losses on their individual income tax returns. We have made distributions to shareholders to fund the tax paid by the shareholders related to S-corporation income of DTAG and DTAC, in addition to general distributions to the shareholders. The following table summarizes distributions to shareholders since January 1, 2003.

	January 1, 2003 to December 31, 2008	2009	2010	2011	Totals
	(\$ in thousands)				
Distributions to shareholders	\$246,197	\$27,110	\$46,310	\$51,845	\$371,462
Less: S-corporation shareholder tax liability based on highest tax rates	103,750	910	18,596	26,895	150,151
Distributions in excess of amounts to pay taxes	<u>\$142,447</u>	<u>\$26,200</u>	<u>\$27,714</u>	<u>\$24,950</u>	<u>\$221,311</u>

We did not have any approved but unpaid dividends at December 31, 2011 or 2010. We had an additional \$5.3 million in dividends available for distribution at December 31, 2011, which was both approved by the Board of Directors and paid in March 2012.

Liquidity

The following is a summary of total available liquidity, consisting of unrestricted cash and current availability under our portfolio warehouse and inventory facilities for the periods indicated:

	December 31,		
	2011	2010	2009
	(\$ in thousands)		
Unrestricted cash	\$ 25,930	\$ 23,677	\$21,526
Portfolio warehouse facilities	148,837	112,160	8,881
Inventory facility	55,500	10,000	10,000
Total liquidity	<u>\$230,267</u>	<u>\$145,837</u>	<u>\$40,407</u>

The following table presents a summary of our access to liquidity under our portfolio warehouse facilities and our inventory facility based on collateral pledged as of December 31, 2011 and 2010:

As of December 31, 2011	Facility Amount	Amount Drawn	Unused Facility Amount ⁽¹⁾	Borrowing Base ⁽²⁾	Amount Drawn	Total Availability
	(\$ in thousands)					
Warehouse facility I	\$150,000	\$ 39,000	\$111,000	\$ 59,346	\$ 39,000	\$ 20,346
Warehouse facility II	—	—	—	—	—	—
Warehouse facility III	125,000	31,792	93,208	61,592	31,792	29,800
Warehouse facility IV	125,000	30,600	94,400	53,082	30,600	22,482
Warehouse facility V	150,000	40,000	110,000	45,848	40,000	5,848
DTAC receivables ⁽³⁾	N/A	N/A	N/A	70,361	N/A	70,361
Total portfolio warehouse facilities	\$550,000	\$141,392	\$408,608	\$290,229	\$141,392	\$148,837
Inventory facility	140,000	84,500	55,500	140,000	84,500	55,500
	<u>\$690,000</u>	<u>\$225,892</u>	<u>\$464,108</u>	<u>\$430,229</u>	<u>\$225,892</u>	<u>\$204,337</u>
Unrestricted cash						25,930
Total cash and availability						<u>\$230,267</u>

<u>As of December 31, 2010</u>	<u>Facility Amount</u>	<u>Amount Drawn</u>	<u>Unused Facility Amount ⁽¹⁾</u>	<u>Borrowing Base ⁽²⁾</u>	<u>Amount Drawn</u>	<u>Total Availability</u>
			(\$ in thousands)			
Warehouse facility I	\$150,000	\$141,715	\$ 8,285	\$148,069	\$141,715	\$ 6,354
Warehouse facility II	250,000	100,000	150,000	101,256	100,000	1,256
Warehouse facility III	125,000	117,392	7,608	132,860	117,392	15,468
Warehouse facility IV	50,000	43,900	6,100	45,433	43,900	1,533
DTAC receivables ⁽³⁾	N/A	N/A	N/A	87,549	N/A	87,549
Total portfolio warehouse facilities	\$575,000	\$403,007	\$171,993	\$515,167	\$403,007	\$112,160
Inventory facility	50,000	40,000	10,000	50,000	40,000	10,000
	<u>\$625,000</u>	<u>\$443,007</u>	<u>\$181,993</u>	<u>\$565,167</u>	<u>\$443,007</u>	<u>\$122,160</u>
Unrestricted cash						23,677
Total cash and availability						<u>\$145,837</u>

- (1) Represents amounts that can be drawn upon as long as the amount drawn does not exceed the borrowing base for the credit facility.
- (2) Borrowing base is determined by the collateral currently pledged to the respective facilities. The borrowing base calculation for the portfolio warehouse facilities uses a blended 57% advance rate for December 31, 2011 and 55% for December 31, 2010. Borrowing base includes collection and reserve amounts on deposit which are assumed to be used to pay down amount drawn except for DT Warehouse I, which excludes collection accounts per the borrowing base definition for Warehouse I.
- (3) Includes \$123.7 million and \$113.0 million as of December 31, 2011 and 2010, respectively, of unpledged qualifying receivables that can be pledged immediately and bring total borrowing to our maximum capacity. The borrowing base is the lesser of total eligible collateral multiplied by the applicable advance rate and the facility amount.

Changes in liquidity

Changes in liquidity are affected by increases and decreases to our operating cash flow, changes in advance rates on our portfolio warehouse facilities, capacity of our portfolio warehouse and inventory facilities, portfolio term financings, and changes in other notes payable. The following is a summary of changes in liquidity for each period presented:

	<u>December 31,</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
	(\$ in thousands)		
Liquidity – beginning of period	\$145,837	\$ 40,407	\$ 50,232
Net increase (decrease) in cash and cash equivalents	2,253	2,151	(4,007)
Increase (decrease) in portfolio warehouse availability	36,677	103,279	(15,008)
Increase in inventory facility availability	45,500	—	9,190
Liquidity – end of period	<u>\$230,267</u>	<u>\$145,837</u>	<u>\$ 40,407</u>

Change in liquidity during the year ended December 31, 2011. Our liquidity for the year ended December 31, 2011 increased \$84.4 million, from \$145.8 million at December 31, 2010 to \$230.3 million at December 31, 2011. This increase was primarily the result of increased liquidity from our revolving inventory facility and increased warehouse availability. Increased warehouse availability was primarily the result of higher advance rates on our warehouse facilities and securitizations.

Change in liquidity during the year ended December 31, 2010. Our liquidity for the year ended December 31, 2010 increased \$105.4 million, from \$40.4 million at December 31, 2009 to \$145.8 million at

December 31, 2010. This increase was primarily the result of the net proceeds from the sale of our 12.625% Senior Secured Notes in June 2010, which were used primarily to pay down amounts outstanding under our warehouse facilities, plus the addition of a residual term loan in May 2010.

Change in liquidity during the year ended December 31, 2009. Our liquidity for the year ended December 31, 2009 decreased \$9.8 million. The decrease in 2009 was primarily the result of the repurchase of \$122.0 million of senior unsecured notes, the repurchase of \$13.2 million in securitization debt, payment of \$27.1 million in dividends and an increase in vehicle inventory, partially offset by an increase in borrowings under PALP financings and securitizations which have higher advance rates than our portfolio warehouse facilities, and an increase in advance rate in our remaining portfolio warehouse facility.

Cash flows

Operating activities

For the year ended December 31, 2011, net cash used in operating activities was \$25.2 million as compared to net cash provided by operating activities of \$5.9 million for 2010. The decrease in cash provided by operating activities was primarily due to an increase in loan originations, an increase in inventory levels, and a smaller increase in accrued expenses. The decrease in cash was partially offset by an increase in collections and recoveries on finance receivable principal, and an increase in net income (inclusive of an increase in provision for credit losses).

For the year ended December 31, 2010, net cash provided by operating activities decreased as compared to 2009. The decrease in cash provided by operating activities was primarily due to an increase in loan originations, an increase in inventory levels as compared to 2009, and increase in other assets in 2010 compared to a decrease in 2009. This decrease was partially offset by an increase in collections and recoveries on finance receivable principal, and an increase in accounts payable, accrued expenses and other liabilities in 2010 compared to a decrease in 2009.

For the year ended December 31, 2009, net cash provided by operating activities was increased as compared to 2008. The increase in cash provided by operating activities was primarily due to lower origination volume tied to fewer open stores and tightening of our loan underwriting standards, an increase in net income and a decrease in other assets. This increase was partially offset by an increase in inventory levels and a decrease in accounts payable and accrued expenses.

Investing activities

For the year ended December 31, 2011, net cash used in investing activities increased as compared to 2010. The increase in cash used in investing activities was primarily due to eleven new store openings in 2011 and one store relocation. We also opened three new inspection centers in 2011 and had one inspection center relocation. Of the new and relocated facilities, we purchased three inspection centers and two dealerships. We also completed remodeling our existing dealerships, and increased information technology infrastructure equipment to support our operations.

For the year ended December 31, 2010, net cash used in investing activities increased compared to 2009. The increase in cash used in investing activities was primarily due to ten new store openings in 2010, one of which was a purchased property, combined with two reconditioning facilities under development, remodeling our existing dealerships, and an increase in the addition of information technology infrastructure equipment to support our operations.

For the year ended December 31, 2009, net cash used in investing activities increased compared to 2008. This increase was related to the purchase of an aircraft, an increase in purchases of information technology infrastructure, and an increase in improvements related to new store openings.

Financing activities

For the year ended December 31, 2011, net cash provided by financing activities increased as compared to 2010. This increase was partially due to three securitizations during the course of 2011, in which we issued \$708 million in asset-backed securities as opposed to one securitization in 2010 for \$228.0. This increase was partially offset by the pay-down of our warehouse facilities. We also increased the amount borrowed under our inventory line when we amended and restated the inventory facility and increased the facility capacity.

For the year ended December 31, 2010, net cash provided by financing activities increased as compared to 2009. This change was a result of an increase in net borrowings under our warehouse facilities, which was a result of executing three new warehouse facilities and terminating one of our PALP financing agreements with one of our lenders, resulting in the pay-down of PALP while increasing warehouse borrowings. In addition, we issued \$200.0 million of 12.625% Senior Secured Notes in June 2010, which provided net proceeds to the Company of \$155.9 million (as \$37.0 million principal amount of the notes were exchanged for existing debt), which was used to pay down amounts outstanding under warehouse facilities and pay-off a portion of junior secured notes and subordinated notes payable to our principal shareholder.

For the year ended December 31, 2009, net cash used in financing activities increased as compared to financing activities for 2008. The additional cash used in financing activities in 2009 was primarily attributable to a net decrease in amounts outstanding under portfolio warehouse facilities which included fully repaying one of our portfolio warehouse facilities in July 2009, a decrease in amounts outstanding under other notes payable, the repurchase of an aggregate amount of \$135.2 million in senior unsecured notes and securitization debt, whereas we only repurchased \$96.0 million in 2008. This decrease in cash used is also attributed to Verde providing \$75.0 million to us in the form of subordinated notes payable in 2008, as compared to no additions to this debt in 2009 as well as an increase in dividend distributions in 2009. Partially offsetting these decreases in cash used were a reduction in payment of debt issuance costs and an overall increase in portfolio term financings in 2009.

Contractual Obligations

The following tables set forth the aggregate amounts of our significant contractual obligations and commitments with definitive payment terms:

	As of December 31, 2011				
	Payments by Period				
	Total	Less than 1 Year ⁽³⁾	Years 2-3	Years 4-5	More than 5 Years
	(\$ in thousands)				
Securitizations & PALP financing ⁽¹⁾	\$ 682,634	\$387,912	\$294,722	\$ —	\$ —
Portfolio warehouse facilities ⁽²⁾	141,392	113,598	27,794	—	—
Portfolio term residual financing	100,000	—	100,000	—	—
Senior secured notes	198,058	—	—	—	198,058
Inventory facility	84,500	—	84,500	—	—
Real estate mortgage loan	12,661	207	459	515	11,480
Equipment note, secured by an aircraft	2,135	361	1,774	—	—
Capital lease obligations	3,423	1,353	1,964	106	—
Operating lease obligations	76,435	17,308	30,872	18,075	10,180
Total contractual obligations ⁽⁴⁾	<u>\$1,301,238</u>	<u>\$520,739</u>	<u>\$542,085</u>	<u>\$18,696</u>	<u>\$219,718</u>

- ⁽¹⁾ Securitization obligations and PALP agreements do not have a contractual termination date. Therefore, all collections on the contracts collateralizing the securities are used to repay the asset-backed security holders based on an expected duration of the securities.

- (2) Collections on the contracts collateralizing the facility are used to repay the facility until it is paid in full since these facilities contain term-out features, however, this table assumes all amounts are due and payable at maturity and does not factor-in term-out features of each facility. On the termination date of the facilities, amounts outstanding at termination are not due and payable immediately. All collections on the contracts collateralizing this facility are used to pay down the facilities until they are paid in full.
- (3) Generally and historically, we have renewed or replaced facilities expiring in less than one year.
- (4) Total contractual obligations exclude future interest payment obligations.

Senior Secured Notes Collateral

Our 12.625% Senior Secured Notes due June 15, 2017 contain a collateral coverage ratio covenant which requires the Company to maintain a collateral coverage ratio of 1.5x the outstanding Senior Secured Notes. The following is the calculation of the collateral coverage ratio as of December 31, 2011 and is not meant to portray a GAAP summary of collateral but rather a summary of collateral as it resides legally within the Guarantor Subsidiaries, Non-Guarantor Subsidiaries, and Co-Issuers.

	As of December 31, 2011		
	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Co-Issuers
	(\$ in thousands)		
Collateral Amounts			
Net Receivables Value ⁽¹⁾	\$ —	\$122,047	\$165,940
Net Inventory Value ⁽²⁾	96,104	—	—
Cash Equivalents ⁽³⁾	—	—	—
Total Collateral Amount	<u>\$96,104</u>	<u>\$122,047</u>	<u>\$165,940</u>
12.625% Senior Secured Notes			<u>200,000</u>
Collateral Coverage Ratio			1.9x ⁽⁴⁾

- (1) Net Receivables Value equals 85% of the finance receivables (including accrued interest and capitalized loan costs) minus debt (exclusive of Senior Secured Notes) collateralized by finance receivables (including accrued interest) plus cash equivalents securing such debt. The 12.625% Senior Secured Notes are excluded from this calculation.
- (2) Net Inventory Value equals 85% of the book value of inventory pledged as collateral minus debt obligations (including accrued interest) secured by inventory. The 12.625% Senior Secured Notes are excluded from this calculation.
- (3) Cash equivalents equal cash and equivalents pledged directly to secure the 12.625% Senior Secured Notes.
- (4) Collateral coverage ratio at February 29, 2012 increased to 2.4x.

Impact of New Accounting Pronouncements

For a discussion of recent accounting pronouncements applicable to us, see Note 17—Recent Accounting Pronouncements to the consolidated financial statements as of December 31, 2011, included elsewhere in this report.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

We lease the majority of our dealership and reconditioning facilities under operating leases. See “—Liquidity and Capital Resources—Operating Leases” for more information.

Impact of Inflation

Inflation generally results in higher interest rates on our borrowings, which could decrease the profitability of our existing portfolio to the extent we have variable rate debt and could decrease profitability of our future originations if we are not able to pass the increase on to our customers. We seek to limit the risk of increasing borrowing costs:

- through our portfolio term financings, which allowed us to fix a portion of our borrowing costs and generally match the term of the underlying finance receivables, and
- by increasing the interest rate charged for loans originated at our dealerships (if allowed under applicable law) while maintaining affordability of the customers' payment.

The used vehicle market has experienced strong appreciation in used vehicle wholesale prices over the past couple of years. The appreciation resulted, in part, from a reduced supply of used vehicles in the market due to a decline in new car industry sales coupled with a decrease in used vehicle trade-in activity compared with pre-recession levels. Higher wholesale values increased our vehicle acquisition and related costs. In addition, we increased the age and mileage of vehicles we sell in order to maintain affordability for the customer. These increased costs led to an increase in our average selling price for used vehicles; however, we chose to only pass a portion of these costs to our customers in order to maintain affordability for our customers. Higher wholesale values also improved our recovery values as a percentage of principal charged-off.

Non-GAAP Discussion

EBITDA and Adjusted EBITDA, which we refer to as the non-GAAP financial measures, are supplemental measures of our performance that are not required by, or presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). The non-GAAP financial measures are not measures of our financial performance under GAAP and should not be considered as an alternative to GAAP net income (loss) or any other performance measures derived in accordance with GAAP. See the footnotes to the tables in "Item 6—Summary Financial Data" for definitions of the other non-GAAP financial measures.

We present non-GAAP financial measures because we consider them to be important supplemental measures of our operating performance. All of the adjustments made in our calculation of the non-GAAP financial measures are adjustments to items that management does not consider to be reflective of our core operating performance. Management considers our core operating performance to be that which can be affected by our managers in any particular period through their management of the resources that affect our underlying revenue and profit generating operations during that period.

However, because these non-GAAP financial measures are not recognized measurements under GAAP, when analyzing our operating performance investors should use these non-GAAP financial measures in addition to, and not as an alternative for, net income, operating income, or any other performance measure presented in accordance with GAAP, or as an alternative to cash flow from operating activities or as a measure of our liquidity. Because not all companies use identical calculations, our presentation of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies.

Because of these limitations, EBITDA and Adjusted EBITDA and other non-GAAP financial measures should not be considered as discretionary cash available to us to reinvest in the growth of our business. You should compensate for these limitations by relying primarily on our GAAP results and using these non-GAAP financial measures supplementally.

EBITDA represents net income (loss) before income tax expense, total interest expense (secured and unsecured) and depreciation expense. Adjusted EBITDA represents EBITDA plus store closing costs, a legal settlement, non-cash compensation expense, Nevada sales tax liability, restricted stock compensation expense, IPO expense, less gain on extinguishment of debt, net.

In evaluating EBITDA and Adjusted EBITDA, you should be aware that in the future we may incur expenses similar to the adjustments described above. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by expenses that are unusual, non-routine, or non-recurring. EBITDA and Adjusted EBITDA have limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are that it does reflect:

- cash expenditures for capital expenditures or contractual commitments;
- changes in, or cash requirements for, our working capital requirements;
- interest expense, or the cash requirements necessary to service interest or principal payments on our indebtedness;
- the cost or cash required to replace assets that are being depreciated or amortized; and
- the impact on our reported results of earnings or charges resulting from items accounted for in the GAAP measure from which EBITDA and Adjusted EBITDA is derived.

The following table presents data relating to EBITDA and Adjusted EBITDA, which are non-GAAP measures, for the periods indicated:

	Years Ended December 31,		
	2011	2010 (Unaudited) (\$ in thousands)	2009
Net income	\$ 88,138	\$ 70,682	\$ 51,997
Plus EBITDA adjustments:			
Income tax expense	1,221	404	730
Total interest expense	73,050	98,102	110,666
Depreciation expense	16,075	13,751	13,061
EBITDA	\$178,484	\$182,939	\$176,454
Store closing costs ⁽¹⁾	(101)	1,184	3,485
Legal settlement ⁽²⁾	—	—	7,600
Non-cash compensation expense ⁽³⁾	—	1,125	2,250
Sales Tax Refund Adjustment ⁽⁴⁾	(1,530)	4,831	—
Restricted stock compensation expense ⁽⁵⁾	2,789	3,874	—
IPO expense ⁽⁶⁾	—	528	—
Less: loss (gain) on extinguishment of debt, net ⁽⁷⁾	—	3,418	(30,311)
Adjusted EBITDA	\$179,642	\$197,899	\$159,478

- (1) Store closing costs represent costs to close stores in 2008 and 2009 related to downsizing (and do not include stores closed in the normal course of business). Credits in store closing costs are the result of negotiating lease terminations more favorable than amounts accrued.
- (2) Legal settlement represents cash paid in a legal settlement in 2009.
- (3) Non-cash compensation expense related to an agreement directly between Mr. Garcia and Mr. Fidel (not between the Company and Mr. Fidel), which expired in June 2010.
- (4) Represents non-cash adjustments to sales tax refunds related to loans charged-off in prior periods.
- (5) In December 2010, our chief executive officer, entered into a Restricted Stock Agreement with DTAG and DTAC pursuant to which we awarded a specified number of shares of restricted stock to Mr. Fidel, such shares will become vested over a three-year period based on the achievement by the Company of certain income before income tax targets. See “Item 11—Executive Compensation— Compensation Discussion and Analysis—Chief Executive Officer Restricted Stock Grant.”
- (6) IPO expense represents costs incurred related to our withdrawn initial public offering in 2010.
- (7) Loss (Gain) on extinguishment of debt is a result of repurchasing outstanding indebtedness.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Our financial instruments are exposed to market risk from changes in interest rates. We do not use financial instruments for trading purposes. We use fixed rate securities to manage risk. Our earnings are substantially affected by our net interest income, which is the difference between the income earned on interest-bearing assets and the interest paid on interest-bearing notes payable. Increases in market interest rates could have an adverse effect on profitability.

Our financial instruments consist primarily of fixed rate finance receivables and fixed and variable rate notes payable. Our finance receivables are classified as subprime loans and generally bear interest ranging from 3.6% to 29.9% or the maximum interest rate allowed in states that impose interest rate limits. At December 31, 2011, the remaining scheduled maturities on our finance receivables ranged from one to 75 months, with a weighted average remaining maturity of 43.5 months. The interest rates we charge our customers on finance receivables have not changed significantly as a result of fluctuations in market interest rates. We may increase the interest rates we charge in the future if market interest rates rise. The affordability of our customers' payments is an important component of the structure of our transactions. Because of these affordability concerns for our customers and interest rate limits imposed by some states, we may not pass on the entire portion of future rate increases to our customers.

Approximately \$995.5 million of our total debt of \$1.2 billion at December 31, 2011, is fixed-rate collateralized asset-backed securities issued under our securitization program, PALP financings, a term residual financing, Senior Secured Notes payable, and other notes with a fixed interest rate. Our securitization program has historically allowed us to mitigate our interest rate risk by periodically replacing variable rate borrowings under our portfolio warehouse facility with fixed rate borrowings during the year.

The table below illustrates the impact that hypothetical changes in interest rates could have on our interest expense for the years ended December 31, 2011 and 2010. We compute the impact on interest expense for the period by first computing the baseline interest expense on our debt with interest rate risk, which includes the variable rate revolving credit lines and the variable rate notes payable. We then determine interest expense based on each of the interest rate changes listed below and compare the results to the baseline interest expense. The table does not give effect to our fixed rate receivables and borrowings.

	Increase (Decrease) in Interest Expense	
	Year Ended December 31, 2011	Year Ended December 31, 2010
	(\$ in thousands)	
Change in Rates		
+200 basis points	\$ 4,949	\$ 6,018
+100 basis points	\$ 2,475	\$ 3,009
-100 basis points	\$(2,475)	\$(3,009)
-200 basis points	\$(4,949)	\$(6,018)

In computing the effect of hypothetical changes in interest expense, we have assumed that:

- interest rates used for the baseline and hypothetical net interest expense amounts are on a monthly basis and in effect for the entire month;
- interest for the period is calculated on monthly average debt balances during the applicable periods; and
- there is no change in average balance outstanding as a result of the interest rate changes.

Our sensitivity to interest rate changes could be significantly different if actual experience differs from the assumptions used to compute the estimates.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
DriveTime Automotive Group, Inc.

We have audited the accompanying consolidated balance sheets of DriveTime Automotive Group, Inc. and subsidiaries (collectively the “Company”) as of December 31, 2011 and 2010, and the related consolidated statements of operations, shareholders’ equity, and cash flows for each of the three years in the period ended December 31, 2011. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DriveTime Automotive Group, Inc. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

Phoenix, Arizona
March 30, 2012

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

	December 31, 2011	December 31, 2010
	(\$ in thousands)	
ASSETS		
Cash and Cash Equivalents	\$ 25,930	\$ 23,677
Restricted Cash and Investments Held in Trust	99,716	81,891
Finance Receivables	1,495,340	1,408,741
Allowance for Credit Losses	(221,533)	(208,000)
Finance Receivables, net	1,273,807	1,200,741
Inventory	212,247	145,961
Property and Equipment, net	90,669	61,630
Other Assets	64,460	54,254
Total Assets	<u>\$1,766,829</u>	<u>\$1,568,154</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts Payable	\$ 9,759	\$ 5,896
Accrued Expenses and Other Liabilities	77,043	70,925
Accrued Expenses-Related Party	798	2,359
Portfolio Term Financings	782,634	414,033
Portfolio Warehouse Facilities	141,392	403,007
Senior Secured Notes Payable	198,058	149,360
Senior Secured Notes Payable-Related Party	—	48,469
Other Secured Notes Payable	99,296	55,338
Total Liabilities	<u>1,308,980</u>	<u>1,149,387</u>
Shareholders' Equity-DTAG:		
Common Stock	—	—
Paid-in Capital	146,336	144,942
Retained Earnings	2,528	(2,383)
Total Shareholders' Equity-DTAG	<u>148,864</u>	<u>142,559</u>
Noncontrolling Interest-DTAC	308,985	276,208
Total Equity	<u>457,849</u>	<u>418,767</u>
Total Liabilities & Shareholders' Equity	<u>\$1,766,829</u>	<u>\$1,568,154</u>

See accompanying notes to Consolidated Financial Statements.

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

	Years Ended December 31,		
	2011	2010	2009
	(\$ in thousands)		
Revenue:			
Sales of Used Vehicles	\$ 838,242	\$ 760,767	\$ 694,460
Interest Income	283,065	264,974	251,822
Total Revenue	1,121,307	1,025,741	946,282
Costs and Expenses:			
Cost of Used Vehicles Sold	544,504	481,210	394,362
Provision for Credit Losses	207,198	175,900	223,686
Portfolio Debt Interest Expense	43,475	68,314	75,293
Non-Portfolio Debt Interest Expense	3,034	4,581	14,630
Non-Portfolio Debt Interest Expense—Related party	—	10,176	20,743
Senior Secured Debt Interest Expense	23,861	11,878	—
Senior Secured Debt Interest Expense—Related party	2,680	3,153	—
Selling and Marketing	22,790	27,900	31,491
General and Administrative	157,330	139,256	137,657
General and Administrative—Related party	11,001	15,118	12,943
Depreciation Expense	16,075	13,751	13,061
Loss (Gain) on Extinguishment of Debt, net	—	3,418	(31,559)
Loss on Extinguishment of Debt—Related party	—	—	1,248
Total Costs and Expenses	1,031,948	954,655	893,555
Income Before Income Taxes	89,359	71,086	52,727
Income Tax Expense	1,221	404	730
Net Income	\$ 88,138	\$ 70,682	\$ 51,997
Net Loss attributable to noncontrolling interest-DTAC	(128,765)	(150,310)	(134,060)
Net Income (Loss) attributable to DTAG	216,903	220,992	186,057
Net Income	\$ 88,138	\$ 70,682	\$ 51,997

See accompanying notes to Consolidated Financial Statements.

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES

Consolidated Statements of Shareholders' Equity

	DriveTime Automotive Group, Inc.				Total Consolidated Shareholders' Equity
	Common Stock	Paid-in Capital	Retained Earnings	Non-controlling Interest-DTAC	
			(\$ in thousands)		
Balances, December 31, 2008	\$ —	\$122,973	\$ (13,864)	\$ 156,899	\$266,008
Net Income (Loss) for the Year	—	—	186,058	(134,061)	51,997
Non-Cash Compensation Expense-Related Party	—	1,125	—	1,125	2,250
Intercompany Transfers of Loans	—	—	(176,224)	176,224	—
Dividends-Related Party	—	—	(15,939)	(11,171)	(27,110)
Balances, December 31, 2009	\$ —	\$124,098	\$ (19,969)	\$ 189,016	\$293,145
Net Income (Loss) for the Year	—	—	220,992	(150,310)	70,682
Exchange of Other Secured Notes Payable-Related Party to Equity	—	—	—	60,088	60,088
Exchange of Subordinated Notes Payable-Related Party to Equity	—	20,000	—	20,000	40,000
Non-Cash Compensation Expense-Related Party	—	562	—	563	1,125
Intercompany Transfers of Loans	—	—	(191,806)	191,806	—
Dividends-Related Party	—	—	(11,600)	(34,710)	(46,310)
Other Equity Transactions	—	282	—	(245)	37
Balances, December 31, 2010	\$ —	\$144,942	\$ (2,383)	\$ 276,208	\$418,767
Net Income (Loss) for the Year	—	—	216,903	(128,765)	88,138
Non-Cash Stock Compensation Expense-Related Party	—	1,394	—	1,395	2,789
Dividends-Related Party	—	—	—	(51,845)	(51,845)
Intercompany Transfers of Loans	—	—	(211,992)	211,992	—
Balances, December 31, 2011	\$ —	\$146,336	\$ 2,528	\$ 308,985	\$457,849

See accompanying notes to consolidated financial statements.

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2011	2010	2009
	(\$ in thousands)		
Cash Flows from Operating Activities:			
Net Income	\$ 88,138	\$ 70,682	\$ 51,997
Adjustments to Reconcile Net Income to Net Cash (Used in) Provided by Operating Activities:			
Provision for Credit Losses	207,198	175,900	223,686
Depreciation Expense	16,075	13,751	13,061
Amortization of Debt Issuance Costs and Debt Premium and Discount	11,880	17,610	14,701
Non-Cash Compensation Expense	2,789	1,125	2,250
Loss (Gain) from Disposal of Property and Equipment	81	206	(121)
Originations of Finance Receivables	(829,164)	(747,329)	(686,214)
Collections and Recoveries on Finance Receivable Principal Balances	549,888	492,294	468,826
(Increase) Decrease in Accrued Interest Receivable and Loan Origination Costs	(1,011)	726	3,789
(Increase) in Inventory	(66,286)	(30,704)	(15,046)
(Increase) Decrease in Other Assets	(12,282)	(12,029)	14,325
Increase (Decrease) in Accounts Payable, Accrued Expenses and Other Liabilities	9,059	25,679	(3,655)
(Decrease) in Accrued Expenses-Related Party	(1,561)	(1,974)	(2,288)
Net Cash (Used in) Provided By Operating Activities	<u>(25,196)</u>	<u>5,937</u>	<u>85,311</u>
Cash Flows from Investing Activities:			
Proceeds from Disposal of Property and Equipment	519	423	469
Purchase of Property and Equipment	(44,792)	(20,881)	(13,304)
Net Cash Used in Investing Activities	<u>(44,273)</u>	<u>(20,458)</u>	<u>(12,835)</u>
Cash Flows from Financing Activities:			
Increase (Decrease) in Restricted Cash	18,193	(28,982)	(11,846)
Deposits into Investments Held in Trust	(13,199)	(4,500)	(4,467)
Change in Investments Held in Trust and Collection Account Cash	(22,819)	35,655	3,472
Additions to Portfolio Term Financings	707,947	387,304	811,617
Repayments of Portfolio Term Financings	(339,110)	(768,850)	(350,181)
Additions to Portfolio Warehouse Facilities	970,600	940,150	968,112
Repayments of Portfolio Warehouse Facilities	(1,232,215)	(614,649)	(1,288,699)
Additions to Senior Secured Notes Payable	—	161,109	—
Additions to Other Secured Notes Payable	44,500	2,776	80,701
Repayments of Other Secured Notes Payable	(542)	(22,715)	(122,915)
Repayments of Senior Unsecured Notes Payable	—	(1,500)	(90,000)
Repayments of Senior Unsecured Notes Payable—Related Party	—	—	(32,000)
Payment of Debt Issuance Costs	(9,788)	(22,816)	(13,167)
Dividend Distributions	(51,845)	(46,310)	(27,110)
Net Cash Provided by (Used In) Financing Activities	<u>71,722</u>	<u>16,672</u>	<u>(76,483)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,253	2,151	(4,007)
Cash and Cash Equivalents at Beginning of Period	23,677	21,526	25,533
Cash and Cash Equivalents at End of Period	<u>\$ 25,930</u>	<u>\$ 23,677</u>	<u>\$ 21,526</u>

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows - (Continued)

	Years Ended December 31,		
	2011	2010	2009
	(\$ in thousands)		
Supplemental Statement of Cash Flow Information:			
Interest Paid	\$70,648	\$83,694	\$96,401
Interest Paid-Related Party	\$ 2,680	\$15,024	\$23,125
Income Taxes Paid	\$ 1,078	\$ 1,184	\$ 906
Supplemental Statement of Non-Cash Investing and Financing Activities:			
Purchase of Property and Equipment Under Capital Lease	\$ 922	\$ 3,755	\$ 625
Disposal of Fully Depreciated Property & Equipment	\$ 1,855	\$ 4,504	\$ 5,241
Exchange of Other Secured Notes Payable to Equity—Related Party	\$ —	\$60,088	\$ —
Exchange of Subordinated Notes Payable to Equity—Related Party	\$ —	\$40,000	\$ —
Exchange of Other Secured Notes Payable-Related Party to Senior Secured Notes Payable	\$ —	\$ 2,000	\$ —
Exchange of Subordinated Notes Payable-Related Party to Senior Secured Notes Payable	\$ —	\$35,000	\$ —
Gain (Loss) on Extinguishment of Debt, net	\$ —	\$ (3,418)	\$31,559
Loss on Extinguishment of Debt—Related Party	\$ —	\$ —	\$ (1,248)

See accompanying notes to Consolidated Financial Statements.

DRIVETIME AUTOMOTIVE GROUP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) Description of Business, Ownership Formation, Basis of Presentation, and Principles of Consolidation

Description of Business

DriveTime Automotive Group, Inc. (“DTAG”) (referred to herein as “we,” “our,” “the Company,” and “us”), through its subsidiaries, owns and operates used automobile dealerships in the United States focusing on the sale and financing of used vehicles to the subprime market. The subprime market is comprised of customers with modest incomes who have experienced credit difficulties or have very limited credit histories and our customers typically do not have access to obtain their own source of financing from third- party finance companies. Therefore, we provide financing for substantially all of the vehicles we sell. We do not utilize third party finance companies or banks to finance vehicles for our customers. Since many of our customers may be unable to obtain financing to purchase a vehicle from another company, financing is an essential component of the services that we provide to our customers. We historically have not sold our loans to third parties. We fund this portfolio primarily through portfolio warehouse facilities, securitizations, and other portfolio term financings.

Ownership

DTAG, a Delaware corporation, was incorporated in April 1996. In January 2004, DTAG elected S-corporation status for income tax purposes. In February 2003, the shareholders of DTAG formed DT Acceptance Corporation (“DTAC”) which is also an S-corporation for income tax purposes. As of December 31, 2011, and December 31, 2010, the shareholders of DTAG and DTAC were Ernest C. Garcia II (Chairman) and the Garcia Family Trusts (collectively, herein also referred to as “Principal Shareholder” or “Mr. Garcia”) owning 98.3% of each of DTAG and DTAC, and Raymond C. Fidel (President and CEO) owning 1.7% of each of DTAG and DTAC, subject to certain vesting restrictions. DTAG and DTAC are sister companies, generally with DTAG directing our sales operations and DTAC directing our financing operations.

Basis of Presentation

We have determined that DTAC is a variable interest entity (“VIE”) and that DTAG is the primary beneficiary of DTAC. This determination was made under ASC 810, *Consolidation*, prior to January 1, 2010, and with consideration of amendments to the ASC in the FASB ASU 2009-17, *Consolidation*. We evaluated whether DTAG or DTAC are VIE’s and determined who is the primary beneficiary. In making this determination, we examined the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance and whether there is an obligation to absorb losses or the right to receive residual returns that could potentially be significant to the VIE. In evaluating whether we have the power to direct such activities, we considered the purpose for which DTAC was created, the importance of each of the activities in which it is engaged and our decision making role, if any, in those activities that significantly determine DTAC’s economic performance as compared to other economic interest holders. We also evaluated DTAG’s economic interests in DTAC. This evaluation considered all relevant factors of the entity’s design, including capital structure, contractual rights and relationships that are currently, or have the potential to be, economically significant. We determined DTAC to be a VIE since as a group, the holders of the equity investment at risk lack the power to direct the activities of DTAC that most significantly impact DTAC’s economic performance.

We determined DTAG is the primary beneficiary of DTAC because DTAG has both (1) the power to direct the activities of DTAC that most significantly impact DTAC’s economic performance *and* (2) a potentially significant variable interest that carries with it the obligation to absorb the losses or the right to receive benefits of DTAC. DTAG has the power to direct the activities of DTAC because it originates and sells 100% of the loans DTAC is required to purchase, sets underwriting standards and origination terms, sets servicing and collection policies administered by DTAC, as well as the fact that DTAC was created and designed by DTAG to obtain

third party financing for DTAG's originations. DTAG also has potentially significant variable interests in the form of debt capital provided to DTAC through various debt issuances, guarantees of DTAC's debt, as well as operational liabilities owed to DTAG, all of which carry the obligation to absorb losses or receive benefits of DTAC.

Total assets of DTAC consolidated into DTAG (prior to intercompany eliminations) at December 31, 2011 and December 31, 2010 were approximately \$2.2 billion and \$1.4 billion, respectively, which are comprised primarily of net finance receivables, cash and cash equivalents, restricted cash, investments held in trust, and deferred financing costs. Total liabilities of DTAC consolidated into DTAG (prior to intercompany eliminations) at December 31, 2011 and 2010 were approximately \$1.9 billion and \$1.1 billion, respectively, which are comprised primarily of portfolio warehouse, portfolio term, and senior secured debt. Total revenue of DTAC consolidated into DTAG (prior to intercompany eliminations) for the years ended December 31, 2011, 2010, and 2009 were approximately \$286.2 million, \$265.0 million, and \$251.8 million, respectively, which are comprised of interest income. DTAC expenses consolidated into DTAG (prior to intercompany eliminations) were approximately \$413.9 million, \$416.1 million, and \$385.7 million for the years ended December 31, 2011, 2010, and 2009, respectively, which are comprised of provision for credit losses, interest expense and general and administrative expenses. These amounts do not include intercompany revenues and costs between DTAG and DTAC which are eliminated in consolidation.

Since DTAG and DTAC are consolidated for financial reporting purposes, we are required to separately present the non-controlling equity interest of the VIE (DTAC) on the condensed consolidated balance sheets and condensed consolidated statements of operations for all periods presented. The non-controlling interest is DTAC's GAAP equity and income for the periods presented and there are no third-party competing interests in DTAC. For the amounts of assets, liabilities, revenue, and income of DTAC consolidated into DTAG at December 31, 2011, see Note 18- Supplemental Consolidating Financial Information.

Also included in the consolidated financial statements are wholly-owned special purpose subsidiaries of DTAC, which are all "bankruptcy remote subsidiaries" formed in conjunction with our securitizations, warehouse facilities and pooled auto loan program financing transactions. We have determined that these special purpose subsidiaries are variable interest entities and that DTAC is the primary beneficiary of those VIEs; therefore, DTAC consolidates the VIEs. As a result, loans included in the securitization transactions are recorded as finance receivables and the asset-backed securities that are issued by the trusts are recorded as a component of portfolio term financings in the accompanying consolidated balance sheets.

All intercompany accounts and transactions between DTAG and DTAC have been eliminated in consolidation for all periods presented and, although not material, certain prior period amounts have been reclassified to be consistent with the current period financial statement presentation.

(2) Significant Accounting Policies

Cash & Cash Equivalents

We consider all highly liquid investments with original maturities at the date of purchase of three months or less to be cash equivalents. Periodically we maintain cash in excess of the amounts insured by the federal government.

Finance Receivables

Finance receivables consist of the aggregate principal balances of all auto loans in our active portfolio plus accrued interest receivable and direct loan origination costs, which are collateralized by used vehicles sold. Finance receivables are comprised solely of loans related to used vehicles sold by us, all of which are simple interest loans which may be prepaid without penalty. We do not place loans on nonaccrual status, nor do we classify loans as impaired, since accounts are charged-off when the loans become contractually past due.

Charge-off Policy

The accrual of interest is discontinued and any accrued but unpaid interest is reversed and written-off along with any unamortized loan origination costs when the loans are charged-off. Accounts which have been charged-off have been removed from finance receivables. Net charge-offs consist of finance receivable principal balances charged-off, net of any amounts received from vehicles recovered and sold at auction, sales tax refunds, where applicable, and any subsequent collections on the charged-off accounts, as well as an estimate of recoveries on loans previously charged-off (recovery receivables).

Prior to December 2011, loans were charged-off at 91 days contractually past due. In December 2011, we made a modification to our charge-off policy, which was treated as a change in accounting estimate. Under our new charge-off policy, we charge-off the entire principal balance of receivables that are contractually 91 or more days past due at the end of a month, unless the customer has made a qualifying minimum payment within the previous 30 days from month-end, in which case the customer loan would not charge-off until 121 days contractually past due. This change was made as a result of a change in delinquency patterns, partially resulting from a fully centralized collections environment, and an analysis which indicated that loans which have made a payment within 30 days, are collectible, therefore, should not be charged-off.

If this change was not executed, for the year-ended December 31, 2011, net charge-offs would have been \$2.6 million higher than reported, provision for credit losses would have been \$2.0 million higher than reported, interest income would have been \$0.1 million lower than reported, and net income would have been \$2.1 million lower than reported.

Allowance for Credit Losses

We maintain an allowance for credit losses on an aggregated basis. We accrue for estimated losses when it is probable that the amount will not be fully collectible and the amount of the loss can be reasonably estimated. The evaluation of the adequacy of the allowance for credit losses considers such factors as performance of the loan portfolio by month of origination ("static pool analysis"), the portfolio credit grade mix, our historical credit losses, the overall portfolio quality, delinquency status, the value of the underlying collateral, current economic conditions that may affect the borrowers' ability to pay, and the overall effectiveness of collection efforts. This estimate of existing probable and estimable losses is primarily based on static pool analyses prepared for various segments of the portfolio utilizing historic loss experience, adjusted for the estimated impact of current economic factors. In management's judgment, the allowance is maintained at a level that is adequate to provide for the estimate of probable credit losses inherent in our finance receivable portfolio. Charge-offs are recorded as a reduction to the allowance for credit losses at the time of charge-off. An estimate of recovery proceeds is recorded as an other asset, see ("*Recovery Receivables*" below,) until such time as the vehicle or other recovery proceeds are received. For previously charged-off accounts that are subsequently recovered, or portions thereof, the amount of such recovery is credited to the allowance for credit losses. On a quarterly basis management reviews the allowance for credit losses for reasonableness and adequacy. Adjustments to the allowance for credit losses as a result of our allowance analyses are recorded through the provision for credit losses.

Recovery Receivables

Recovery receivables represent estimated recoveries to be received on charged-off finance receivables, including proceeds from selling repossessed vehicles at auction, along with insurance, bankruptcy and deficiency collections. The recovery amount from selling repossessed vehicles at auction is a forecast of vehicles to be recovered from loans previously charged-off and vehicles currently in our possession. We estimate the number of units we will recover and the value that we will receive for these vehicles at auction. Our forecast utilizes historical data with respect to recovery rates, values, and time from charge-off to repossession. Changes in recovery receivables are treated as increases or decreases to net charge-offs and ultimately the allowance for credit losses. At December 31, 2011 and 2010, recovery receivables amounted to \$34.5 million and \$24.3 million, respectively, and are included as a component of other assets on the accompanying consolidated balance sheets.

Inventory

Inventory consists of used vehicles held-for-sale, or currently undergoing reconditioning, and is stated at the lower of cost or market value. Vehicle inventory cost is determined by specific identification. Direct and indirect vehicle reconditioning costs including parts and labor, costs to transport the vehicles to our reconditioning centers and dealership locations, and other incremental costs are capitalized as a component of inventory cost.

Property and Equipment

Property and equipment consists of land, buildings, leasehold improvements, furniture, software, and repairs and maintenance costs that extend the life of an asset. Property and equipment is stated at cost and is shown net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the assets, which range from three to 15 years for equipment, three to five years for furniture, three years for software, five to ten years for building improvements, and thirty years for buildings. Leasehold improvements are depreciated using the straight-line method over the lesser of the lease term or the estimated useful lives of the related improvements.

Capitalized Internally Developed Software

We capitalize direct costs of materials and services consumed in developing or obtaining internal use software. We also capitalize payroll and payroll-related costs for employees who are directly associated with and who devote time to the development of software products for internal use, to the extent of the time spent directly on the project. Capitalization of costs begins during the development stage and ends when the software is available for general use. Amortization of these costs is computed using the straight-line method over the estimated economic life of the software.

Deferred Financing Costs

Costs relating to obtaining debt financing and capital leases are capitalized and amortized over the term of the related debt using the effective interest method. Unamortized deferred financing costs at December 31, 2011 and 2010 were \$15.8 million and \$17.8 million, respectively, and are included as a component of other assets on the accompanying consolidated balance sheets. Amortization of deferred financing costs is recorded as component of interest expense, and was \$11.9 million, \$17.8 million, and \$14.5 million for the years ended December 31, 2011, 2010, and 2009, respectively. When debt is paid in full prior to maturity, any unamortized deferred financing costs are removed from the balance sheet and either treated as a reduction of gain on extinguishment of debt, in the case of a repurchase of debt, or treated as interest expense, if debt is paid in full prior to maturity, or treated as a reduction of equity if debt is exchanged for equity.

Limited Warranty

Our DriveCare® limited warranty provides major mechanical and air-conditioning coverage on every used vehicle we sell. The limited warranty covers vehicles for 36 months or 36,000 miles, whichever comes first, and includes oil changes at Sears Automotive and other locations and 24/7 roadside assistance. The warranty is included in the sales price of the vehicle and is not sold as a separate product. A liability for the estimated cost of vehicle repairs under our warranty program is established at the time a used vehicle is sold by charging costs of used vehicles sold. We currently offer no warranty outside of our DriveCare® limited warranty. The liability is evaluated for adequacy through an analysis based on the program's historical performance of cost incurred per unit sold, management's estimate of frequency of vehicles to be repaired and severity of claims based on vehicles currently under warranty along with the estimated cost of oil changes and the estimated cost of roadside assistance, both of which are based on the program's historical performance and our expectation of future usage.

Revenue Recognition

Revenue from the sale of used vehicles is recognized upon delivery, when the sales contract is signed and the agreed-upon down payment or purchase price has been received. Sales of used vehicles include revenue from the sale of used vehicles, net of a reserve for returns and net of sales tax. The reserve for returns is estimated using historical experience and trends. Our reserve for returns at December 31, 2011 and 2010 was \$1.5 million and \$2.3 million, respectively. Revenue is recognized at time of sale since persuasive evidence of an arrangement in the form of an installment sales contract exists, we have delivered the vehicle to the customer, transferred title, the sales have a fixed and determinable price, and collectability is reasonably assured.

Interest income consists of interest earned on installment sales contracts, net of amortization of loan origination costs, plus late payment fees and interest earned on investments held in trust. Interest income is recognized using the effective interest method and the loans provided to customers are simple interest loans that may be prepaid without penalty. Direct loan origination costs related to loans originated at our dealerships are deferred and charged against interest income over the life of the related loans using the effective interest method.

Cost of Used Vehicles Sold

Cost of used vehicles sold includes the cost to acquire vehicles and the reconditioning and transportation costs associated with preparing the vehicles for resale. Direct and indirect vehicle reconditioning costs, including parts and labor, costs to transport the vehicles to our dealership locations, warranty costs, and other incremental costs which are allocated to inventory via standard costing, are included in cost of used vehicles sold. The cost of used vehicles sold is determined on a specific identification basis.

Accounting for Transfers of Financial Assets

Securitizations. We periodically sell loans originated at our dealerships to our bankruptcy-remote securitization subsidiaries, which, in turn, transfer the loans to separate trusts that issue notes and certificates collateralized by these loans. The notes (asset-backed securities) are sold to investors, and we retain the residual certificates. We continue to service all securitized loans. We have determined that the trusts are variable interest entities and that DTAC is the primary beneficiary of those trusts, therefore, loans included in the securitization transactions are recorded as finance receivables and the asset-backed securities that are issued by the trusts are recorded as a component of portfolio term financings in the accompanying consolidated balance sheets. The bankruptcy remote securitization subsidiaries are owned and controlled by DTAC.

Additional credit enhancement is achieved via over collateralization and a cash reserve account is established for the benefit of the Asset-Backed Security note holders. The reserve accounts are classified as restricted cash and investments held in trust in the consolidated balance sheets.

Warehouse facilities. We utilize portfolio warehouse facilities in order to fund our finance receivable originations. Loans originated are pledged to the warehouse lenders to create borrowing base. The pledge of collateral is accomplished through a sale from DTAC to the bankruptcy-remote subsidiary (SPE) formed for each warehouse facility. Although these sales are treated as true-sales for legal purposes, we have determined these SPEs to be VIEs, for which DTAC is the primary beneficiary, therefore, DTAC consolidates the VIEs and finance receivables pledged to the SPEs and the associated debt of the warehouse facilities are consolidated into our financial statements.

Other Portfolio Term Financings. As with our traditional securitization program, under our Pooled Auto Loan Program ("PALP"), we pooled loans originated at our dealerships and sold them to either (i) a special purpose entity which transfers the loans to a separate trust which, in turn, issues a note collateralized by the loans; or (ii) we sold the pooled loans, in a secured financing transaction, directly to a third-party financial institution to yield a specified return with the right to repurchase these loans at a specified date. We retained all servicing. Both types of PALP transactions are accounted for as secured financings, either due to our right to

repurchase the loans sold at a specified date or due to certain restrictions placed on the trusts. Therefore, the loans included in these transactions remain in finance receivables and the debt is reflected as a component of portfolio term financings on the consolidated balance sheets.

Provision for Credit Losses

Provision for credit losses is the charge recorded to operations in order to maintain an allowance for credit losses adequate to cover losses inherent in the portfolio.

Advertising

All costs related to advertising and marketing are expensed in the period incurred. Advertising costs related to production are capitalized, and expensed once the media is aired. We had capitalized advertising costs of \$0.8 million and \$0.9 million as of December 31, 2011 and 2010. Total advertising costs for the years ended December 31, 2011, 2010, and 2009 were \$22.3 million, \$16.5 million, and \$13.7 million, respectively.

Income Taxes

DTAG and DTAC are both S-corporations for federal and state income tax purposes. There is no provision for income taxes, except for any amount of entity level state tax in certain jurisdictions, and federal income taxes related to a wholly-owned subsidiary of DTAG, which is a C-corporation. Income or losses of an S-corporation flow through to the individual shareholders, who report such income or loss on their individual income tax returns.

Impairment of Long-Lived Assets

We own some of our used vehicle sales facilities, a reconditioning facility, and an operations call center building. These long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed would be reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated. At December 31, 2011 and 2010, there were no indications of impairment pertaining to these assets.

Business Segment

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing operating performance. The vertical integration of our business provides for one interdependent platform which enables us to both sell and finance vehicles to customers with subprime credit. We finance approximately 100% of all vehicles sold at our dealerships in a single sales/finance transaction and each of our individual stores are similar in nature and only engage in the selling and financing of used vehicles for the subprime segment of the market. In addition, decisions regarding allocation of resources and assessing operating performance are reviewed on a consolidated basis by our chief operating decision maker; therefore, we have one operating and reporting segment.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities. Certain accounting estimates involve significant judgments, assumptions, and estimates by

management that have a material impact on the carrying value of certain assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of income and expenses during the reporting period which management considers to be critical accounting estimates. The judgments, assumptions, and estimates used by management are based on historical experience, management's experience, and other factors, which are believed to be reasonable under the circumstances. Because of the nature of the judgments and assumptions made by management, actual results could differ materially from these judgments and estimates, which could have a material impact on the carrying values of our assets and liabilities and our results of operations.

Significant items subject to estimates and assumptions include the allowance for credit losses, inventory valuation, fair value measurements, certain legal reserves, our reserve for sales returns and allowances, our recovery receivables, and our warranty accrual. Estimates used in deriving these amounts are described in the footnotes herein. Actual results could differ from these estimates.

Stock-Based Compensation

We record compensation expense for awards of restricted stock granted to employees in accordance with ASC 718, "*Compensation—Stock Compensation*". Under the fair value recognition provisions of ASC 718, stock-based compensation cost is measured at the grant date based on the fair value. We utilized a third party financial and economic appraiser to assist us in determining the grant-date fair value of the award. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods using graded vesting (see Note 12—Shareholders' Equity & Dividends to our consolidated financial statements included herein).

Reclassifications

Certain prior period amounts have been reclassified to be consistent with current period financial statement presentation. For the year ended December 31, 2010, we reclassified a total of \$4.0 million from selling and marketing expense to general and administrative expense.

(3) Restricted Cash and Investments Held in Trust

We maintain various cash accounts, which are pledged as collateral under our debt agreements. We are permitted to invest funds in these accounts in short-term, high quality liquid investments. The following is a summary of restricted cash and investments held in trust:

	December 31, 2011	December 31, 2010
	(\$ in thousands)	
Restricted cash	\$37,917	\$56,110
Investments Held in Trust	61,799	25,781
	<u>\$99,716</u>	<u>\$81,891</u>

Restricted Cash

Restricted cash consists of cash collections related to loans held in securitization trusts, pledged to our portfolio warehouse facilities, and included in PALP transactions, which have been collected from customers, but have not yet been submitted either to the lenders or the securitization trustee, as appropriate.

Investments Held in Trust

We maintain cash reserve accounts on behalf of Asset-Backed Security investors in our securitizations and certain PALP transactions as a form of credit enhancement. At the time loans are transferred to a trust, a portion of the proceeds from sales of notes are deposited into a reserve account that is pledged to the trusts. We may be required to make additional deposits to reserve accounts from collections on the loans to fund the reserve account

to the required target percentage. Balances in the reserve accounts totaled \$20.0 million and \$7.1 million at December 31, 2011 and 2010, respectively. Investments held in trust also include collections related to loans held in securitization trusts and loans included in PALP financing transactions, which have been collected from customers, and submitted to the trustee, but have not yet been paid to the lenders, as appropriate.

(4) Finance Receivables

The following is a summary of finance receivables:

	December 31,	
	2011	2010
	(\$ in thousands)	
Principal Balances	\$1,466,680	\$1,381,092
Accrued Interest	12,971	12,156
Loan Origination Costs	15,689	15,493
Finance Receivables	<u>\$1,495,340</u>	<u>\$1,408,741</u>

In accordance with the requirements of ASU 2010-20: “*Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*”, our disclosures include an aging analysis of past due financing receivables and credit quality. Our finance receivables are defined as one segment and class of loan, which is the sub-prime consumer auto loan. Therefore, the disaggregation of information into portfolio segment and classes for assets with different risk characteristics is limited, and the level of risks inherent in our financing receivables are managed as one homogeneous pool and further segmented with our proprietary credit scoring system as described below —*Credit Quality Indicators*. We have chosen our internal customer credit scoring model since it has a direct and prominent impact in managing our portfolio receivables and monitoring its performance.

Finance receivables pledged as collateral associated with liabilities in our warehouse facilities, asset backed securitizations, and PALP financings, are provided in Note 8—Debt Obligations. We do not place loans on nonaccrual status, nor do we classify loans as impaired, since accounts are charged-off when the loan becomes contractually past due under our charge-off policy. We do not have loans that meet the definition of troubled debt restructurings. During the years ended December 31, 2011 and 2010, we did not purchase or sell finance receivables.

Credit quality information for our finance receivables portfolio is provided as of the dates indicated below:

Age Analysis of Past Due Finance Receivables

Days Delinquent:	December 31,			
	2011		2010	
	(\$ in thousands)			
	Percent of Portfolio	Loan Principal	Percent of Portfolio	Loan Principal
Current	66.8%	\$ 979,155	54.2%	\$ 748,828
01-30 Days	22.0%	322,670	36.7%	506,585
31-60 Days	7.1%	104,574	6.3%	86,456
61-90 Days	3.8%	55,881	2.8%	39,223
91-120 Days	0.3%	4,400	—	—
Total Past Due	33.2%	\$ 487,525	45.8%	\$ 632,264
Total Finance Receivables	100.0%	\$1,466,680	100.0%	\$1,381,092

An account is considered delinquent if a substantial portion of a scheduled payment has not been received by the date such payment was contractually due. Delinquencies may vary from period to period based upon the average age or seasoning of the portfolio, seasonality within the calendar year and economic factors. Delinquencies are presented on a Sunday-to-Sunday basis, which reflects delinquencies as of the nearest Sunday to period end. Sunday is used to eliminate any impact of the day of the week on delinquencies since delinquencies tend to be higher mid-week.

Credit Quality Indicators

We monitor our portfolio performance and the credit grade mix of originations. Our proprietary credit grading system segments our customers into eight credit grades. We control the grade mix of originations through the deal terms provided to our customers, which are established centrally by our risk management team, and applied consistently throughout our dealership network. Our loans have an average original term of approximately 57 months and an average life of only 33 months, due to charge-offs and pay-offs. The average life of our loans enables us to closely monitor credit trends and make appropriate adjustments to both the grade mix and pricing of our originations.

Many companies use FICO scores as a standard metric to assess the credit risk of customers. Our internal scoring models include the use of alternative data sources along with traditional credit bureau data which allow us the ability to separate the credit risk levels of the subprime auto segment into different categories. Our centralized proprietary credit scoring models are currently used to classify customers into various risk grades that are linked to financing parameters. The scoring models are periodically updated to account for changes in loan performance, data sources, geographic presence, economic cycles, and business processes.

Prior to each sale, we require our customers to complete a credit application. Upon entering the customer information into our origination system, our proprietary credit scoring system determines the customer's credit grade, which is used by the dealership to help select vehicles that fit the required deal terms and the customer's needs. The customer's credit grade and type of vehicle determine the term, maximum installment payment, and minimum down payment amounts. The annual percentage rate (APR) charged is a function of the customer's credit grade, down payment, and model year of the vehicle. Our centralized risk management and pricing departments set these terms. The static-pool tracking of portfolio loss performance is also monitored by credit grade. Our scoring model is comprised of eight credit grades ranging from A+ to D-, with A+ being the lowest risk credit grade and a D- being the highest risk credit grade. Generally, the lower the risk grade, the lower the unit loss rate.

Concentration of Credit Risk

At December 31, 2011, a summary of our portfolio by our internally assigned credit risk ratings was as follows:

<u>Grade</u>	<u>Average FICO Score (1)</u>	<u>Percentage of Portfolio Contracts</u>	<u>Total Contracts</u>	<u>Percentage of Portfolio Principal</u>	<u>Total Portfolio Principal</u>
					(\$ in thousands)
A+	557	10.4%	14,270	10.7%	\$ 156,935
A	538	18.2%	24,954	18.7%	274,269
B	516	36.8%	50,582	38.3%	561,738
C	500	28.2%	38,756	27.1%	397,470
C-	486	4.7%	6,400	3.8%	55,734
D+/D/D-	475	1.7%	2,331	1.4%	20,534
		<u>100.0%</u>	<u>137,293</u>	<u>100.0%</u>	<u>\$1,466,680</u>

(1)- Average FICO score is provided as an external metric of credit quality. FICO score is not utilized to determine internal credit grade.

At December 31, 2010, a summary of our portfolio by our internally assigned credit risk ratings was as follows:

<u>Grade</u>	<u>Average FICO Score (1)</u>	<u>Percentage of Portfolio Contracts</u>	<u>Total Contracts</u>	<u>Percentage of Portfolio Principal</u>	<u>Total Portfolio Principal</u> (\$ in thousands)
A+	560	9.9%	13,307	10.1%	\$ 138,903
A	537	17.4%	23,382	18.0%	247,937
B	516	35.9%	48,270	37.7%	521,331
C	499	29.1%	39,056	28.2%	388,979
C-	482	5.8%	7,801	4.5%	62,539
D+/D/D-	461	1.9%	2,448	1.5%	21,403
		<u>100.0%</u>	<u>134,264</u>	<u>100.0%</u>	<u>\$1,381,092</u>

(1)- Average FICO score is provided as an external metric of credit quality. FICO score is not utilized to determine internal credit grade.

At December 31, our portfolio concentration by state was as follows:

<u>December 31, 2011</u>			<u>December 31, 2010</u>		
<u>State</u>	<u>Percent of Portfolio</u>	<u>Loan Principal</u> (\$ in thousands)	<u>State</u>	<u>Percent of Portfolio</u>	<u>Loan Principal</u> (\$ in thousands)
Texas	23.9%	\$ 351,210	Texas	27.5%	\$ 379,396
Florida	16.6%	243,024	Florida	18.1%	249,514
North Carolina	10.3%	150,920	North Carolina	10.6%	146,086
Arizona	7.6%	112,097	Georgia	8.0%	110,303
Virginia	7.3%	106,715	Virginia	8.0%	109,818
Georgia	7.3%	106,415	Arizona	7.9%	109,108
California	4.9%	72,137	California	5.6%	77,403
Nevada	4.6%	67,631	Nevada	4.6%	64,302
New Mexico	3.6%	53,484	New Mexico	4.2%	58,029
Tennessee	3.9%	56,925	Colorado	2.9%	40,571
Colorado	2.8%	40,558	South Carolina	1.0%	13,553
South Carolina	2.6%	37,987	Tennessee	0.8%	10,492
Oklahoma	1.9%	28,229	Tennessee	0.6%	10,171
Alabama	1.7%	25,455	Alabama	0.2%	2,346
Indiana	0.5%	6,843		<u>100.0%</u>	<u>\$1,381,092</u>
Mississippi	0.4%	5,844			
Ohio	0.1%	1,206			
	<u>100.0%</u>	<u>\$1,466,680</u>			

(5) Allowance for Credit Losses

We maintain an allowance for credit losses on an aggregate basis at a level we consider sufficient to cover probable credit losses inherent in our portfolio of receivables as of each reporting date. The allowance takes into account historical credit loss experience, including timing, frequency and severity of losses. This estimate of existing probable credit losses inherent in the portfolio is primarily based on static pool analyses by month of origination based on origination principal, credit grade mix and deal structure, including down payment and term. The evaluation of the adequacy of the allowance also considers factors and assumptions regarding the overall portfolio quality, delinquency status, the value of the underlying collateral, current economic conditions that may affect the borrowers' ability to pay, and the overall effectiveness of collection efforts.

The static pool loss curves by grade are adjusted for actual performance to date, and historical seasonality patterns. The forecasted periodic loss rates, which drive the forecast for estimated gross losses (before recoveries) are calculated by factoring amortization speed, and origination terms. Recoveries are estimated using historical unit and dollar static pool recovery activity to forecast recoveries for estimated charge-offs at the balance sheet date. The forecasted recovery rates (on a per unit basis) are based on the historical unit recovery trend by recovery type as adjusted for estimated impact of economic and market conditions.

The allowance model is sensitive to changes in assumptions such that an increase or decrease in our forecasted net charge-offs would increase or decrease the allowance as a percentage of principal outstanding required to be maintained. The amount of our allowance is sensitive to losses within credit grade, recovery values, deal structure, the loss emergence period and overall credit grade mix of the portfolio.

The following table sets forth the rollforward of the allowance for credit losses for the periods indicated:

	Years Ended December 31,	
	2011	2010
	(\$ in thousands)	
Allowance Activity:		
Balance, beginning of period	\$ 208,000	\$ 218,259
Provision for credit losses	207,198	175,900
Net charge-offs	(193,665)	(186,159)
Balance, end of period	<u>\$ 221,533</u>	<u>\$ 208,000</u>
Allowance as a percent of ending principal	15.1%	15.0%
Charge-off Activity:		
Principal balances	\$(338,357)	\$(302,714)
Recoveries, net	<u>144,692</u>	<u>116,555</u>
Net charge-offs	<u>\$(193,665)</u>	<u>\$(186,159)</u>

(6) Property and Equipment, Net

A summary of property and equipment follows:

	December 31,	
	2011	2010
	(\$ in thousands)	
Land	\$ 13,401	\$ 8,883
Buildings and Improvements	97,301	77,600
Equipment	39,959	34,211
Furniture	15,589	12,198
Software	36,933	29,438
	<u>203,183</u>	<u>162,330</u>
Less Accumulated Depreciation and Amortization	<u>(112,514)</u>	<u>(100,700)</u>
Property and Equipment, Net	<u>\$ 90,669</u>	<u>\$ 61,630</u>

We have commitments under capital leases, consisting primarily of software, computer equipment, and reconditioning center equipment classified in Equipment and Software included in the above table. As of December 31, 2011, assets under capital leases had a cost of \$5.4 million and accumulated depreciation of \$1.7 million. As of December 31, 2010, assets under capital leases had a cost of \$4.4 million and accumulated depreciation of \$0.8 million.

For the years ended December 31, 2011, 2010, and 2009, we capitalized \$2.6 million, \$1.9 million, and \$1.3 million, respectively, of payroll and payroll-related costs for employees who are directly associated with and who devote time to the development of software products for internal use, to the extent of the time spent directly on the project.

(7) Other Assets

A summary of other assets follows:

	December 31,	
	2011	2010
	(\$ in thousands)	
Prepaid assets	\$ 6,952	\$ 6,062
Recovery receivables	34,482	24,342
Deferred financing costs	15,805	17,820
Other assets	7,221	6,030
Total Other assets	<u>\$64,460</u>	<u>\$54,254</u>

(8) Debt Obligations

Portfolio Term Financings

The following is a summary of portfolio term financings:

	December 31	
	2011	2010
	(\$ in thousands)	
Securitization Debt:		
Asset Backed Security obligations issued pursuant to the Company's securitizations	\$679,031	\$303,902
Portfolio Term Residual Financing:		
Fixed rate financing facility secured by residual interests in finance receivables of warehouse facilities	100,000	100,000
Pooled Auto Loan Program Financings:		
Fixed rate secured financing transactions for our finance receivable portfolio	3,603	10,131
Total Portfolio Term Financings	<u>\$782,634</u>	<u>\$414,033</u>

Securitization debt

The following table is a summary of securitization transactions with outstanding balances for each period presented:

	Original Note/Debt Amount	As of December 31, 2011			As of December 31, 2010		
		Note/Debt Balance	Receivables Balance	Cash Reserve	Note/Debt Balance	Receivables Balance	Cash Reserve ⁽¹⁾
		(\$ in thousands)					
<u>Securitization Transactions</u>							
2009-1	\$192,600	\$ 54,451	\$ 78,264	\$ 1,500	\$118,025	\$175,082	\$1,839
2010-1	\$228,000	87,362	138,858	4,499	185,877	264,939	4,500
2011-1	\$214,181	125,711	177,253	4,200	—	—	—
2011-2	\$246,880	176,163	213,542	4,500	—	—	—
2011-3	\$246,886	235,344	283,447	4,500	—	—	—
		<u>\$679,031</u>	<u>\$891,364</u>	<u>\$19,199</u>	<u>\$303,902</u>	<u>\$440,021</u>	<u>\$6,339</u>

Asset-backed securities outstanding are secured by underlying pools of finance receivables and investments held in trust. Asset-backed securities outstanding have interest payable monthly at fixed rates ranging from 3.2% to 5.5% at December 31, 2011 and 3.7% to 5.4% at December 31, 2010. These rates represent the original duration

weighted average rates of the outstanding asset-backed securities. Credit enhancement for the asset-backed securities consists of a reserve account, over collateralization, and subordination of certain classes of notes in each trust to more senior classes of notes in such trust. Over collateralization represents finance receivable principal balance in excess of the face value of asset-backed securities issued. Cash reserves are funded with proceeds from the sale of asset-backed securities and through cash collections. The 2011-3, 2011-2, 2011-1 and 2010-1 securitizations were rated in tranches with credit ratings from AAA to BBB by Standard and Poors (S&P) and DBRS, and the 2009-1 securitization was rated in tranches with credit ratings from AAA to A by DBRS. All ratings were obtained without external credit enhancement of a mono-line insurer.

Individual securitization trusts are not cross-collateralized or cross-defaulted. Additionally, we have the option to purchase the remaining loans in a trust when the remaining principal balances of the loans reach a specified percentage (generally 10%) of their original principal balance.

Portfolio term residual financing

Our \$100.0 million term residual facility with Santander Consumer USA Inc. (Santander), is secured primarily by residual interests in our warehouse facilities, which were comprised of \$291.4 million in eligible loans as of December 31, 2011. It contains an advance rate of 75% on the receivables pledged to the facility. This facility provides for funding through September 2013 with a term-out feature resulting in a final maturity of September 2014. Interest is fixed at 8.62%. At December 31, 2011, we were in compliance with all financial covenants of this facility.

Pooled auto loan program financings (PALP)

PALP financings are secured by underlying pools of finance receivables and in certain cases, a cash reserve account. At December 31, 2011, interest rates on our outstanding PALP financings are at a fixed rate of 8.0%. At December 31, 2011 and December 31, 2010, the aggregate amount of finance receivables and cash reserve accounts securing these financings were \$5.1 million and \$13.6 million, respectively. The net advance rate on the receivables ranged from 55.9% to 67.1% of the principal balance for transactions outstanding at December 31, 2011 and from 69.9% to 74.1% of the principal balance for transactions outstanding at December 31, 2010. In certain cases there may be a cash reserve/holdback which is netted against the debt amount to arrive at the net advance rate. At December 31, 2011, we were in compliance with all financial covenants of the PALP financings.

Portfolio warehouse facilities

The following is a summary of portfolio warehouse facilities

	December 31,	
	2011	2010
	(\$ in thousands)	
Portfolio Warehouse Facilities:		
Warehouse Facility I	\$ 39,000	\$141,715
Warehouse Facility II	—	100,000
Warehouse Facility III	31,792	117,392
Warehouse Facility IV	30,600	43,900
Warehouse Facility V	40,000	—
Total Portfolio Warehouse Facilities	<u>\$141,392</u>	<u>\$403,007</u>

Warehouse Facility I

We have a \$150.0 million revolving warehouse facility with Deutsche Bank AG, New York Branch (Deutsche Bank). This facility carries an advance rate on the receivables pledged to the facility of 58% and amounts outstanding at December 31, 2011 are secured by finance receivable principal balances of \$110.0 million. The amounts outstanding under the facility bear interest based on the lenders' cost of funds thereunder plus 2.25% and 4.25% as of December 31, 2011 and 2010, respectively, equating to 2.54% at December 31, 2011 and 4.56% at December 31, 2010. The facility expires December 2012 and has a term-out feature, resulting in a final maturity of December 2013. At December 31, 2011, we were in compliance with all financial covenants of this facility.

Warehouse Facility II

In May 2011, we paid off the outstanding balance of Warehouse II with Santander and terminated the facility.

Warehouse Facility III

We have a \$125.0 million revolving warehouse facility with UBS Real Estate Securities Inc. (UBS). This facility carries an advance rate on the receivables pledged to the facility of 60% and amounts outstanding at December 31, 2011 are secured by finance receivables of \$105.5 million. The amounts outstanding under the facility bear interest at LIBOR plus 1.9% and 2.50% as of December 31, 2011 and 2010, respectively, equating to 2.18% and 2.76% at December 31, 2011 and 2010. The agreement provides for funding through August 2012 with a term-out feature resulting in a final maturity of August 2013. At December 31, 2011, we were in compliance with all financial covenants of this facility.

Warehouse Facility IV

We have a \$125.0 million revolving warehouse facility with The Royal Bank of Scotland PLC (RBS). This facility carries an advance rate on the receivables pledged to the facility of 53% and amounts outstanding at December 31, 2011 are secured by finance receivables of \$100.4 million. The amounts outstanding under the facility bear interest at the lenders' cost of funds thereunder plus 1.50% and 2.5% as of December 31, 2011 and 2010, respectively, equating to 1.88% and 2.81% at December 31, 2011 and 2010, respectively. The agreement expires May 2012, with a term-out feature resulting in a final maturity of May 2013. At December 31, 2011, we were in compliance with all financial covenants of this facility. See Note 16-Subsequent Events, for information regarding an amendment to this facility subsequent to December 31, 2011.

Warehouse Facility V

In December 2011, we entered into a \$150.0 million revolving warehouse facility with Wells Fargo Bank, N.A. (Wells Fargo). This facility carries an advance rate on the receivables pledged to the facility of 57.6% and amounts outstanding at December 31, 2011 are secured by finance receivables of \$78.5 million. The amounts outstanding under the facility bear interest at the lenders' cost of funds thereunder plus 2.25%, equating to 2.53% at December 31, 2011. The agreement expires in December 2013, with a term-out feature resulting in a final maturity of December 2015. At December 31, 2011, we were in compliance with all financial covenants of this facility.

Collateral

The finance receivables pledged as collateral to each of the warehouse facilities is established for the benefit of the note holders, and the respective carrying amounts of the finance receivables pledged as collateral are disclosed above. These facilities contain a borrowing base which requires us to pledge finance receivables in excess of the amounts which we can borrow under the facilities. The aggregate balance of finance receivables are presented on our consolidated balance sheets included herein, and we do not separately classify those assets serving as collateral since the creditors in each of the warehouse facilities do not have the right to sell or repledge the collateral, except in certain cases upon an event of default.

Warehouse Facility Structure

We formed individual limited liability companies, each of which is a wholly-owned subsidiary of DTAC, which serve as the sole borrowers under our existing portfolio warehouse facilities and our portfolio term residual financing. Each of these LLCs is a special purpose entity (SPE) established specifically for the purpose of the applicable lending relationship, with assets and liabilities distinct from the remainder of DTAG and DTAC. These facilities do not contain mark-to-market clauses that would otherwise enable the lenders to reduce advance rates based on market conditions, limit recourse of the respective facility amounts, and limit the lenders' ability to sell or otherwise dispose of the underlying collateral upon certain termination events. In addition, on the termination date of the facilities, (i) failure to pay amounts outstanding at termination do not immediately give rise to the applicable lender's right to foreclose on the applicable collateral, (ii) all collections on the contracts collateralizing these facilities would be used to pay down the facility until they are paid in full, and (iii) we would continue to service the contracts that are pledged under the facility, for which we would receive an annualized service fee of up to 7.0%.

Some of the SPEs related to our warehouse facilities have entered into demand notes with DTAC, each of which has been pledged to the applicable lender. At December 31, 2011, Warehouse I has a demand note in the amount of \$15.0 million, Warehouses III and IV each have a demand note of \$12.5 million, and Warehouse V does not have a demand note. Each demand note is guaranteed by DTAG. Prior to the termination date under each of these warehouse facilities, under certain circumstances, the applicable lender can require DTAC to fund the demand note, and apply the proceeds to pay down the facility with the applicable SPE. After the termination date, the applicable lender or program agent can require DTAC to fund the demand note, at its sole discretion, and apply the proceeds to pay down the facility with the applicable SPE if, and only if, any of the following occurs: (i) the Termination Date (as defined in each agreement) occurs as a result of an Event of Termination (as defined in each agreement), (ii) the applicable SPE fails to maintain borrowing base compliance after the Termination Date, (iii) an Event of Termination occurs after the termination date and is continuing and (iv) other than with respect to Warehouse Facility II, the applicable SPE fails to effect its required clean-up call.

Senior secured notes payable

A summary of Senior Secured Notes payable follows:

	December 31,	
	2011	2010
	(\$ in thousands)	
Senior Secured Notes Payable, net	\$198,058	\$149,360
Senior Secured Notes Payable, net—Related Party	—	48,469
Total Senior Secured Notes Payable	\$198,058	\$197,829

In June 2010, we issued \$200.0 million of 12.625% senior secured notes due 2017 (Senior Secured Notes). The Senior Secured Notes were issued with an original issuance price of 98.854%, resulting in an effective yield of 12.875%. Interest on the Senior Secured Notes is payable semi-annually in arrears on each June 15 and December 15. Simultaneously with this offering, Verde Investments, Inc., a company owned by Mr. Garcia ("Verde") exchanged \$35.0 million of our subordinated notes and Mr. Fidel exchanged \$2.0 million of our junior secured notes for \$37.0 million aggregate principal balance of senior secured notes issued. Subsequently, in September 2010, Verde and Mr. Fidel purchased \$10.0 million and \$2.0 million, respectively, of the Senior Secured Notes at a price of 99.0% from an unrelated third party. As of December 31, 2010, as a result of these transactions, Verde and Mr. Fidel owned \$45.0 million and \$4.0 million of the Senior Secured Notes, respectively. In June 2011, Verde purchased Mr. Fidel's \$4.0 million of Senior Secured Notes, and Verde then sold the \$49.0 million of Senior Secured Notes held by it on the open market. As a result, at December 31, 2011, none of the Senior Secured Notes were held by a related party. The sale by Verde was facilitated by the Company through an Offering Memorandum and did not result in any additional Senior Secured Notes being issued.

At both December 31, 2011 and December 31, 2010, the Senior Secured Notes are shown net of unamortized discount of \$1.9 million and \$2.2 million, respectively.

Guarantees

The Senior Secured Notes are unconditionally guaranteed by certain of our existing and future domestic restricted subsidiaries. The guarantees rank senior in right of payment to all existing and future subordinated indebtedness of these subsidiaries and equal in right of payment with all existing and future senior indebtedness of these subsidiaries.

Security

The collateral for the Senior Secured Notes consists of a (i) first lien on (a) finance receivables held by the issuers, (b) equity interests held by certain of DTAC's wholly owned subsidiaries ("Pledged SPSs"), and (c) residual property rights in finance receivables securing other financings, in each case subject to certain exceptions, and a (ii) second lien, behind one or more secured credit facilities, on inventory owned by one of the guarantors. If, following a payment default under the exchanges notes, the holders of Senior Secured Notes exercise their rights under the pledge agreement with respect to the Pledged SPSs, a third-party paying agent will direct all cash flows from the Pledged SPSs to their respective defined sets of creditors, with the residual to be paid to the collateral agent for the Senior Secured Notes. Therefore, a first-priority lien on the equity interests of the Pledged SPSs is effectively a second-priority lien on the underlying collateral held by such Pledged SPSs.

Maintenance covenants

We are required to comply with certain maintenance covenants relating to minimum net worth and minimum collateral coverage. As of December 31, 2011, we were in compliance with such covenants.

Other secured notes payable

A summary of other secured notes payable follows:

	December 31,	
	2011	2010
	(\$ in thousands)	
Revolving Inventory Facility	\$84,500	\$40,000
Mortgage Note Payable	12,661	12,859
Equipment Note Payable	2,135	2,479
Total Other Secured Notes Payable	\$99,296	\$55,338

Revolving inventory facility

We have a revolving inventory line with a maximum capacity of \$140.0 million, inclusive of a \$10.0 million seasonal increase to the base facility of \$10.0 million through the months of November to January each year. The facility has an advance rate of 85% of qualifying vehicle costs and is secured by our entire vehicle inventory. The interest rate on the facility is based on the Daily One Month Libor rate plus 3.5%, equating to 3.8% at December 31, 2011. The facility matures on November 1, 2014. At December 31, 2011, we were in compliance with all financial covenants of this facility.

Mortgage note payable

We have a mortgage note payable which is secured by our operations call center building in Mesa, Arizona (a commercial property). The note bears interest at 5.87%. Terms of the note agreement provide for monthly principal and interest payments with a balloon payment due in March 2017. At December 31, 2011, we were in compliance with all financial covenants of this loan.

Equipment note payable

We have an equipment note payable with an original principal amount of \$2.7 million. This note is secured by an aircraft and note bears interest at the Prime rate plus 1.5%, equating to 4.75% at December 31, 2011. Terms of the note agreement provide for monthly principal and interest payments with a balloon payment due in April 2013. At December 31, 2011, we were in compliance with all financial covenants of this loan.

Future Minimum Principal Payments

The following table represents the future minimum principal payments required under our debt obligations and capital leases as of December 31, 2011:

	As of December 31, 2011						
	Payments by Period						
	(\$ in thousands)						
	Total	Less than 1 Year ⁽³⁾	Year 2	Year 3	Year 4	Year 5	More than 5 Years
Securitizations & PALP ⁽¹⁾	\$ 682,634	\$387,912	\$206,663	\$ 88,059	\$—	\$—	\$ —
Portfolio warehouse facilities ⁽²⁾	141,392	113,598	27,794	—	—	—	—
Portfolio Term Residual Financing	100,000	—	100,000	—	—	—	—
Senior secured notes	198,058	—	—	—	—	—	198,058
Inventory facility	84,500	—	—	84,500	—	—	—
Real estate mortgage loan	12,661	207	223	236	251	264	11,480
Equipment note, secured by an aircraft	2,135	361	1,774	—	—	—	—
Capital lease obligations	3,423	1,353	1,096	868	106	—	—
Total ⁽⁴⁾	<u>\$1,224,803</u>	<u>\$503,431</u>	<u>\$337,550</u>	<u>\$173,663</u>	<u>\$357</u>	<u>\$264</u>	<u>\$209,538</u>

- (1) Securitization obligations and PALP agreements do not have a contractual termination date. Therefore, all collections on the contracts collateralizing the securities are used to repay the asset-backed security holders based on an expected duration of the securities. However, since these facilities contain term-out features, this table assumes all amounts are due and payable at maturity and does not factor-in term-out features of each facility. Collections on the contracts collateralizing the facility are used to repay the facility until it is paid in full.
- (2) On the termination date of the facilities, amounts outstanding at termination are not due and payable immediately since these facilities contain term-out features. All collections on the contracts collateralizing this facility are used to pay down the facilities until they are paid in full.
- (3) Generally and historically, we renewed or replaced facilities expiring in less than one year.
- (4) Total contractual obligations exclude future interest payment obligations.

(9) Extinguishments of Debt

A summary of gains and losses on extinguishment of debt is as follows:

Year Ended December 31, 2010			
Month	Type	Principal Repurchased (\$ in thousands)	Loss
August	Pooled Auto Loans	\$227,890	\$ (3,418)
Year Ended December 31, 2009			
Month	Type	Principal Repurchased (\$ in thousands)	Net Gain (Loss)
January	Senior Unsecured Notes	\$ 15,000	\$ 4,908
March	2007-A Securitization Debt	13,200	1,846
April	Senior Unsecured Notes	30,000	9,911
May	Senior Unsecured Notes	25,000	8,246
June	Senior Unsecured Notes	20,000	6,648
September	Senior Unsecured Notes – Related Party	32,000	(1,248)
			<u>\$30,311</u>

(10) Related Party Transactions

Relationship with Verde Investments, Inc. Verde Investments, Inc. (Verde) is an Arizona corporation that is wholly-owned by Mr. Garcia. Verde engages in the acquisition, development, and long-term investment in real estate and other commercial assets. Mr. Garcia is the principal stockholder, president and director of Verde. Transactions between us and Verde are described below.

During the years ended December 31, 2011, 2010, and 2009, we recorded related party operating expenses as follows:

	Years Ended December 31,		
	2011	2010	2009
	(\$ in thousands)		
General and Administrative Expenses—Related Party			
Property lease expense	\$ 3,795	\$ 6,034	\$ 6,710
Non-cash compensation expense	—	1,125	2,250
Restricted stock compensation expense	2,790	3,874	—
Aircraft operating and lease expense	3,937	3,693	3,626
Salaries and wages, general & administrative and other expenses	793	812	567
Reimbursement of certain general and administrative expenses	(314)	(420)	(210)
Total General and Administrative Expenses—Related Party	<u>\$11,001</u>	<u>\$15,118</u>	<u>\$12,943</u>

Property lease expense

For the years ended December 31, 2011, 2010, and 2009, we leased an average of 14, 15, and 16 vehicle sales facilities, respectively, three reconditioning facilities, our former loan servicing center (which is currently being subleased to third-party tenants), and our corporate office from Verde and another affiliate of Mr. Garcia (the Garcia Family Limited Liability Partnership, LLP). Three of these facilities were closed locations as of December 31, 2011 and 2010. During the year ended December 31, 2010, we also leased one vehicle sales

facility, and a reconditioning center from Steven Johnson, a director and former officer of DTAC who is also Mr. Garcia's brother-in-law. As of December 31, 2011 we have no remaining leases with Steven Johnson. For the years ended December 31, 2011 and 2010 we rented one vehicle sales facility from Stephen Fidel, the brother of Mr. Fidel, our President and CEO. At December 31, 2011, the maturity of these related party leases range from 2013 to 2023.

During the year ended December 31, 2011, we paid an aggregate of \$0.4 million in lease termination fees on two of our closed properties to terminate the leases with Steven Johnson. During the year ended December 31, 2010, we paid \$0.4 million in a lease termination fee on one of our closed properties to terminate the lease with Verde.

Property lease expense also includes store closing costs. Store closing costs represent ongoing costs related to closed property leases plus property taxes less any benefit from negotiating early termination of leases.

Non-cash compensation expense and Restricted stock compensation expense

See Note 12—Shareholders' Equity & Dividends for details.

Aircraft operating and lease expenses

We are party to a lease agreement for an aircraft with Verde under which we agreed to pay monthly lease payments of \$150,000 plus taxes, and are responsible for paying all operating costs and repairs and maintenance related to the aircraft. The lease expires in August 2015.

Salaries and wages, general and administrative and other expenses

Certain general and administrative expenses and salaries and wages of Verde and Verde employees who are enrolled in our health plan are reflected in our general and administrative expenses—related party.

Reimbursement of general and administrative expenses

For each of the periods presented, we received reimbursement of certain general and administrative expenses incurred by us on Verde's behalf.

During the years ended December 31, 2011, 2010, and 2009, we recorded related party interest expense as follows:

	Years Ended December 31,		
	2011	2010	2009
	(\$ in thousands)		
Non-Portfolio Debt Interest Expense—Related Party			
Junior Secured Notes:			
Tranche A—Related Party: CEO	\$ —	\$ 185	\$ 400
Tranche A—Related Party: Verde	—	3,374	2,460
Tranche B—Related Party: Verde	—	2,754	6,035
\$32.0 million Senior Unsecured Notes Payable	—	—	2,690
\$75.0 million Subordinated Notes Payable	—	3,863	9,158
Total Non-Portfolio Debt Interest Expense—Related Party	\$ —	\$10,176	\$20,743
Senior Secured Notes Interest Expense—Related Party			
Senior Secured Notes Payable—Verde	\$2,460	\$ 2,930	\$ —
Senior Secured Notes Payable—CEO	220	223	—
Total Senior Secured Notes Interest Expense—Related Party	\$2,680	\$ 3,153	\$ —

Interest expense—related party

During the years ended December 31, 2011, 2010, and 2009, we recorded related party interest expense associated with junior secured notes, a shareholder note payable, senior unsecured notes, subordinated notes, and Senior Secured Notes as depicted above. For the terms of these debt instruments see Note 8—Debt Obligations.

(11) Income Taxes

The consolidated financial statements consist of DTAG (S-corporation status elected in 2004) and DTAC (an S-corporation since inception). Since DTAC and DTAG are flow through entities for Federal income tax purposes, there is no Federal income tax expense related to the income of DTAC and DTAG, other than for one of DTAG's wholly-owned subsidiaries, which is a C-corporation. The taxable income flows through to our shareholders who are responsible for paying the associated taxes. Although most states follow the Federal recognition of S-corporation status, some states do impose an entity level tax on that income; therefore, the tax expense is adjusted accordingly. Income tax liability was \$0.5 million and \$0.3 million as of December 31, 2011 and December 31, 2010, respectively.

A reconciliation between expected taxes computed at the federal statutory rate of 35% and the effective tax rate on income before income taxes follows:

	Years Ended December 31,		
	2011	2010	2009
	(\$ in thousands)		
Computed "Expected" Income Taxes	\$ 31,276	\$ 24,880	\$ 18,454
Non C-Corporation (Income)	(30,859)	(24,174)	(17,788)
Entity Level State Income Tax on S Corp. Income	890	618	100
Other, Net	(86)	(920)	(36)
Computed "Expected" Income Taxes	<u>\$ 1,221</u>	<u>\$ 404</u>	<u>\$ 730</u>

Components of income tax (benefit) expense are as follows:

	Years Ended December 31,		
	2011	2010	2009
	(\$ in thousands)		
Current Expense:			
Federal	\$ 404	\$ 686	\$630
State	817	(282)	100
Deferred	—	—	—
Total	<u>\$1,221</u>	<u>\$ 404</u>	<u>\$730</u>

DTAG and DTAC, along with a wholly-owned C-corporation subsidiary of DTAG, file a federal and various state income tax returns. For federal purposes, the 2008 to 2010 years remain subject to examination, while for state purposes, the 2007 to 2010 years remain subject to examination. During May 2011 and June 2011, DTAG and DTAC received letters from the IRS noting that its examination of our 2008 federal income tax returns had been completed without any proposed change. We do not have any open state income tax examinations.

As of December 31, 2011 and December 31, 2010 we had not recorded any liabilities for unrecognized tax benefits, nor have we recorded any liability for interest or penalties related to such positions in our financial statements.

(12) Shareholders' Equity & Dividends

Certain of our debt facilities place restrictions on the amount of cash dividends we are permitted to pay to our shareholders. We are permitted to pay cash dividends limited to an amount not greater than the percentage of S-corporation taxable income for such quarterly period equal to the highest combined federal, state, and/or local tax rate for individuals, plus 50% of the difference between net earnings less amounts paid for tax.

During the years ended December 31, 2011 and 2010, we paid \$51.8 and \$46.3 million in dividends. We did not have any approved but unpaid dividends at December 31, 2011 or 2010. We had an additional \$5.3 million in dividends available for distribution at December 31, 2011, which was both approved by the Board of Directors and paid in March 2012. We did not have any amount available to be distributed as of December 31, 2010.

Chief Executive Officer Restricted Stock Grant

In December 2010, the Board of Directors of each of DTAG and DTAC approved a restricted stock award to Mr. Fidel. On December 28, 2010, Mr. Fidel entered into a Restricted Stock Agreement with each of DTAG and DTAC, pursuant to which he was issued an award of 2.8595 shares of restricted stock in each of DTAG and DTAC, subject to certain vesting restrictions. As a result of this transaction, we recorded \$2.8 million and \$3.9 million in share-based compensation expense for the shares which vested in the years-ended December 31, 2011 and 2010, respectively. The non-cash portion of this share-based compensation of \$2.8 million and \$0.3 million was credited to Paid-in-Capital for the years ended December 31, 2011 and 2010, respectively. The remaining shares will vest over the remaining 24 months based on various vesting periods as set forth in the Agreement and be recognized as compensation expense over the requisite service periods based on a graded vesting. The vesting is dependent upon achieving a predetermined performance ratio.

Non-Cash Compensation

In January 2008, Mr. Garcia entered into an agreement with Mr. Fidel to purchase Mr. Fidel's 5% interest in DTAG and DTAC for \$17.5 million. The terms of the purchase were such that Mr. Garcia paid Mr. Fidel \$6.25 million in cash and \$11.25 million in a promissory note bearing interest at 8.0% per annum. The term of the note was five years with annual installment payments required. The agreement contained an employment condition, requiring Mr. Fidel to remain employed with the Company through June 30, 2010. In the event Mr. Fidel voluntarily terminated his employment as the President and Chief Executive Officer of the Company at a time prior to June 30, 2010, one-half of the principal balance of the note would have been waived and no longer payable by Mr. Garcia. Accordingly, one-half of the \$11.25 million note was deemed compensation expense recognized over the term of the employment condition, which expired in June 2010. As a result, \$1.1 million of non-cash compensation expense was recorded for the year ended December 31, 2010, and \$2.3 million for the year ended December 31, 2009, as an increase to general and administrative expenses—related party and increase to paid-in capital on the accompanying consolidated statements of operations and balance sheets. For the years ended December 31, 2011, 2010, and 2009, Mr. Garcia paid the interest to Mr. Fidel, \$0.3 million, \$0.5 million, and \$0.7 million, respectively.

Prior to June 30, 2010, Verde was the holder of all of our outstanding \$75.0 million 12% subordinated notes and the holder of \$60.1 million of our junior secured notes. In conjunction with our offering of our 12.625% Senior Secured Notes due 2017 issued in June 2010, Verde transferred to Mr. Garcia and Mr. Garcia received and contributed to equity an aggregate of \$100.1 million of debt, comprised of \$40.0 million in subordinated notes and \$60.1 million in junior secured notes. As a result of this agreement, paid-in capital was increased by \$100.1 million in June 2010.

As a result of the exchange of debt for equity by Mr. Garcia, we wrote-off unamortized deferred financing costs associated with the subordinated notes and junior secured notes. The portion of the unamortized costs associated with related party debt and the discount associated with the issuance of the Senior Secured Notes owned by Mr. Garcia were treated as capital transactions and resulted in a net decrease to paid-in capital of approximately \$0.2 million.

Intercompany Loan Transfers

DriveTime Car Sales Company, LLC (DTCS), a wholly-owned subsidiary of DTAG, has a contractual commitment to sell all loans it originates at its dealerships to DTAC. Under ASC 805-50 “*Business Combinations*,” these transfers of loans from DTCS to DTAC are accounted for as a sale (and not a secured financing), at carryover basis since DTCS and DTAC are entities under common control. Therefore, the difference between book value and purchase price is accounted for as a debit to retained earnings on DTAG and credit to retained earnings on DTAC. These amounts are shown as “Intercompany Transfers of Loans” on the accompanying consolidated statements of shareholders’ equity for each period presented.

(13) Commitments and Contingencies

Executive Bonus. In July 2005, we executed an executive bonus plan with certain of our executives. Under the terms of the plan, we committed to make six annual contributions beginning May 1, 2006 and for each year thereafter through May 1, 2011 to fund this program. An executive must remain employed by us to receive these benefits. If the executive terminates his employment without cause or is terminated with cause, any unpaid amounts are forfeited. If the executive is terminated without cause (including on account of disability), the executive will receive all amounts that have been contributed to date. The total contributions to be paid under this plan are \$14.0 million, funded by us over the first six years and paid out to the executive in five equal annual installments beginning May 1, 2011. We are recognizing compensation expense under this plan based upon the service period required to receive payments of ten years (exclusive of acceleration and forfeiture clauses). For the years ended December 31, 2011, 2010, and 2009, we recognized compensation expense of \$1.5 million, \$1.8 million, and, \$1.8 million, for each of these years respectively under this bonus plan. At December 31, 2011, the plan was fully funded. At December 31, 2010, we had \$2.8 million, remaining to be funded over the remaining term of the bonus plan.

Limited warranty

The limited warranty accrual is recorded as a component of accrued expenses and other liabilities on the accompanying consolidated balance sheets for each year presented. The following table reflects activity in the warranty accrual for the periods indicated:

	Years Ended December 31,		
	2011	2010	2009
	(\$ in thousands)		
Balance, Beginning of Period	\$ 17,936	\$ 920	\$ 777
Warranty Expense	20,183	23,898	3,028
Warranty Claims Paid	(14,115)	(6,882)	(2,885)
Balance, End of Period	<u>\$ 24,004</u>	<u>\$17,936</u>	<u>\$ 920</u>

Lease commitments

We lease used car sales facilities, reconditioning centers, our former loan servicing center, our corporate office, an aircraft, and certain other office/computer equipment from unrelated and related entities under various operating leases that expire through January 2025. The leases provide for periodic rent increases and many contain escalation clauses and various renewal options from one to ten years. In certain instances, we are also responsible for occupancy and maintenance costs, including real estate taxes, insurance, and utility costs. We recognize rent expense on a straight-line basis over the length of the lease term. Rent expense, including store closing costs, totaled \$16.6 million, \$16.9 million, and \$18.3 million for the years ended December 31, 2011, 2010, and 2009, respectively.

A summary of future minimum lease payments required under non-cancelable operating leases with remaining lease terms in excess of one year as of December 31, 2011 follows:

	<u>Related Party</u>	<u>Non-Related Party</u>	<u>Total</u>
		(\$ in thousands)	
Year 1	\$ 7,345	\$ 9,963	\$17,308
Year 2	7,482	8,850	16,332
Year 3	7,473	7,068	14,541
Year 4	6,956	4,447	11,403
Year 5	5,121	1,551	6,672
Thereafter	8,442	1,737	10,179
Total	<u>\$42,819</u>	<u>\$33,616</u>	<u>\$76,435</u>

We have properties where we ceased operations and still remain obligated under the lease agreements, some of which we have sub-leased to third party tenants. A summary of future minimum sub-lease income under non-cancelable operating leases with remaining lease terms in excess of one year as of December 31, 2011 follows:

	<u>Total</u>
	(\$ in thousands)
Year 1	\$1,138
Year 2	684
Year 3	57
Year 4	58
Year 5	15
Thereafter	—
Total	<u>\$1,952</u>

Prior to and during 2011, we closed dealerships and reconditioning centers and incurred store closing costs and recorded lease termination liabilities in accordance with ASC 420 “*Exit or Disposal Activities*” (ASC 420). At December 31, 2011 and 2010, approximately \$1.4 million and \$2.3 million, respectively, remain in accrued expenses and other liabilities on the accompanying consolidated balance sheets for these lease obligations. In accordance with ASC 420, we recorded an aggregate amount of \$0.1 million, \$2.1 million, and \$5.9 million in lease obligations, severance, and asset disposal costs associated with these closures for the years ended December 31, 2011, 2010, and 2009, respectively. At December 31, 2011, the expiration of these leases range from 2013 to 2018.

Legal matters

We are involved in various claims and actions arising in the ordinary course of business. In the opinion of management, based on consultation with legal counsel, the ultimate disposition of these matters will not have a material adverse effect on us. We believe appropriate accruals have been made for the disposition of these matters. In accordance with ASC 450, *Contingencies*, we establish an accrual for a liability when it is both probable that the liability has been incurred and the amount of the loss can be reasonably estimated. These accruals are reviewed monthly and adjusted to reflect the impact of negotiations, settlements and payments, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Legal expenses related to defense, negotiations, settlements, rulings, and advice of outside legal counsel are expensed as incurred. At December 31, 2011, we do not have any material accruals for legal contingencies.

In August 2008, we received a Civil Investigative Demand from the Texas Office of Attorney General, Consumer Protection Division, asking for the production of certain materials. The demand indicates it is the subject of an investigation of possible violations of the Deceptive Trade Practices Act, Sections 17.46(a) and

(b) in the marketing, advertising, financing, and selling of used vehicles. We provided the Texas Office of Attorney General with all requested information in August 2008. At that time, we met with the state's Attorney General's Office to provide them with an overview of the Company and discuss the requested materials. In addition, the Attorney General's Office indicated that they would review the materials we provided to them and if there were any concerns they would contact us to meet, discuss and resolve the concerns. The Texas Attorney General has requested additional information and documentation from time to time, most recently in February 2010 when it requested clarifying information limited to vehicle inspections, after sale repairs, warranty, loan servicing, and consumer concerns. We believe the request is routine in nature and we have responded accordingly. We believe we are in compliance with all applicable state laws and regulations and we intend to continue to cooperate with state officials, and we will continue to fully cooperate with the state's Attorney General's Office in responding to the demand and any follow up discussions with them. We believe we do not have loss contingencies related to this matter.

Additionally, in the ordinary course of business, we are a defendant in various other types of legal proceedings. Although we cannot determine at this time the amount of the ultimate exposure from these lawsuits, if any, based on the advice of counsel management does not expect the final outcome to have a material adverse effect on us.

(14) Retirement Plan

The Company sponsors a qualified 401(k) retirement plan (defined contribution plan) for its employees. The plan, as amended, covers substantially all employees having no less than 60 days of service, who have attained the age of 18, and work at least 1,000 hours per year. Participants may voluntarily contribute to the plan up to the maximum limits established by Internal Revenue Service regulations. In 2011, 2010, and 2009, we provided matching contributions of cash in the amount of 40%, up to the first 6% of each employee's deferrals. Compensation expense related to this plan totaled \$0.8 million, \$0.7 million, and \$0.7 million for the years ended December 31, 2011, 2010, and 2009, respectively.

(15) Fair Value of Financial Instruments

Generally Accepted Accounting Principles require that we disclose estimated fair values for our financial instruments. Fair values are based on estimates using quoted market prices, discounted cash flows, or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and the estimated timing and amount of future cash flows. Therefore, the estimates of fair value may differ substantially from amounts that ultimately may be realized or paid at settlement or maturity of the financial instruments and those differences may be material. Accordingly, the aggregate fair value amounts presented do not represent our underlying institutional value.

Limitations

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instrument; they are subjective in nature and involve uncertainties, matters of judgment and, therefore, cannot be determined with ultimate precision. These estimates do not reflect any premium or discount that could result from offering for sale at one time our entire holdings of a particular instrument. Changes in assumptions could significantly affect these estimates. Since the fair value is estimated as of each balance sheet date presented, the amounts that will actually be realized or paid in settlement of the instruments could be significantly different.

The following is a summary of carrying value and fair value of our financial instruments for each period presented:

	December 31, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(\$ in thousands)			
Finance Receivables, net	\$1,258,118 ⁽¹⁾	\$1,339,049	\$1,185,248 ⁽¹⁾	\$1,251,004
Securitization Debt	679,031	675,231	303,902	315,434
Portfolio Term Residual Financing	100,000	100,000	100,000	101,000
Pooled Auto Loan Program Financings	3,603	3,700	10,131	10,400
Portfolio Warehouse Facilities	141,392	141,392	403,007	403,007
Senior Secured Notes Payable	198,058	210,932	197,829	211,829
Revolving Inventory Facility	84,500	84,500	40,000	40,300
Mortgage Note Payable	12,661	11,800	12,859	10,500
Equipment Note Payable	2,135	2,100	2,479	2,500

⁽¹⁾ Represents finance receivable principal balances, plus accrued interest, less the allowance for credit losses.

Valuation methodologies

Finance receivables

The fair value of finance receivables was estimated by discounting future cash flows expected to be collected using current rates at which similar loans would be made to borrowers with similar credit ratings and the same remaining maturities. This discounted cash flow is estimated utilizing an internal valuation model, which uses a combination of market inputs (i.e. discount rates for similar and like transactions) and our own assumptions regarding credit losses, recoveries, and prepayment rates in our portfolio. We estimate the cash flow of the portfolio and the cash flow of our retained interests in securitization and PALP transactions in measuring total cash flow. These cash flows are developed on a leveraged basis since our finance receivable portfolio is financed by these debt instruments and are not separable transactions.

Securitization debt

At December 31, 2011 and 2010, the fair value of securitization debt was determined using a third-party quoted market price.

Portfolio term residual financing

This facility allows for maximum borrowings under a term component of \$100.0 million bearing a fixed rate of interest of 8.62%. This facility was amended in September 2011; therefore, we believe the fair value of this debt approximates carrying value at December 31, 2011.

Pooled auto loan program financings

The fair value of PALP debt at December 31, 2011 and 2010 is based on third-party discounted cash flow using market interest rates for this debt.

Portfolio warehouse facilities

The portfolio warehouse facilities are short term in nature and the interest rates adjust in conjunction with the lender's cost of funds or 30-day LIBOR. Warehouse Facility I was renewed in December 2011. In May 2011, we paid off the outstanding balance of Warehouse II with Santander and terminated the facility. Warehouse Facilities III and IV were renewed in May 2011. Warehouse V was newly executed in December 2011. Since these warehouse facilities were recently renewed or executed and contain a floating market rate of interest, we believe the fair value of these facilities approximate carrying value at December 31, 2011 and December 31, 2010.

Senior secured notes payable

The fair value of Senior Secured Notes payable at December 31, 2011 was determined using a third-party quoted market price.

Revolving inventory facility

At December 31, 2011, the fair value of the inventory facility was deemed to be carrying value since this facility was executed in November 2011. At December 31, 2010 the fair value of the inventory facility was determined using a third party discounted cash flow using market interest rates for this debt.

Mortgage note payable

At December 31, 2011 and 2010, the fair value of this note was determined using third-party market prices for similar commercial real estate mortgages.

Equipment note payable

At December 31, 2011 and 2010, the fair value of the equipment note payable was determined using a third-party discounted cash flow using market interest rates for this type of debt.

(16) Subsequent Events

We have evaluated subsequent events potential recognition and/or disclosure through March 31, 2012, or the date the financial statements were available for issuance.

Accordingly, the following disclosures apply:

In March 2012, we amended our warehouse facility with RBS. The amendment extended the termination date to March 2013, with a one year term-out feature resulting in a final maturity of March 2014, decreased the interest rate, and removed the requirement that DTAC maintain a demand note in favor of the lender.

In March 2012, the board of directors approved and the Company paid approximately \$5.3 million of dividends relating to fourth quarter 2011 earnings.

(17) Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) or other accounting standards setting bodies, which we may adopt as of the specified date required by each standard. Unless otherwise discussed, we believe the impact of recently issued standards that are not yet effective will not have a material impact on our consolidated financial statements upon adoption. The below information is not a comprehensive list of all new pronouncements. We have only included those pronouncements we believe the reader of the financial statements would find meaningful. We have excluded certain pronouncements that we believe do not apply to us or the industry in which we operate.

In September 2011, the FASB issued an accounting pronouncement related to intangibles – goodwill and other (FASB ASC Topic 350), which allows for companies to consider qualitative factors of goodwill and other assets prior to assessing impairment and determining the necessity of a detailed impairment test. The provisions for this pronouncement are effective for fiscal years beginning after December 15, 2011, with early adoption permitted. We do not expect this pronouncement to have a material effect on our consolidated financial statements.

In May 2011, the FASB issued an accounting pronouncement related to fair value measurements (FASB ASC Topic 820), which amends current guidance to achieve common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards. The amendments generally represent clarification of FASB ASC Topic 820, but also include instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. This pronouncement is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. We do not expect this pronouncement to have a material effect on our consolidated financial statements given that we do not carry our financial instruments at fair value.

In April 2011, the FASB issued ASU 2011-03, *Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements* (ASU 2011-03). ASC 860, *Transfers and Servicing*, provides the criteria for determining whether a transfer of financial assets is accounted for as a secured borrowing or as a sale. Under the guidance, an entity that maintains effective control over transferred assets must account for the transfer as a secured borrowing. ASU 2011-03 eliminates the requirement for entities to consider whether a transferor has the ability to repurchase the financial assets in a repurchase agreement for purposes of determining whether the transferor has maintained effective control. The ASU does not change the other criteria applicable to the assessment of effective control. ASU 2011-03 is effective for transactions, or modification of existing transactions, that occur on or after the first interim or annual period beginning on or after December 15, 2011. The new guidance is not expected to have a material effect on the Company's consolidated financial statements.

(18) Supplemental Consolidating Financial Information

In accordance with the indenture governing our 12.625% Senior Secured Notes due 2017 (see Note 8—Debt Obligations), certain wholly-owned subsidiaries of the Company have fully and unconditionally guaranteed the Senior Secured Notes on a joint and several basis. Pursuant to Regulation S-X, Rule 3-10(f), we are required to present condensed consolidating financial information for subsidiaries that have guaranteed the debt of a registrant issued in a public offering, where the guarantee is full and unconditional, joint and several, and where the voting interest of the subsidiary is 100% owned by the registrant.

The following tables present condensed consolidating balance sheets as of December 31, 2011 and 2010; and condensed consolidating statements of income for the years ended December 31, 2011, 2010, and 2009; and condensed consolidated statements of cash flows for the years ended December 31, 2011, 2010, and 2009 for (i) DriveTime Automotive Group, Inc. (“DTAG”) and DT Acceptance Corporation (“DTAC”)—the co-issuers of the Senior Notes, (ii) the separate DTAG and DTAC guarantor subsidiaries on a combined basis, (iii) the separate DTAG and DTAC non-guarantor subsidiaries on a combined basis, (iv) elimination adjustments, and (v) total consolidated amounts. Separate financial statements and other disclosures concerning the Guarantor Subsidiaries are not presented because management believes that such information is not material to the senior note holders. Consolidating adjustments include elimination of investment in subsidiaries, elimination of intercompany accounts; elimination of intercompany sales between guarantor and non-guarantor subsidiaries; and elimination of equity in earnings (losses) of subsidiaries. The condensed consolidating financial information should be read in conjunction with the consolidated financial statements herein.

Included in the column for DTAG Guarantor Subsidiaries Combined are DriveTime Sales and Finance Company, LLC and DriveTime Car Sales Company, LLC. Included in the column for DTAC Guarantor Subsidiaries Combined are DT Credit Company, LLC, and DT Jet Leasing, LLC. Included in the column for DTAG Non-Guarantor Subsidiaries Combined are all other subsidiaries that are wholly-owned by DTAG and included in the column for DTAC Non-Guarantor Subsidiaries Combined are all other subsidiaries that are wholly-owned by DTAC, that are not guarantor subsidiaries. The column for the Issuers includes the accounts for DTAG and DTAC as issuers and as parent company for each of its respective subsidiaries.

Consolidated amounts may be immaterially different compared to the consolidated financial statements due to rounding.

DriveTime Automotive Group, Inc. and Subsidiaries
Consolidating Balance Sheets
December 31, 2011
(\$ in thousands)

	DriveTime Automotive Group, Inc.					DT Acceptance Corp					DriveTime Automotive Group, Inc. and Subsidiaries	
	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated	Eliminations	Subsidiaries
ASSETS												
Cash and Cash Equivalents	\$ 2,869	\$ 595	\$ 5	\$ —	\$ 3,469	\$ 52	\$ 396	\$ 22,013	\$ —	\$ 22,461	\$ —	\$ 25,930
Restricted Cash and Investments Held in Trust	—	—	—	—	—	22,517	77,199	—	—	99,716	—	99,716
Finance Receivables	—	—	—	—	—	—	—	1,495,340	—	1,495,340	—	1,495,340
Allowance for Credit Losses	—	—	—	—	—	—	—	(221,533)	—	(221,533)	—	(221,533)
Finance Receivables, Net	—	—	—	—	—	—	—	1,273,807	—	1,273,807	—	1,273,807
Inventory	212,247	—	—	—	212,247	—	—	—	—	—	—	212,247
Property and Equipment, Net	67,579	—	—	—	67,579	4,085	16,029	2,976	—	23,090	—	90,669
Investments in Subsidiaries	—	—	613,599	(613,599)	—	—	—	388,967	(388,967)	—	—	—
Other Assets	1,316,421	12,840	242,936	(724,386)	847,811	705,755	1,176,065	783,441	(1,891,941)	773,320	(1,556,671)	64,460
Total Assets	<u>\$1,599,116</u>	<u>\$13,435</u>	<u>\$856,540</u>	<u>\$(1,337,985)</u>	<u>\$1,131,106</u>	<u>\$732,409</u>	<u>\$1,269,689</u>	<u>\$2,471,204</u>	<u>\$(2,280,908)</u>	<u>\$2,192,394</u>	<u>\$(1,556,671)</u>	<u>\$1,766,829</u>
LIABILITIES & SHAREHOLDER'S EQUITY												
Liabilities:												
Accounts Payable	\$ 9,759	\$ —	\$ —	\$ —	\$ 9,759	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,759
Accrued Expenses and Other Liabilities	904,341	352	608,647	(724,386)	788,954	647,665	6,148	2,063,190	(1,871,445)	845,558	(1,556,671)	77,841
Portfolio Term Financings	—	—	—	—	—	—	803,130	—	(20,496)	782,634	—	782,634
Portfolio Warehouse Facilities	—	—	—	—	—	—	141,392	—	—	141,392	—	141,392
Senior Secured Notes Payable	—	—	99,029	—	99,029	—	—	99,029	—	99,029	—	198,058
Other Secured Notes Payable	84,500	—	—	—	84,500	2,135	12,661	—	—	14,796	—	99,296
Total Liabilities	<u>998,600</u>	<u>352</u>	<u>707,676</u>	<u>(724,386)</u>	<u>982,242</u>	<u>649,800</u>	<u>963,331</u>	<u>2,162,219</u>	<u>(1,891,941)</u>	<u>1,883,409</u>	<u>(1,556,671)</u>	<u>1,308,980</u>
Shareholder's Equity:												
Total Shareholder's Equity	<u>600,516</u>	<u>13,083</u>	<u>148,864</u>	<u>(613,599)</u>	<u>148,864</u>	<u>82,609</u>	<u>306,358</u>	<u>308,985</u>	<u>(388,967)</u>	<u>308,985</u>	<u>—</u>	<u>457,849</u>
Total Liabilities & Shareholder's Equity	<u>\$1,599,116</u>	<u>\$13,435</u>	<u>\$856,540</u>	<u>\$(1,337,985)</u>	<u>\$1,131,106</u>	<u>\$732,409</u>	<u>\$1,269,689</u>	<u>\$2,471,204</u>	<u>\$(2,280,908)</u>	<u>\$2,192,394</u>	<u>\$(1,556,671)</u>	<u>\$1,766,829</u>

DriveTime Automotive Group, Inc. and Subsidiaries
Consolidating Balance Sheets
December 31, 2010
(\$ in thousands)

	DriveTime Automotive Group, Inc.					DT Acceptance Corporation					DriveTime Automotive Group, Inc. and Subsidiaries	
	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated	Eliminations	Subsidiaries
ASSETS												
Cash and Cash Equivalents	\$ 3,589	\$ 322	\$ —	\$ —	\$ 3,911	\$ 285	\$ 515	\$ 18,966	\$ —	\$ 19,766	\$ —	\$ 23,677
Restricted Cash and Investments Held in Trust	5	—	—	—	5	20,777	61,109	—	—	81,886	—	81,891
Finance Receivables	—	—	—	—	—	—	—	1,408,741	—	1,408,741	—	1,408,741
Allowance for Credit Losses	—	—	—	—	—	—	—	(208,000)	—	(208,000)	—	(208,000)
Finance Receivables, Net	—	—	—	—	—	—	—	1,200,741	—	1,200,741	—	1,200,741
Inventory	145,961	—	—	—	145,961	—	—	—	—	—	—	145,961
Property and Equipment, Net	37,424	—	—	—	37,424	4,618	15,860	3,728	—	24,206	—	61,630
Investments in Subsidiaries	—	—	545,679	(545,679)	—	—	—	91,504	(91,504)	—	—	—
Other Assets	251,511	371,839	187,834	(625,339)	185,845	61,210	846,165	96,810	(937,558)	66,627	(198,218)	54,254
Total Assets	<u>\$438,490</u>	<u>\$372,161</u>	<u>\$733,513</u>	<u>\$(1,171,018)</u>	<u>\$373,146</u>	<u>\$86,890</u>	<u>\$923,649</u>	<u>\$1,411,749</u>	<u>\$(1,029,062)</u>	<u>\$1,393,226</u>	<u>\$(198,218)</u>	<u>\$1,568,154</u>
LIABILITIES & SHAREHOLDERS' EQUITY												
Liabilities:												
Accounts Payable	\$ 5,896	\$ —	\$ —	\$ —	\$ 5,896	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,896
Accrued Expenses and Other Liabilities	215,645	3,431	492,039	(625,339)	85,776	45,173	20,988	1,036,627	(917,062)	185,726	(198,218)	73,284
Portfolio Term Financings	—	—	—	—	—	—	434,529	—	(20,496)	414,033	—	414,033
Portfolio Warehouse Facilities	—	—	—	—	—	—	403,007	—	—	403,007	—	403,007
Other Secured Notes Payable	40,000	—	—	—	40,000	2,479	12,859	—	—	15,338	—	55,338
Senior Secured Notes Payable	—	—	98,915	—	98,915	—	—	98,914	—	98,914	—	197,829
Senior Unsecured Notes Payable	—	—	—	—	—	—	—	—	—	—	—	—
Total Liabilities	<u>261,541</u>	<u>3,431</u>	<u>590,954</u>	<u>(625,339)</u>	<u>230,587</u>	<u>47,652</u>	<u>871,383</u>	<u>1,135,541</u>	<u>(937,558)</u>	<u>1,117,018</u>	<u>(198,218)</u>	<u>1,149,387</u>
Shareholder's Equity:												
Total Shareholders' Equity	<u>176,949</u>	<u>368,730</u>	<u>142,559</u>	<u>(545,679)</u>	<u>142,559</u>	<u>39,238</u>	<u>52,266</u>	<u>276,208</u>	<u>(91,504)</u>	<u>276,208</u>	<u>—</u>	<u>418,767</u>
Total Liabilities & Shareholders' Equity	<u>\$438,490</u>	<u>\$372,161</u>	<u>\$733,513</u>	<u>\$(1,171,018)</u>	<u>\$373,146</u>	<u>\$86,890</u>	<u>\$923,649</u>	<u>\$1,411,749</u>	<u>\$(1,029,062)</u>	<u>\$1,393,226</u>	<u>\$(198,218)</u>	<u>\$1,568,154</u>

DriveTime Automotive Group, Inc. and Subsidiaries
Consolidating Statements of Operations
December 31, 2011
(\$ in thousands)

	DriveTime Automotive Group, Inc.					DT Acceptance Corporation					DriveTime Automotive Group, Inc. and Subsidiaries	
	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated	Eliminations	Subsidiaries
Revenue:												
Sales of Used Vehicles	\$838,242	\$ —	\$ —	\$ —	\$838,242	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 838,242
Interest Income	—	—	—	—	—	—	252,911	284,282	(254,128)	283,065	—	283,065
Other Revenue	38,333	—	26,500	—	64,833	60,250	—	2,864	(60,018)	3,096	(67,929)	—
Equity in Income of Subsidiaries	—	—	211,104	(211,104)	—	—	—	158,642	(158,642)	—	—	—
Total Revenue	<u>876,575</u>	<u>—</u>	<u>237,604</u>	<u>(211,104)</u>	<u>903,075</u>	<u>60,250</u>	<u>252,911</u>	<u>445,788</u>	<u>(472,788)</u>	<u>286,161</u>	<u>(67,929)</u>	<u>1,121,307</u>
Costs and Expenses:												
Cost of Used Vehicles Sold												
Provision for Credit Losses	544,504	—	—	—	544,504	—	—	—	—	—	—	544,504
Portfolio Debt Interest Expense	—	—	—	—	—	—	—	207,198	—	207,198	—	207,198
Non-Portfolio Debt Interest Expense	—	—	—	—	—	—	43,373	102	—	43,475	—	43,475
Senior Secured Notes Interest Expense	2,351	—	54	—	2,405	109	1,989	282,978	(254,128)	30,948	(30,319)	3,034
Selling and Marketing	—	—	13,271	—	13,271	—	—	13,270	—	13,270	—	26,541
General and Administrative	22,790	—	—	—	22,790	—	—	—	—	—	—	22,790
Depreciation Expense	83,081	(1,191)	7,543	—	89,433	56,925	50,798	68,803	(60,018)	116,508	(37,610)	168,331
Loss (Gain) on Extinguishment of Debt, net	13,532	—	—	—	13,532	714	613	1,216	—	2,543	—	16,075
Total Costs and Expenses	<u>666,258</u>	<u>(1,191)</u>	<u>20,868</u>	<u>—</u>	<u>685,935</u>	<u>57,748</u>	<u>96,773</u>	<u>573,567</u>	<u>(314,146)</u>	<u>413,942</u>	<u>(67,929)</u>	<u>1,031,948</u>
Income before Income Taxes	210,317	1,191	216,736	(211,104)	217,140	2,502	156,138	(127,779)	(158,642)	(127,781)	—	89,359
Income Tax Expense (Benefit)	—	403	(166)	—	237	—	—	984	—	984	—	1,221
Net Income (Loss)	<u>\$210,317</u>	<u>\$ 788</u>	<u>\$216,902</u>	<u>\$(211,104)</u>	<u>\$216,903</u>	<u>\$ 2,502</u>	<u>\$156,138</u>	<u>\$(128,763)</u>	<u>\$(158,642)</u>	<u>\$(128,765)</u>	<u>\$ —</u>	<u>\$ 88,138</u>

DriveTime Automotive Group, Inc. and Subsidiaries
Consolidating Statements of Operations
December 31, 2010
(\$ in thousands)

	DriveTime Automotive Group, Inc.					DT Acceptance Corporation					DriveTime Automotive Group, Inc. and Subsidiaries	
	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated	Eliminations	Subsidiaries
Revenue:												
Sales of Used Vehicles	\$760,767	\$ —	\$ —	\$ —	\$760,767	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 760,767
Interest Income	—	—	—	—	—	—	171,367	266,011	(172,404)	264,974	—	264,974
Other Revenue	55,309	—	13,372	—	68,681	70,205	—	—	(70,205)	—	(68,681)	—
Equity in Income of Subsidiaries	—	—	230,269	(230,269)	—	—	—	97,298	(97,298)	—	—	—
Total Revenue	816,076	—	243,641	(230,269)	829,448	70,205	171,367	363,309	(339,907)	264,974	(68,681)	1,025,741
Costs and Expenses:												
Cost of Used Vehicles Sold	481,210	—	—	—	481,210	—	—	—	—	—	—	481,210
Provision for Credit Losses	—	—	—	—	—	—	—	175,900	—	175,900	—	175,900
Portfolio Debt Interest Expense	—	—	—	—	—	—	42,335	25,979	—	68,314	—	68,314
Non-Portfolio Debt Interest Expense	2,933	—	1,772	—	4,705	88	1,542	203,549	(172,405)	32,774	(22,722)	14,757
Senior Secured Notes Interest Expense	—	—	7,515	—	7,515	—	—	7,516	—	7,516	—	15,031
Selling and Marketing	27,798	—	—	—	27,798	—	—	102	—	102	—	27,900
General and Administrative	63,667	(2,018)	12,979	—	74,628	66,044	32,919	96,946	(70,204)	125,705	(45,959)	154,374
Depreciation Expense	11,363	—	—	—	11,363	756	590	1,042	—	2,388	—	13,751
Loss (Gain) on Extinguishment of Debt, net	—	—	—	—	—	—	—	3,418	—	3,418	—	3,418
Total Costs and Expenses	586,971	(2,018)	22,266	—	607,219	66,888	77,386	514,452	(242,609)	416,117	(68,681)	954,655
Income before Income Taxes	229,105	2,018	221,375	(230,269)	222,229	3,317	93,981	(151,143)	(97,298)	(151,143)	—	71,086
Income Tax Expense (Benefit)	—	854	383	—	1,237	—	—	(833)	—	(833)	—	404
Net Income (Loss)	\$229,105	\$ 1,164	\$220,992	\$(230,269)	\$220,992	\$ 3,317	\$ 93,981	\$(150,310)	\$ (97,298)	\$(150,310)	\$ —	\$ 70,682

DriveTime Automotive Group, Inc. and Subsidiaries
Consolidating Statements of Operations
December 31, 2009
(\$ in thousands)

	DriveTime Automotive Group, Inc.					DT Acceptance Corporation					DriveTime Automotive Group, Inc. and Subsidiaries	
	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated	Eliminations	Subsidiaries
Revenue:												
Sales of Used Vehicles	\$694,460	\$ —	\$ —	\$ —	\$694,460	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$694,460
Interest Income	—	—	—	—	—	—	122,051	251,822	(122,051)	251,822	—	251,822
Other Revenue	—	—	21,261	—	21,261	70,629	—	—	(70,629)	—	(21,261)	—
Equity in Income of Subsidiaries	—	—	183,263	(183,263)	—	—	—	72,027	(72,027)	—	—	—
Total Revenue	<u>694,460</u>	<u>—</u>	<u>204,524</u>	<u>(183,263)</u>	<u>715,721</u>	<u>70,629</u>	<u>122,051</u>	<u>323,849</u>	<u>(264,707)</u>	<u>251,822</u>	<u>(21,261)</u>	<u>946,282</u>
Costs and Expenses:												
Cost of Used Vehicles Sold	394,362	—	—	—	394,362	—	—	—	—	—	—	394,362
Provision for Credit Losses	—	—	—	—	—	—	—	223,686	—	223,686	—	223,686
Portfolio Debt Interest Expense	—	—	—	—	—	—	28,869	46,424	—	75,293	—	75,293
Non-Portfolio Debt Interest Expense	3,883	—	10,315	—	14,198	—	687	142,539	(122,051)	21,175	—	35,373
Selling and Marketing	31,489	—	—	—	31,489	—	—	2	—	2	—	31,491
General and Administrative	71,636	(1,902)	8,206	—	77,940	66,964	22,803	74,783	(70,629)	93,921	(21,261)	150,600
Depreciation Expense	11,099	—	—	—	11,099	686	581	695	—	1,962	—	13,061
Gain on Extinguishment of Debt, net	—	—	—	—	—	—	63	(30,374)	—	(30,311)	—	(30,311)
Total Costs and Expenses	<u>512,469</u>	<u>(1,902)</u>	<u>18,521</u>	<u>—</u>	<u>529,088</u>	<u>67,650</u>	<u>53,003</u>	<u>457,755</u>	<u>(192,680)</u>	<u>385,728</u>	<u>(21,261)</u>	<u>893,555</u>
Income before Income Taxes	181,991	1,902	186,003	(183,263)	186,633	2,979	69,048	(133,906)	(72,027)	(133,906)	—	52,727
Income Tax Expense (Benefit)	—	630	(55)	—	575	—	—	155	—	155	—	730
Net Income (Loss)	<u>\$181,991</u>	<u>\$ 1,272</u>	<u>\$186,058</u>	<u>\$(183,263)</u>	<u>\$186,058</u>	<u>\$ 2,979</u>	<u>\$ 69,048</u>	<u>\$(134,061)</u>	<u>\$ (72,027)</u>	<u>\$(134,061)</u>	<u>\$ —</u>	<u>\$ 51,997</u>

DriveTime Automotive Group, Inc. and Subsidiaries
Consolidating Statements of Cash Flows
Year Ended December 31, 2011
(\$ in thousands)

	DriveTime Automotive Group, Inc.					DT Acceptance Corp							DriveTime Automotive Group, Inc. and Subsidiaries
	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated	Eliminations		
Cash Flows from Operating Activities:													
Net Income (Loss)	\$ 210,317	\$ 788	\$ 216,902	\$(211,104)	\$ 216,903	\$ 2,502	\$156,138	\$ (128,763)	\$(158,642)	\$(128,765)	\$ —	\$88,138	
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:													
Provision for Credit Losses	—	—	—	—	—	—	—	207,198	—	207,198	—	207,198	
Depreciation Expense	13,532	—	—	—	13,532	714	613	1,216	—	2,543	—	16,075	
Amortization of Debt Issuance Costs and Debt Premium and Discount	494	—	562	—	1,056	—	10,262	562	—	10,824	—	11,880	
Non-Cash Compensation Expense-Related Party	—	—	1,395	—	1,395	—	—	1,394	—	1,394	—	2,789	
Loss (Gain) from Disposal of Property and Equipment	86	—	—	—	86	—	—	(5)	—	(5)	—	81	
Originations of Finance Receivables	—	—	—	—	—	—	—	(829,164)	—	(829,164)	—	(829,164)	
Collections and Recoveries on Finance Receivable Principal Balances	—	—	—	—	—	—	—	549,888	—	549,888	—	549,888	
Change in Accrued Interest Receivable and Loan Origination Costs	—	—	—	—	—	—	—	(1,011)	—	(1,011)	—	(1,011)	
(Increase) Decrease in Inventory	(66,286)	—	—	—	(66,286)	—	—	—	—	—	—	(66,286)	
(Increase) Decrease in Other Assets	(851,669)	2,564	(335,292)	310,151	(874,246)	(603,326)	465,987	(664,783)	305,633	(496,489)	1,358,453	(12,282)	
Increase (Decrease) in Accounts Payable, Accrued Expenses and Other Liabilities	691,639	(3,079)	116,607	(99,047)	706,120	602,492	(14,839)	1,026,561	(954,383)	659,831	(1,358,453)	7,498	
Net Cash Provided By (Used In) Operating Activities	(1,887)	273	174	—	(1,440)	2,382	618,161	163,093	(807,392)	(23,756)	—	(25,196)	

	DriveTime Automotive Group, Inc.					DT Acceptance Corp						DriveTime Automotive Group, Inc. and Subsidiaries
	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated	Eliminations	
Cash Flows from Investing Activities:												
Proceeds from Disposal of Property and Equipment	438	—	—	—	438	62	—	19	—	81	—	519
Purchase of Property and Equipment	(43,290)	—	—	—	(43,290)	(243)	(782)	(477)	—	(1,502)	—	(44,792)
Net Cash Provided By (Used In) Investing Activities	(42,852)	—	—	—	(42,852)	(181)	(782)	(458)	—	(1,421)	—	(44,273)
Cash Flows from Financing Activities:												
Increase (Decrease) in Restricted Cash	5	—	—	—	5	(1,740)	19,928	—	—	18,188	—	18,193
Deposits into Investments Held in Trust	—	—	—	—	—	—	(13,199)	—	—	(13,199)	—	(13,199)
Collections, Buybacks and Change in Investments Held in Trust	—	—	—	—	—	—	(22,819)	—	—	(22,819)	—	(22,819)
Additions to Portfolio Term Financings	—	—	—	—	—	—	707,947	—	—	707,947	—	707,947
Repayment of Portfolio Term Financings	—	—	—	—	—	—	(339,110)	—	—	(339,110)	—	(339,110)
Additions to Portfolio Warehouse Facilities	—	—	—	—	—	—	970,600	—	—	970,600	—	970,600
Repayment of Portfolio Warehouse Facilities	—	—	—	—	—	—	(1,232,215)	—	—	(1,232,215)	—	(1,232,215)
Additions to Other Secured Notes Payable	44,500	—	—	—	44,500	—	—	—	—	—	—	44,500
Repayment of Other Secured Notes Payable	—	—	—	—	—	(344)	(198)	—	—	(542)	—	(542)
Additions to Senior Secured Notes Payable	—	—	—	—	—	—	—	—	—	—	—	—
Payment of Debt Issuance Costs	(485)	—	(169)	—	(654)	—	(8,965)	(169)	—	(9,134)	—	(9,788)
Dividend Distributions	—	—	—	—	—	(350)	(699,468)	(159,419)	807,392	(51,845)	—	(51,845)
Net Cash Provided By (Used In) Financing Activities	44,020	—	(169)	—	43,851	(2,434)	(617,499)	(159,588)	807,392	27,871	—	71,722
Net Increase (Decrease) in Cash and Cash Equivalents	(719)	273	5	—	(441)	(233)	(120)	3,047	—	2,694	—	2,253
Cash and Cash Equivalents at Beginning of Period	3,588	322	—	—	3,910	285	516	18,966	—	19,767	—	23,677
Cash and Cash Equivalents at End of Period	\$ 2,869	\$595	\$ 5	\$—	\$ 3,469	\$ 52	\$ 396	\$ 22,013	\$ —	\$22,461	\$—	\$25,930

DriveTime Automotive Group, Inc. and Subsidiaries
Consolidating Statements of Cash Flows
Year Ended December 31, 2010
(\$ in thousands)

	DriveTime Automotive Group, Inc.					DT Acceptance Corporation						DriveTime Automotive Group, Inc. and Subsidiaries
	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated	Eliminations	
Cash Flows from Operating Activities:												
Net Income (Loss)	\$ 229,105	\$ 1,164	\$ 220,992	\$(230,269)	\$ 220,992	\$ 3,317	\$ 93,981	\$(150,310)	\$ (97,298)	\$(150,310)	\$ —	\$ 70,682
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:												
Provision for Credit Losses	—	—	—	—	—	—	—	175,900	—	175,900	—	175,900
Depreciation Expense	11,363	—	—	—	11,363	756	590	1,042	—	2,388	—	13,751
Non-Cash Compensation Expense-Related Party	—	—	563	—	563	—	—	562	—	562	—	1,125
Amortization of Debt Issuance Costs and Debt Premium and Discount	226	—	263	—	489	—	11,051	6,070	—	17,121	—	17,610
Loss (Gain) from Disposal of Property and Equipment	(136)	—	—	—	(136)	(17)	—	359	—	342	—	206
Originations of Finance Receivables	—	—	—	—	—	—	—	(747,329)	—	(747,329)	—	(747,329)
Collections and Recoveries on Finance Receivable Principal	—	—	—	—	—	—	—	492,294	—	492,294	—	492,294
Changes in Accrued Interest Receivable and Loan Origination Costs	—	—	—	—	—	—	—	726	—	726	—	726
Decrease (Increase) in Inventory	(30,704)	—	—	—	(30,704)	—	—	—	—	—	—	(30,704)
Decrease (Increase) in Other Assets	(70,119)	(1,571)	(491,503)	322,113	(241,080)	116,512	(310,863)	339,240	(63,229)	81,660	147,391	(12,029)
Increase (Decrease) in Accounts Payable, Accrued Expenses and Other Liabilities	(106,194)	576	200,228	(90,059)	4,551	(117,250)	(36,411)	361,936	(41,730)	166,545	(147,391)	23,705
Net Cash Provided By (Used In) Operating Activities	33,541	169	(69,457)	1,785	(33,962)	3,318	(241,652)	480,490	(202,257)	39,899	—	5,937
Cash Flows from Investing Activities:												
Proceeds from Disposal of Property and Equipment	347	—	—	—	347	55	—	21	—	76	—	423
Purchase of Property and Equipment	(20,570)	—	2,615	—	(17,955)	(640)	(30)	(2,256)	—	(2,926)	—	(20,881)

DriveTime Automotive Group, Inc.						DT Acceptance Corporation						DriveTime Automotive Group, Inc. and Subsidiaries
	Guarantor Subsidiaries Combined	Non- Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated	Eliminations	
Net Cash Provided By (Used In) Investing Activities	(20,223)	—	2,615	—	(17,608)	(585)	(30)	(2,235)	—	(2,850)	—	(20,458)
Cash Flows from Financing Activities:												
Increase in Restricted Cash Deposits into Investments Held in Trust	(9)	—	—	—	(9)	(4,968)	(24,005)	—	—	(28,973)	—	(28,982)
Collections, Buybacks and Change in Investments Held in Trust	—	—	—	—	—	—	(4,500)	—	—	(4,500)	—	(4,500)
Additions to Portfolio Term Financings	—	—	—	—	—	—	35,655	—	—	35,655	—	35,655
Repayment of Portfolio Term Financings	—	—	—	—	—	—	328,753	79,047	(20,496)	387,304	—	387,304
Additions to Portfolio Warehouse Facilities	—	—	—	—	—	—	940,150	—	—	940,150	—	940,150
Repayment of Portfolio Warehouse Facilities	—	—	—	—	—	—	(614,649)	—	—	(614,649)	—	(614,649)
Additions to Senior Secured Notes Payable	—	—	80,555	—	80,555	—	—	80,554	—	80,554	—	161,109
Additions to Other Secured Notes Payable	—	—	1,785	(1,785)	—	2,700	—	76	—	2,776	—	2,776
Repayment of Other Secured Notes Payable	(10,000)	—	—	—	(10,000)	(221)	(187)	(12,307)	—	(12,715)	—	(22,715)
Repayment of Senior Unsecured Notes Payable	—	—	—	—	—	—	—	(1,500)	—	(1,500)	—	(1,500)
Payment of Debt Issuance Costs	(511)	—	(3,898)	—	(4,409)	—	(13,713)	(4,694)	—	(18,407)	—	(22,816)
Dividend Distributions	—	—	(11,600)	—	(11,600)	—	(222,753)	(34,710)	222,753	(34,710)	—	(46,310)
Net Cash Provided By (Used In) Financing Activities	(10,520)	—	66,842	(1,785)	54,537	(2,489)	241,648	(479,281)	202,257	(37,865)	—	16,672
Net Increase (Decrease) in Cash and Cash Equivalents	2,798	169	—	—	2,967	244	(34)	(1,026)	—	(816)	—	2,151
Cash and Cash Equivalents at Beginning of Period	791	153	—	—	944	41	549	19,992	—	20,582	—	21,526
Cash and Cash Equivalents at End of Period	<u>\$ 3,589</u>	<u>\$322</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,911</u>	<u>\$ 285</u>	<u>\$ 515</u>	<u>\$ 18,966</u>	<u>\$ —</u>	<u>\$ 19,766</u>	<u>\$—</u>	<u>\$ 23,677</u>

DriveTime Automotive Group, Inc. and Subsidiaries
Consolidating Statements of Cash Flows
Year Ended December 31, 2009
(\$ in thousands)

	DriveTime Automotive Group, Inc.					DT Acceptance Corporation					DriveTime Automotive Group, Inc. and Subsidiaries	
	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated	Eliminations	Subsidiaries
Cash Flows from Operating Activities:												
Net Income (Loss)	\$ 181,991	\$ 1,272	\$ 186,058	\$(183,263)	\$ 186,058	\$ 2,979	\$ 69,048	\$(134,061)	\$ (72,027)	\$(134,061)	\$ —	\$ 51,997
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:												
Provision for Credit Losses	—	—	—	—	—	—	—	223,686	—	223,686	—	223,686
Depreciation Expense	11,099	—	—	—	11,099	686	581	695	—	1,962	—	13,061
Non-Cash Compensation Expense	—	—	1,125	—	1,125	—	—	1,125	—	1,125	—	2,250
Amortization of Debt Issuance Costs and Debt Premium and Discount	1,081	—	16	—	1,097	—	6,989	6,615	—	13,604	—	14,701
Loss (Gain) from Disposal of Property and Equipment	(116)	—	—	—	(116)	(5)	—	—	—	(5)	—	(121)
Originations of Finance Receivables	—	—	—	—	—	—	—	(686,214)	—	(686,214)	—	(686,214)
Collections and Recoveries on Finance Receivable Principal	—	—	—	—	—	—	—	468,826	—	468,826	—	468,826
Changes in Accrued Interest Receivable and Loan Origination Costs	—	—	—	—	—	—	—	3,789	—	3,789	—	3,789
Decrease (Increase) in Inventory	(15,046)	—	—	—	(15,046)	—	—	—	—	—	—	(15,046)
Decrease (Increase) in Other Assets	(256,390)	(2,012)	(289,804)	331,474	(216,732)	(53,681)	40,618	180,001	41,792	208,730	22,327	14,325
Increase (Decrease) in Accounts Payable, Accrued Expenses and Other Liabilities	72,466	652	116,664	(146,331)	43,451	58,827	52,252	(34,578)	(103,568)	(27,067)	(22,327)	(5,943)
Net Cash Provided By (Used In) Operating Activities	(4,915)	(88)	14,059	1,880	10,936	8,806	169,488	29,884	(133,803)	74,375	—	85,311
Cash Flows from Investing Activities:												
Proceeds from Disposal of Property and Equipment	371	—	—	—	371	98	—	—	—	98	—	469
Purchase of Property and Equipment	(3,811)	—	—	—	(3,811)	(3,744)	—	(5,749)	—	(9,493)	—	(13,304)
Net Cash Provided By (Used In) Investing Activities	(3,440)	—	—	—	(3,440)	(3,646)	—	(5,749)	—	(9,395)	—	(12,835)

	DriveTime Automotive Group, Inc.					DT Acceptance Corporation					DriveTime Automotive Group, Inc. and Subsidiaries	
	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiary	Parent Company	Eliminations	Consolidated	Guarantor Subsidiaries Combined	Non-Guarantor Subsidiaries Combined	Parent Company	Eliminations	Consolidated		
Cash Flows from Financing Activities:												
Increase in Restricted Cash	(64)	—	—	—	(64)	(5,120)	(6,662)	—	—	(11,782)	—	(11,846)
Deposits into Investments Held in Trust	—	—	—	—	—	—	(4,467)	—	—	(4,467)	—	(4,467)
Collections, Buybacks and Change in Investments Held in Trust	—	—	—	—	—	—	3,472	—	—	3,472	—	3,472
Additions to Portfolio Term Financings	—	—	—	—	—	—	272,099	539,518	—	811,617	—	811,617
Repayment of Portfolio Term Financings	—	—	—	—	—	—	(171,660)	(178,521)	—	(350,181)	—	(350,181)
Additions to Portfolio Warehouse Facilities	—	—	—	—	—	—	508,970	459,142	—	968,112	—	968,112
Repayment of Portfolio Warehouse Facilities	—	—	—	—	—	—	(624,964)	(663,735)	—	(1,288,699)	—	(1,288,699)
Additions to Other Secured Notes Payable	50,399	—	1,880	(1,880)	50,399	—	—	30,302	—	30,302	—	80,701
Repayment of Other Secured Notes Payable	(64,963)	—	—	—	(64,963)	—	(176)	(57,776)	—	(57,952)	—	(122,915)
Repayment of Senior Unsecured Notes Payable	—	—	—	—	—	—	—	(122,000)	—	(122,000)	—	(122,000)
Payment of Debt Issuance Costs	(251)	—	—	—	(251)	—	(12,042)	(874)	—	(12,916)	—	(13,167)
Dividend Distributions	—	—	(15,939)	—	(15,939)	—	(133,803)	(11,171)	133,803	(11,171)	—	(27,110)
Net Cash Provided By (Used In) Financing Activities	(14,879)	—	(14,059)	(1,880)	(30,818)	(5,120)	(169,233)	(5,115)	133,803	(45,665)	—	(76,483)
Net Increase (Decrease) in Cash and Cash Equivalents	(23,234)	(88)	—	—	(23,322)	40	255	19,020	—	19,315	—	(4,007)
Cash and Cash Equivalents at Beginning of Period	24,025	240	—	—	24,265	1	294	973	—	1,268	—	25,533
Cash and Cash Equivalents at End of Period	\$ 791	\$152	\$ —	\$ —	\$ 943	\$ 41	\$ 549	\$ 19,993	\$ —	\$ 20,583	\$—	\$ 21,526

(19) Selected Quarterly Financial Data—Unaudited

A summary of the quarterly data follows:

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Total</u>
	(\$ in thousands)				
2011:					
Total revenue	\$332,856	\$275,405	\$286,012	\$227,034	\$1,121,307
Costs and expenses ⁽¹⁾	\$291,841	\$242,975	\$273,575	\$223,557	\$1,031,948
Income before income taxes	\$ 41,015	\$ 32,430	\$ 12,437	\$ 3,477	\$ 89,359
Net income	\$ 40,503	\$ 32,093	\$ 12,376	\$ 3,166	\$ 88,138
	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Total</u>
	(\$ in thousands)				
2010:					
Total revenue	\$297,038	\$245,747	\$263,323	\$219,633	\$1,025,741
Costs and expenses ⁽¹⁾	\$263,405	\$225,975	\$244,838	\$220,437	\$ 954,655
Income before income taxes	\$ 33,633	\$ 19,772	\$ 18,485	\$ (804)	\$ 71,086
Net income / (loss)	\$ 33,284	\$ 19,322	\$ 19,232	\$ (1,156)	\$ 70,682

⁽¹⁾ Includes net gains / losses on extinguishment of debt.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2011. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and no evaluation of controls and procedures can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of December 31, 2011, the end of the period covered by this annual report, to ensure that the information required to be disclosed by us in the reports that we file or submit, as if we were required to file or submit such reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. We will continue to review and document our disclosure controls and procedures on an ongoing basis, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the year ended December 31, 2011, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors:

DriveTime Automotive Group, Inc.

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Ernest C. Garcia II	54	Chairman/Director
Raymond C. Fidel	54	Director, Chief Executive Officer, and President
Mark G. Sauder	51	Executive Vice President, Chief Financial Officer and Treasurer
Alan J. Appelman	54	Executive Vice President, Credit Risk and Customer Analytics
Jon D. Ehlinger	54	Executive Vice President, Secretary, General Counsel, and Public Relations
MaryAnn N. Keller	68	Director
Donald J. Sanders	67	Director
Gregg E. Tryhus	54	Director

Ernest C. Garcia II. Mr. Garcia has served as our Chairman of the Board since 1992. Mr. Garcia served as our Chief Executive Officer from 1992 to 1999, and served as our President from 1992 to 1996. Mr. Garcia has been the President of Verde Investments, Inc. since 1992. As our founder and former Chief Executive Officer, Mr. Garcia brings to his role as Chairman of the Board an extensive understanding of the automobile sales and finance industry, which enables him to serve as a resource to our management team in their assessment and management of risks and development of overall corporate strategy.

Raymond C. Fidel. Mr. Fidel has served as a Director, our Chief Executive Officer and President since 2004. Prior to that, Mr. Fidel served as our Chief Operating Officer from 2001 to 2004. Mr. Fidel graduated with a Bachelor of Science degree in finance and a Master of Business Administration degree from the University of New Mexico. Mr. Fidel's long tenure as a senior executive of the Company, as well as his day to day leadership and intimate knowledge of business and operations, provide the Board with Company specific experience and expertise.

Mark G. Sauder. Mr. Sauder has served as our Chief Financial Officer since 2002 and as Executive Vice President since 2004. Mr. Sauder is a Certified Public Accountant and graduated with a Bachelor of Science degree in accounting from Ball State University.

Alan J. Appelman. Mr. Appelman has served as our Executive Vice President and Chief Credit Officer since 2009. From 2007 until 2009, Mr. Appelman served as our Chief Credit Officer, and from 2000 until 2007, Mr. Appelman served as our Vice President of Risk Management. Mr. Appelman graduated with a Bachelor of Arts degree in psychology from the University of Missouri and received a Masters of Business Administration degree from the University of Texas at Austin.

Jon D. Ehlinger. Mr. Ehlinger has served as our General Counsel and Secretary since 1998, and was appointed Executive Vice President in 2009. Mr. Ehlinger graduated with a Bachelors of Arts degree in history from Drake University and received his Juris Doctorate degree from the University of Notre Dame Law School.

Maryann N. Keller. Ms. Keller currently serves as the principal of Maryann Keller and Associates, a firm providing consulting services to automotive clients. From July 1999 to November 2000, Ms. Keller served as the President of the Automotive Services unit of Priceline.com. She joined Priceline.com from Furman Selz, an investment banking firm, where she served as a managing director of the firm from 1986 to 1999. Prior to joining Furman Selz, Ms. Keller was a portfolio manager with Vilas-Fischer Associates from 1983 to 1986, and served

as automotive industry analyst with Kidder Peabody & Co. Inc. and Paine Webber from 1972 to 1983. Ms. Keller also served as Chairman of the Society of Automotive Analysts from 1994 to 1999. She is currently a director of Dollar Thrifty Automotive Group, Inc. (NYSE: DTG), a publicly-traded rental car company, where she serves as Chairman of the Audit Committee and is a member of the human resources and compensation committee. She has previously served as a director of Lithia Motors, Inc. (NYSE: LAD), a new and used vehicle retailer. Ms. Keller's extensive experience as an analyst of, consultant to, and director of organizations in the automotive industry brings valuable expertise and experience to our Board.

Donald J. Sanders. Mr. Sanders has worked in the consumer finance industry for 40 years and has held management positions with Korvettes Department Stores (private label credit business), Citicorp, and Commercial Credit Corporation. In 1990, Mr. Sanders co-founded and served as Chief Executive Officer of Credit and Risk Management Associates, Inc., a risk management and marketing consulting, data warehousing, and systems integration firm that was acquired by Fair, Isaac Companies in 1996. Mr. Sanders retired from Fair, Isaac in 2001, but continues to provide private consulting services as Deer Creek Consulting, LLC. Mr. Sanders also serves as a Senior Industry Advisor to Bridgeforce, Inc., a Delaware consulting firm, and serves as an advisor to the board of directors of Collections Marketing Center, Inc., a private company. Mr. Sanders also served on the board of directors of Metris Companies, Inc., from 2004 to 2005. Mr. Sanders' extensive career focusing on credit scoring and risk modeling for the consumer finance industry, including as a chief executive and later as a consultant, gives him the industry knowledge to guide our Board on a variety of matters.

Gregg E. Tryhus. Mr. Tryhus is President and owner of Grayhawk Development, a company involved in land development, golf development, construction and operations, and resort development. Prior to that, Mr. Tryhus was in the land sales business and founded his own land sales company, Tryhus Company, in 1984.

Board Composition

Our directors are elected annually to serve until the next annual meeting of stockholders, until their successors are duly elected and qualified, or until their earlier death, resignation, disqualification, or removal. Directors may be removed at any time for cause by the affirmative vote of the holders of a majority of the voting power then entitled to vote.

As of December 31, 2011, the Company's board of directors does not have any committees.

We have adopted a code of ethics that applies to all directors, officers and employees of our company, including our Chief Executive Officer, Chief Financial Officer, or persons performing similar functions. Our Code of Ethics is available on our website at www.drivetime.com. To satisfy the disclosure requirements under Item 10 of Form 8-K, in the event of an amendment to, or a waiver from, a provision of our Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer, or persons performing similar functions, we would disclose such information on our website. No such event has occurred during the year ended December 31, 2011.

Item 11. Executive Compensation

Compensation Discussion and Analysis

The following discussion and analysis should be read in conjunction with the related tables that are presented immediately below.

Overview

The purpose of this compensation discussion and analysis is to provide information about each material element of compensation that we pay or award to, or that is earned by, our named executive officers, who consist of our principal executive officer, principal financial officer, and our three other most highly compensated executive officers. For our 2011 fiscal year, our named executive officers were:

- Ernest C. Garcia II, our Chairman;
- Raymond C. Fidel, our President and Chief Executive Officer;
- Mark G. Sauder, our Executive Vice President and Chief Financial Officer;
- Jon D. Ehlinger, our Executive Vice President, Secretary, and General Counsel; and
- Alan J. Appelman, our Executive Vice President and Chief Credit Officer.

This compensation discussion and analysis addresses and explains the compensation practices that we followed in 2011, the numerical and related information contained in the summary compensation and related tables presented below, and actions we have taken regarding executive compensation since the end of our 2011 fiscal year.

Compensation Determinations

Most, if not all, of our compensation policies and determinations applicable to our named executive officers have been the product of research by and discussion among our management team.

Objectives of Compensation Programs

We pay our named executive officers based on business performance and individual performance, and, in setting compensation levels, we take into consideration our past practices and our current and anticipated future needs, the relative skills and experience of each individual executive, and the competitive market. To date, we have not utilized the services of a compensation consultant and have not engaged in any benchmarking when making policy-level or individual compensation determinations.

Compensation philosophy. A named executive officer's total compensation will vary based on the Company's overall performance and with the particular named executive officer's personal performance and contribution to overall results. This philosophy generally applies to all of our employees, with a more significant level of variability and compensation at risk depending upon an employee's function and level of responsibility. Implementing this philosophy allows us to attract, motivate, and retain highly qualified individuals responsible for guiding us and creating value for our investors and shareholders.

Overriding objectives. The overriding goal of our executive compensation program is the same as the Company's goal—to create long-term sustainable value. Additional objectives of the executive compensation program are:

- to motivate our named executive officers to achieve and exceed our financial performance goals and drive the value of our business by rewarding such success;

- to ensure that executive compensation programs are effective in attracting, retaining, and motivating top quality executives who have the ability to significantly influence our long-term financial success and are responsible for effectively managing our operations in a way that maximizes the value of our business;
- to achieve a balance between compensation levels and our annual and long-term budgets, strategic plans, business objectives, and investor expectations;
- to motivate executive officers to achieve our business objectives, and to align the incentives of our officers with, on a prospective basis, long-term incentive awards;
- to provide named executive officers with appropriately leveraged total compensation opportunities that are competitive in form and in value with comparable companies taking into account: industry sector, market capitalization, revenues, profitability, and regional operational focus; and
- to have programs that are simple, well understood, which reward accountability and are closely tied to our key financial goals and strategic objectives.

Company compensation policies. A named executive officer's total in-service compensation consists of base salary, a cash bonus, a deferred bonus, a long-term incentive program, and limited perquisites. With regard to these components, we have in the past adhered to the following compensation policies:

- *Base salaries should be competitive and should encourage retention.* Our compensation programs should reflect base salaries as being competitive compensation for the named executive officers to perform the essential elements of their respective jobs.
- *Bonuses should be structured to reward superior company performance and encourage retention.* Each of our executive officers may be entitled to an annual cash bonus based on our prior year performance. To encourage continuity of management, an amount equal to each annual cash bonus is awarded on a deferred basis and such amounts are paid, subject to continued employment, three years following the year in which the deferred bonus was awarded.
- *Short- and long-term incentives.* Our compensation programs are structured to assure that those key executives who are involved in critical decisions that impact our success have a meaningful, competitively supportable portion of their total compensation linked to their success in helping meet performance objectives.
- *Compensation should be paid in cash.* As a private company whose equity securities are not publicly traded, we believe that the true compensatory value to be accorded to equity-based incentives would be difficult for both us and a recipient to determine. With the exception to the Restricted Stock Grant awarded to our CEO in December 2010, we have not in the past utilized equity based incentives and have instead focused entirely on providing the opportunity for our named executive officers to earn total cash compensation at levels that enable us to achieve the motivation and retention goals described above.
- *Benefits.* Benefits are offered that are competitive within the defined talent market, generally on par with our employee population, and offered on the basis of business need and adequate individual protection. Our benefit plans provide participants with reasonable flexibility to meet individual means.

We believe our policies have helped us achieve our compensation objectives of motivation and retention, as evidenced by the limited turnover in our executive officer ranks over the past several years.

Compensation Programs Design and Elements of Compensation

We choose to pay each element of compensation to further the objectives of our compensation program, which, as noted, includes the need to attract, retain, and reward key leaders critical to our success by providing competitive total compensation.

Elements of in-service compensation. For our 2011 fiscal year, our executive compensation mix included base salary, discretionary cash bonuses, and other benefits generally available to all employees. We generally determine the nature and amount of each element of compensation as follows:

- *Base Salary.* We typically agree upon a base salary with a named executive officer at the time of initial employment. The amount of base salary agreed upon, which is not at risk, reflects our views as to the individual executive's past experience, future potential, knowledge, scope of anticipated responsibilities, skills, expertise, and potential to add value through performance. We review executive salaries annually and may adjust them based on an evaluation of our performance for the year and the performance of the functional area(s) under an executive's scope of responsibility. We also consider qualitative criteria, such as education and experience requirements, complexity, and scope or impact of the position compared to other executive positions internally.
- *Non-Equity Incentive Plan Compensation.* We provide cash bonuses to recognize and reward our named executive officers with cash payments above base salary based on our success in a given year. The cash bonuses are paid annually and the bonus program includes a deferred bonus in the amount of the annual bonus that is payable three years after the payment of the annual bonus, subject to the executive officer still being employed by us at the time of payment. Amounts deferred accrue interest at the prime rate. For each year, the bonuses received by Messrs. Fidel, Sauder, Ehlinger and Appelman reflect, in part, bonuses for the fiscal year performance and, in part, the deferred portion of bonuses earned three years prior. See "—Impact of Performance on Compensation—Bonus Plan."
- *Retention Bonus Plan.* We provide cash bonuses under our retention bonus plan to Messrs. Sauder, Ehlinger and Appelman. Under the terms of the plan, we were committed to make six annual contributions beginning May 1, 2006 through May 2011 to fund the plan. An executive must remain employed by us to receive annual benefits paid out under the plan beginning in May 2011 through May 2015.
- *Perquisites.* We seek to compensate our named executive officers at levels that eliminate the need for material perquisites and enable each individual officer to provide for his or her own needs. Accordingly, in 2011, we provided limited perquisites to our named executive officers.
- *Other.* We offer other employee benefits to key executives for the purpose of meeting current and future health and security needs for the executives and their families. These benefits, which we generally offer to all eligible employees, include medical, dental, vision and life insurance benefits; short-term disability pay; long-term disability insurance; flexible spending accounts for medical expense reimbursements; tuition reimbursement; and a 401(k) retirement savings plan.
- *Restricted Stock Plans.* The Restricted Stock Grant awarded to Mr. Fidel allowed him to acquire an ownership interest in our business and, as a result, encourages him to contribute to our success. See below for "—Chief Executive Officer Restricted Stock Grant." for detail.

Elements of post-termination or change of control compensation and benefits. None of our named executive officers is a party to an employment agreement with us, although certain of our executives are parties to special retention agreements that provide for benefits to be accelerated upon certain events involving termination of employment or a change of control. See "—Severance and Change of Control Arrangements" below.

Impact of Performance on Compensation—Bonus Plan

We have an annual cash bonus program that is based primarily on pretax earnings. When evaluating whether earnings targets have been satisfied, we typically disregard certain non-operating gains and/or losses over which management has no control, and certain performance measures may be adjusted in extraordinary circumstances. We determine target earnings at the start of each year. If the earnings threshold to achieve a bonus is met, bonuses can be paid anywhere from 50% to 150% of the respective executive's base bonus, depending on our performance against the targets. If the earnings threshold to achieve a bonus is not met, we do not pay a bonus for the fiscal year. We determine the targets by analyzing our budget and forecasted earnings, and economic and other competitive factors. The cash bonuses are paid annually.

The bonus program also includes a deferred component. The deferred portion is equivalent to the executive's annual bonus (as described above) and is payable three years after the payment of the annual bonus, subject to the executive officer still being with us at the time of payment. For example, the Payment Date for the deferred portion of the 2011 bonus is January 2015. The Company will pay simple interest at the prime rate on the amount of the bonus to which each executive is entitled under the Plan during the Vesting Period. For purposes of this Plan, the "Vesting Period" begins on January 1st of the year after the bonus year and ends on December 31 before the January in which the bonus is paid. For example, the vesting period for the deferred portion of the 2011 bonus begins on January 1, 2012 and ends on December 31, 2014. The amount paid in January 2015 is equal to the amount earned under the annual bonus plan for 2014, plus the amount of the deferred bonus from 2011.

Retention Bonus Plan

In July 2005, we replaced existing retention plan agreements with the retention plan in which Mark G. Sauder, Jon D. Ehlinger, and Alan J. Appelman currently participate. Raymond C. Fidel was not included in this plan because it was determined that, as a shareholder at that time, his 5% ownership interest in the Company encouraged Mr. Fidel to remain employed with the Company, and that he would be financially rewarded in his capacity as one of our shareholders. Subsequently, in 2008, Mr. Fidel entered into an agreement with Mr. Garcia for the purchase of Mr. Fidel's ownership interest. See "—Executive Employment Agreements."

Under the terms of the retention bonus plan, we were committed to make six annual contributions beginning May 1, 2006 and for each year thereafter through May 1, 2011 to fund this program. Executive must remain employed by us to receive these benefits. If the executive terminates his employment without cause or is terminated with cause, any unpaid amounts are forfeited and revert to the Company. If the executive is terminated without cause (including on account of disability), the executive terminates for good reason, or upon certain change of control events, the executive will receive all amounts that have been contributed to date. The total contributions paid under this plan were \$14.0 million, funded by us over the first six years to be paid out to the executive in five installments beginning May 1, 2011. We recognize compensation expense under this plan based upon the service period required to receive payments of ten years (exclusive of acceleration and forfeiture clauses).

At December 31, 2011, the plan was fully funded and during the year ended December 31, 2011, the first of five payments was paid out of the plan.

Contributions are made into secular trusts that were set up on behalf of each participant. We funded contributions into the trusts to provide participants a level of certainty regarding payment of their retention benefits. Contributions to the secular trusts are taxable to the named executive officers and the funds are not subject to claims from creditors in the event of bankruptcy. The named executive officers also have investment discretion with respect to the contributions.

Chief Executive Officer Restricted Stock Grant

In December 2010, the Board of Directors of each of DTAG and DTAC approved a restricted stock award to Mr. Fidel, our Chief Executive Officer. On December 28, 2010, Mr. Fidel entered into a Restricted Stock Agreement with each of DTAG and DTAC, pursuant to which he was issued an award of 2.8595 shares of restricted stock in each of DTAG and DTAC, subject to certain vesting restrictions. Mr. Fidel made an election under Section 83(b) of the United States Internal Revenue Code of 1986, as amended, to be taxed on the fair market value of the entire restricted stock grant as of the award date. In connection therewith, that portion of shares the fair market value of which was sufficient to satisfy Mr. Fidel's federal and state income tax obligations with respect to the entire award was deemed to be vested in full as of the award date. However, only those shares of a value equal to the minimum statutory federal and state withholding due from Mr. Fidel on the grant were repurchased by DTAG and DTAC, with the proceeds from such repurchases were delivered to the relevant tax

authorities. The remaining unvested shares of restricted stock vest one-third each year over a period of three years based on Mr. Fidel's continued employment with us and on the achievement of certain income before income tax targets for the consolidated results of DTAG, measured for the preceding twelve months as of June 30, 2011, 2012 and 2013. During the year ended December 31, 2011, we recognized \$2.8 million in restricted stock expense due to the shares that vested during the current year.

For income tax purposes, Mr. Fidel was deemed to own 2.8595 shares at the grant date, and immediately thereafter the Company repurchased 1.0899 shares resulting in Mr. Fidel owning 1.7696 shares in each of DTAG and DTAC as of December 31, 2010. A shortfall in the performance target measured at the June 30th vesting date (and therefore a failure of one-third of the unvested shares to vest at such date) may be made up at a subsequent date if the consolidated results of DTAG exceed the relevant income before income tax target applicable to such subsequent period. Shares of restricted stock that would otherwise vest at June 30, 2013 will only become vested shares if Mr. Fidel's employment with us continues until December 31, 2013. In connection with the execution of the Restricted Stock Agreements, Mr. Fidel also entered into a Shareholders' Agreement with our principal shareholder and DTAG and DTAC, which, among other things, restricts his ability to transfer his shares of restricted stock and grants him certain tag-along rights in the event of a sale by our principal shareholder and certain piggy-back registration rights in connection with a public offering of our shares or any successor entity. See "Item 13—Certain Relationships and Related Transactions, and Director Independence—Related Party Transactions—Shareholders' Agreements."

Internal Revenue Code Section 409A

Section 409A of the Code requires that "nonqualified deferred compensation" be deferred and paid under plans or arrangements that satisfy the requirements of the statute with respect to the timing of deferral elections, timing of payments and certain other matters. Failure to satisfy these requirements can expose employees and other service providers to accelerated income tax liabilities and penalty taxes and interest on their vested compensation under such plans. Accordingly, as a general matter, it is our intention to design and administer our compensation and benefits plans and arrangements for all of our employees and other service providers, including our named executive officers, so that they are either exempt from, or satisfy the requirements of, Section 409A. With respect to our compensation and benefit plans that are subject to Section 409A, in accordance with Section 409A and regulatory guidance issued by the IRS, we are currently operating such plans in compliance with Section 409A.

Conclusion

We believe that the compensation amounts paid to our named executive officers for their service in 2011 were reasonable and appropriate and in our best interests.

Executive Employment Agreements

None of our named executive officers is a party to an employment agreement with us, although certain of our executives are parties to special retention agreements and non-equity incentive plan compensation that provide for benefits to be accelerated upon certain events involving termination of employment or a change of control. See "—Severance and Change of Control Arrangements" below. In 2008, Mr. Fidel entered into an agreement with Mr. Garcia for the purchase of Mr. Fidel's 5% ownership interest in us. This agreement included an employment condition which expired on June 30, 2010. While we were not a party to this agreement, which was solely between Mr. Garcia and Mr. Fidel, under GAAP, the existence of the employment condition required us to treat a portion of the amount payable by Mr. Garcia to Mr. Fidel, as compensation for financial statement reporting purposes and not as compensation for purposes of this Compensation Discussion and Analysis. On December 28, 2010, Mr. Fidel entered into a Restricted Stock Agreement with each of DTAG and DTAC, pursuant to which he was issued an award of 2.8595 shares of restricted stock in each of DTAG and DTAC, subject to certain vesting restrictions. The unvested shares of restricted stock vest one-third each year over a

period of three years based on Mr. Fidel's continued employment with us and on the achievement of certain income before income tax targets for the consolidated results of DTAG, measured for the preceding twelve months as of June 30, 2011, 2012 and 2013. As of June 30, 2011, the vesting requirements were met for the first third of the award and we recognized \$2.8 million in restricted stock compensation expense. See "—Chief Executive Officer Restricted Stock Grant" for detail.

There have been no other material changes to items of compensation applicable to our named executive officers or directors for fiscal 2011.

Summary Compensation Table

The following table sets forth the total compensation earned for services rendered by our principal executive officer, our principal financial officer, and our three other most highly compensated executive officers whose total compensation for the fiscal year ended December 31, 2011 was in excess of \$100,000 and who were serving as executive officers at the end of that fiscal year. The listed individuals are referred to herein as the “named executive officers.”

Name and Principal Position	Year	Salary	Bonus ⁽²⁾	Stock Awards ⁽³⁾	Non-Equity Incentive Plan Compensation ⁽⁴⁾	All Other Compensation ⁽⁵⁾	Total
Ernest C. Garcia II	2011	\$ 780,000	\$ —	\$ —	\$ —	\$841,572	\$ 1,621,572
Chairman	2010	\$ 779,052	\$ —	\$ —	\$ —	\$578,111	\$ 1,357,163
Raymond C. Fidel	2011	799,999	—	—	216,000	104,637	1,120,636
President and Chief Executive Officer	2010	1,775,000 ⁽¹⁾	—	9,452,000	701,093	80,106	12,008,199
Mark G. Sauder	2011	374,039	2,000,000	—	144,000	27,473	2,545,512
Executive Vice President and Chief Financial Officer	2010	324,423	1,000,000	—	425,547	18,137	1,768,107
Jon D. Ehlinger	2011	299,327	400,000	—	108,000	12,879	820,206
Executive Vice President, Secretary, and General Counsel	2010	264,619	200,000	—	325,437	12,879	802,935
Alan J. Appelman	2011	279,712	400,000	—	108,000	12,369	800,081
Executive Vice President and Chief Credit Officer	2010	264,519	200,000	—	325,437	12,649	802,605

⁽¹⁾ Included is the \$1.1 million of non-cash compensation expense as discussed in “Related Party Transactions—Non-cash compensation expense.”

⁽²⁾ As discussed in “—Retention Bonus Plan” above, reflects amounts awarded to the applicable named executive officers in 2010 and 2011 respectively under the retention bonus plan. We began paying amounts awarded under this plan to participants in May 2011. Payments will be made in five installments and will be subject to forfeiture as provided above. The difference in the bonus paid to Mr. Sauder, in comparison to Mr. Ehlinger and Mr. Appelman, reflects the terms of the bonus plan and the value it places on Mr. Sauder’s performance in his position as chief financial officer of the Company, which is a critically important role in our company given the complexity of our business model and the importance of financing to our business.

⁽³⁾ See “—Chief Executive Officer Restricted Stock Grant.”

⁽⁴⁾ Includes amounts as discussed in “—Impact of Performance on Compensation—Bonus Plan”

⁽⁵⁾ All other compensation consists of the following:

Name	Year	Automobile Allowance	Personal Use of Company Aircraft (a)	Life Insurance Policy Premium	Total
Ernest C. Garcia II	2011	\$ —	\$841,572	\$ —	\$841,572
Raymond C. Fidel	2011	20,596	84,041	—	104,637
Mark G. Sauder	2011	12,250	13,083	2,140	27,473
Jon D. Ehlinger	2011	11,250	—	1,629	12,879
Alan J. Appelman	2011	11,750	—	619	12,369

<u>Name</u>	<u>Year</u>	<u>Automobile Allowance</u>	<u>Personal Use of Company Aircraft (a)</u>	<u>Life Insurance Policy Premium</u>	<u>Total</u>
Ernest C. Garcia II	2010	\$ —	\$578,111	\$ —	\$578,111
Raymond C. Fidel	2010	12,600	67,506	—	80,106
Mark G. Sauder	2010	12,250	3,747	2,140	18,137
Jon D. Ehlinger	2010	11,250	—	1,629	12,879
Alan J. Appelman	2010	11,750	—	899	12,649

- (a) Relates to an aircraft that we lease from Verde and an aircraft owned by the Company. See “Item 13—Certain Relationships and Related Transactions, and Director Independence—Related Party Transactions—Aircraft lease and operating expenses.” The incremental cost to us of personal use of the aircraft is calculated based on the variable operating costs to us, including fuel costs, trip-related maintenance, universal weather-monitoring costs, on-board catering, landing/ramp fees, crew travel expenses, and other miscellaneous variable costs. Fixed costs that do not change based on usage, such as pilot salaries, our lease costs, and the cost of maintenance not related to trips, are excluded.

The difference in Mr. Garcia’s base salary in comparison to other named executive officers reflects his status as the founder, Chairman of the Board, and owner of a private company, which entitles him to dividends and a salary. With respect to Mr. Fidel, his salary is attributable to his contributions to the Company and the Company’s performance. In particular, his salary reflects the substantial progress the Company has made under his direction in its operations and financial performance since he became the Chief Operating Officer in 2001 and President/CEO in 2004. While our other executive officers have also made significant, meaningful contributions over this time period, we believe Mr. Fidel’s compensation appropriately reflects his additional contributions to our success. Finally, in setting Mr. Fidel’s salary, we have reviewed his base compensation in the context of overall compensation.

Severance and Change of Control Arrangements

The annual cash bonus program, in which our executive officers participate, and the deferred bonus arrangements with Mr. Fidel, Mr. Sauder, Mr. Ehlinger, and Mr. Appelman entitle them to certain severance payments and other benefits in the event of certain types of terminations and changes of control, which are summarized below. The table below reflects the amount of compensation to be paid to each of them in the event of termination of such executive’s employment. The amounts shown assume that such termination was effective as of December 31, 2011, and thus includes amounts earned through such time and are estimates of the amounts that would be paid out to the executives upon their termination. The actual amounts to be paid out can only be determined at the time of such executive’s separation from us.

Pursuant to the Restricted Stock Agreements described above under “—Chief Executive Officer Restricted Stock Grants,” Mr. Fidel would be entitled to the vesting in full of all of the then-unvested shares of restricted stock granted under such agreements if at any time during the terms of the agreements there is a Change in Control of the company or if his employment is terminated by the company without Cause or if he terminates his employment for Good Reason, as each such term is defined in the respective Restricted Stock Agreement. In addition, in the event of Mr. Fidel’s death, only those shares that have previously vested under the Restricted Stock Agreements shall remain vested shares and Mr. Fidel’s estate (or any beneficiary named by him) shall be entitled to the proceeds of an insurance policy on Mr. Fidel’s life with a death benefit in the amount of \$10 million. The premium on such policy will be paid by the company, and the benefit amount will reduce in proportion to the amount that any vested shares on a vesting date bear to the unvested shares. The premium paid for this policy was \$8,760 for 2011.

<u>Named Executive Officer</u>	<u>Resignation without Good Reason / Termination for Cause</u>	<u>Resignation with Good Reason / Termination without Cause</u>	<u>Termination Upon Change of Control</u>
Raymond C. Fidel ⁽¹⁾	\$ —	\$2,788,813	\$3,921,216
Mark G. Sauder ⁽²⁾	—	3,632,329	4,311,596
Jon D. Ehlinger ⁽²⁾	—	1,021,458	1,511,992
Alan J. Appelman ⁽²⁾	—	967,001	1,457,534

⁽¹⁾ Amounts included are for the restricted stock grants and deferred bonus arrangement.

⁽²⁾ Amounts included are the annual cash bonus program and deferred bonus arrangement.

Director Compensation

We pay our non-employee directors an annual cash retainer of \$50,000 for their board service.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information regarding the beneficial ownership of our common stock as of December 31, 2011 for:

- each person, or group of affiliated persons, known to us to own beneficially 5% or more of our outstanding common stock;
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

The information in the following table has been presented in accordance with the rules of the SEC. Under SEC rules, beneficial ownership of a class of capital stock includes any shares of such class as to which a person, directly or indirectly, has or shares voting power or investment power and also any shares as to which a person has the right to acquire such voting or investment power within 60 days through the exercise of any stock option, warrant or other right. If two or more persons share voting power or investment power with respect to specific securities, each such person is deemed to be the beneficial owner of such securities. Except as we otherwise indicate below and under applicable community property laws, we believe that the beneficial owners of the common stock listed below, based on information they have furnished to us, have sole voting and investment power with respect to the shares shown. Unless otherwise noted below, the address for each holder listed below is 4020 East Indian School Road, Phoenix, Arizona 85018.

	Beneficially Owned	
	Shares	Percent
Principal Shareholder:		
Ernest C. Garcia II and affiliates ⁽¹⁾	100.0	98.3%
Directors and Named Executive Officers:		
Ernest C. Garcia II	100.0	98.3%
Raymond C. Fidel ⁽²⁾	1.7696	1.7%
Mark G. Sauder	—	—
Alan J. Appelman	—	—
Jon D. Ehlinger	—	—
MaryAnn N. Keller	—	—
Donald J. Sanders	—	—
Gregg E. Tryhus	—	—
All directors and executive officers as a group (Eight persons)	<u>101.7696</u>	<u>100.0%</u>

- ⁽¹⁾ Consists of (i) five shares held of record by the Ernest C. Garcia III Multi-Generational Trust II, (ii) 90 shares held of record by Ernest C. Garcia II and Elizabeth Joanne Garcia, and (iii) five shares held of record by the Ernest Irrevocable 2004 Trust II. Mr. Garcia is deemed to be the beneficial owner of shares held by these trusts.
- ⁽²⁾ Mr. Fidel's shares were awarded pursuant to a Restricted Stock Agreement dated as of December 28, 2010, and vest equally over a three-year period, one-third on each of June 30, 2011, June 30, 2012, and December 2013, based on the achievement of certain performance targets by the Company. See "Item 11—Executive Compensation—Compensation Discussion and Analysis—Chief Executive Officer Restricted Stock Grant."

Item 13. Certain Relationships and Related Transactions, and Director Independence

Policies and Procedures for Related Party Transactions

We have a written code of business conduct and ethics governing policies and procedures for related party transactions.

Relationship with Verde Investments, Inc.

Verde Investments, Inc., or “Verde,” is an Arizona corporation that is wholly-owned by Ernest C. Garcia II, our Chairman and principal shareholder. Verde engages in the acquisition, development, and long-term investment in real estate and other commercial assets. Mr. Garcia is the principal shareholder, president and director of Verde. Another affiliate of Mr. Garcia is the Garcia Family Limited Partnership, LLP, of which Mr. Garcia and his wife own 7.32% and Verde owns 66.18%. The other interests are owned by his son and two related trusts.

Related Party Transactions

During the year ended December 31, 2011, 2010, and 2009, we recorded related party operating expenses as follows:

	Years Ended December 31,		
	2011	2010	2009
	(\$ in thousands)		
General and administrative expenses—related party			
Property lease expense	\$ 3,795	\$ 6,034	\$ 6,710
Non-cash compensation expense	—	1,125	2,250
Restricted stock compensation expense	2,790	3,874	—
Aircraft operating and lease expense	3,937	3,693	3,626
Salaries and wages, general & administrative, and other expenses	793	812	567
Reimbursement of certain general and administrative expenses	(314)	(420)	(210)
Total general and administrative expenses—related party	<u>\$11,001</u>	<u>\$15,118</u>	<u>\$12,943</u>

Property leases

For the years ended December 31, 2011, 2010, and 2009, we leased an average of 14, 15, and 16 vehicle sales facilities, respectively, three reconditioning facilities, our former loan servicing center (which is currently being subleased to third-party tenants), and our corporate office from Verde and another affiliate of Mr. Garcia (the Garcia Family Limited Liability Partnership, LLP). Three of these facilities were closed locations as of December 31, 2011 and 2010. During the year ended December 31, 2010, we also leased one vehicle sales facility, and a reconditioning center from Steven Johnson, a director and former officer of DTAC who is also Mr. Garcia’s brother-in-law. As of December 31, 2011 we have no remaining leases with Steven Johnson. For the years ended December 31, 2011 and 2010 we rented one vehicle sales facility from Stephen Fidel, the brother of Mr. Fidel, our President and CEO. At December 31, 2011, the maturity of these related party leases range from 2013 to 2023.

During the year ended December 31, 2011, we paid an aggregate of \$0.4 million in a lease termination fees on two of our closed properties to terminate the leases with Steven Johnson. During the year ended December 31, 2010, we paid \$0.4 million in a lease termination fee on one of our closed properties to terminate the lease with Verde.

Property lease expense also contains store closing costs. Store closing costs represent ongoing costs related to closed property leases plus property taxes less any benefit from early termination of leases.

Non-cash compensation expense

In January 2008, Mr. Garcia entered into an agreement with Mr. Fidel to purchase Mr. Fidel's 5% interest in DTAG and DTAC for \$17.5 million. The terms of the purchase were such that Mr. Garcia paid Mr. Fidel \$6.25 million in cash and \$11.25 million in a promissory note bearing interest at 8.0% per annum. The term of the note is five years with annual installment payments required. For the years ended December 31, 2011, 2010, and 2009, Mr. Garcia paid the interest to Mr. Fidel, \$0.3 million, \$0.5 million, and \$0.7 million, respectively.

The agreement contained an employment condition, requiring Mr. Fidel to remain employed with the Company through June 30, 2010. Under the terms of the agreement, if Mr. Fidel voluntarily terminated his employment as the President and Chief Executive Officer of the Company at a time prior to June 30, 2010, one-half of the principal balance of the note would be waived and would no longer be payable by Mr. Garcia. Accordingly, under GAAP, one-half of the \$11.25 million note was deemed non-cash compensation expense to be recognized over the term of the employment condition, with the final amount being recognized in 2010.

Restricted stock compensation expense

In December 2010, the Board of Directors of each of DTAG and DTAC approved a restricted stock award to Mr. Fidel, our Chief Executive Officer. On December 28, 2010, Mr. Fidel entered into a Restricted Stock Agreement with each of DTAG and DTAC, pursuant to which he was issued an award of 2.8595 shares of restricted stock in each of DTAG and DTAC, subject to certain vesting restrictions. Immediately thereafter, the Company repurchased 1.0899 shares resulting in Mr. Fidel owning 1.7696 shares in each DTAC and DTAG.

See Note 12—Shareholders' Equity & Dividends—*Chief Executive Officer Restricted Stock Grant* included in our consolidated financial statements as of December 31, 2011 and "—Shareholders' Agreements" below for further details.

Aircraft operating and lease expenses

We are party to a lease agreement for an aircraft with Verde under which we agreed to pay monthly lease payments of \$150,000 plus taxes, and are responsible for paying all operating costs and repairs and maintenance related to the aircraft. The lease expires in August 2015.

Salaries and wages, general and administrative, and other expenses

For the years ended December 31, 2011, 2010 and 2009, an aggregate of \$0.8 million, \$0.8 million, and \$0.6 million, respectively, in general and administrative expenses and salaries and wages of Verde and Verde employees who are enrolled in our health plan, are reflected in our general and administrative expenses—related party.

Reimbursement of general and administrative expenses

We received \$78,500 for each of the quarters in 2011, \$105,000 for each quarter of 2010, and \$52,500 for each quarter of 2009 from Verde, as reimbursement of certain general and administrative expenses incurred by us on Verde's behalf.

Related party indebtedness

In recent years, we have significantly reduced levels of related party debt. As of December 31, 2011, we have no debt that is held by related parties See Note 8—Debt Obligations included in our consolidated financial statements as of December 31, 2011 and “Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” for further information. During the years ended December 31, 2011, 2010, and 2009, we recorded related party interest expense and loss on extinguishment of debt as follows:

	Years Ended December 31,		
	2011	2010	2009
	(\$ in thousands)		
Non-portfolio debt interest expense—related party			
Junior Secured Notes:			
Tranche A—Related Party: CEO	\$ —	\$ 185	\$ 400
Tranche A—Related Party: Verde	—	3,374	2,460
Tranche B—Related Party: Verde	—	2,754	6,035
\$5.0 million Shareholder Note Payable	—	—	—
\$32.0 million Shareholder Note Payable	—	—	2,690
\$75.0 million Subordinated Note Payable	—	3,863	9,158
Total non-portfolio debt interest expense—related party	\$ —	\$10,176	\$20,743
Senior secured notes interest expense—related party			
\$45.0 million Sr. Secured Debt: Verde	\$2,460	\$ 2,930	\$ —
\$4.0 million Sr. Secured Debt: CEO	220	223	—
Total senior secured notes interest expense—related party	\$2,680	\$ 3,153	\$ —
Loss on extinguishment of debt—related party			
\$32.0 million Senior Unsecured Notes Payable	\$ —	\$ —	\$ 1,248

Interest expense—related party

In September 2009, we repurchased the \$32.0 million face value of our 11.25% senior unsecured notes from Verde for face value, but incurred a loss on extinguishment of \$1.2 million, related to the write-off of unamortized deferred financing costs. The write-off was not treated as a capital transaction since the costs to issue the senior unsecured notes was incurred in 2005 when the notes were originally issued. In addition, the notes were originally issued 100% to third parties.

During the year ended December 31, 2009, Verde purchased an aggregate amount of \$36.1 million in notes from third-party Tranche A note holders. After these transactions at December 31, 2009, Verde held \$36.1 million of Tranche A junior secured notes and the \$24.0 million Tranche B junior secured notes.

In June 2010 we issued \$200.0 million of 12.625% Senior Secured Notes due June 15, 2017. Simultaneously with this offering, Verde transferred to our principal shareholder and our principal shareholder received and contributed to equity the aggregate amount of the Tranche A and B junior secured notes in the amount of \$60.1 million. In addition, the \$2.0 million Tranche A note held by Mr. Fidel was exchanged for an equal principal amount of the 12.625% Senior Secured Notes due 2017. As a result of this transaction, the debt obligation for junior secured notes was fully satisfied.

As a result of the transactions described above, we incurred related party interest expense on non-portfolio debt associated with the junior secured notes, subordinated notes and the 11.25% senior unsecured notes due 2013 through June 2010, at which time previous amounts outstanding were either exchanged for equity or the new 12.625% Senior Secured Notes due 2017, as described above.

In September 2010, Verde and Mr. Fidel, our President and Chief Executive Officer, purchased \$10.0 million and \$2.0 million, respectively, of the Senior Secured Notes at a price of 99.0% from an unrelated third-party. As a result of this transaction, Verde and Mr. Fidel now own \$45.0 million and \$4.0 million of the Senior Secured Notes, respectively.

In June 2011, we recorded related party interest expense of \$2.7 million, associated with, the aggregate of \$49.0 million which was held by Verde and Mr. Fidel. In June 2011, Verde purchased Mr. Fidel's \$4.0 million of senior secured notes, solely to affect a sale of the aggregate \$49.0 million of notes owned by Verde and Mr. Fidel. Verde sold all \$49.0 million aggregate principal amount of Senior Secured Notes to a third party on June 6, 2011, eliminating any related party Senior Secured Notes Payable as of December 31, 2011. Interest expense for the year ended December 31, 2011 represents interest paid to Verde and Mr. Fidel as the Senior Secured Note holders prior to the sale of the notes.

Loss on extinguishment of debt

In September 2009, we repurchased the \$32.0 million face value of our 11.25% senior unsecured notes due 2013 which were held by Verde. This repurchase was made at par and resulted in a net loss on extinguishment of debt of \$1.2 million as a result of the write-off of unamortized debt discount and unamortized capitalized loan fees.

Shareholders' Agreements

On December 28, 2010, Mr. Fidel, our chief executive officer, entered into a Restricted Stock Agreement with DTAG and DTAC pursuant to which we awarded a specified number of shares of restricted stock to Mr. Fidel, which shares will become vested shares over a three-year period based on the achievement by the company of certain income before income tax targets. See "Item 11—Executive Compensation—Compensation Discussion and Analysis—Chief Executive Officer Restricted Stock Grant." In connection with the grant of shares of restricted stock, Mr. Fidel entered into a Shareholders' Agreement with us and our principal shareholder. Each Shareholders' Agreement sets forth certain restrictions on transfer of the shares of common stock of such entity owned by each shareholder, grants Mr. Fidel certain tag-along rights in a sale of shares by our principal shareholder as well as preemptive rights to participate in new issuances of common stock by such entity. Each Shareholders' Agreement also grants Mr. Fidel certain piggy-back registration rights in connection with a public offering of common stock of such entity or a successor entity.

Director Independence

Our debt is not listed on any exchange and our equity is privately held. Our Board of Directors has determined that Ms. Keller and Mr. Sanders would each be considered independent under current New York Stock Exchange listing standards. Under current New York Stock Exchange listing standards (to which we are not currently subject), we believe that Mr. Garcia would not be considered independent due to his holding of the substantial majority of our equity capital, that Mr. Tryhus would not be considered independent because of current and previous business dealings with Mr. Garcia and his affiliated companies, and that Mr. Fidel would not be considered independent due to his employment relationship with us.

Item 14. Principal Accountant Fees and Services

Grant Thornton LLP, has been our independent registered public accountants since 2006. We have not had and do not have an Audit Committee, and our executive management has appointed Grant Thornton as our independent registered public accounting firm and approved the engagement of Grant Thornton to perform the audit of the financial statements and internal control over financial reporting included in our annual report for the fiscal year ending December 31, 2011. Grant Thornton's additional function is to review certain related filings with Securities and Exchange Commission and to conduct limited reviews of the financial statements included in our quarterly reports.

The following table sets forth the fees billed to us for the audit and other services provided by Grant Thornton LLP to us for the years ended December 31, 2011 and 2010:

	Year Ended December 31,	
	2011	2010
Audit Fees ⁽¹⁾	\$ 840,676	\$ 750,996
Audit-Related Fees ⁽²⁾	185,096	509,648
Tax Fees ⁽³⁾	144,290	243,615
All Other Fees	—	—
Total	<u>\$1,170,062</u>	<u>\$1,504,259</u>

- (1) Audit fees are for the audit of the Company's consolidated financial statements and quarterly reviews of unaudited consolidated financial statements.
- (2) Audit-related fees are fees paid to our principal accountant for services rendered in connection with various registration statements, an offering memorandum, other attest services, and general technical accounting consultations.
- (3) Tax fees include fees associated with general tax consulting, research and development tax credits, and tax impacts of GO Financial.

Part IV

Item 15. Exhibits and Financial Statement Schedules

	Page
1. The following financial statements are incorporated by reference from Item 8 hereto:	
Report of Independent Registered Public Accounting Firm	59
Consolidated Balance Sheets as of December 31, 2011 and 2010	60
Consolidated Statements of Operations for the Years Ended December 31, 2011, 2010 and 2009	61
Consolidated Statements of Shareholders' Equity for the Years Ended December 31, 2011, 2010 and 2009	62
Consolidated Statements of Cash Flows for the Years Ended December 31, 2011, 2010 and 2009	63
Notes to Consolidated Financial Statements	65
2. Financial Statement Schedules. Not applicable.	

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description of Document</u>
3.1.1	Amended and Restated Certificate of Incorporation of Ugly Duckling Corporation (former name of DriveTime Automotive Group, Inc.) (incorporated by reference to Exhibit 3.1.1 to our Registration Statement on Form S-4/A filed on October 19, 2010)
3.1.2.1	Articles of Incorporation of DriveTime Acceptance Corporation (former name of DT Acceptance Corporation) (incorporated by reference to Exhibit 3.1.2.1 to our Registration Statement on Form S-4/A filed on October 19, 2010)
3.1.2.2	Articles of Amendment to the Articles of Incorporation of DriveTime Acceptance Corporation (former name of DT Acceptance Corporation) (incorporated by reference to Exhibit 3.1.2.2 to our Registration Statement on Form S-4/A filed on October 19, 2010)
3.1.3	Articles of Organization of DriveTime Car Sales Company, LLC (incorporated by reference to Exhibit 3.1.3 to our Registration Statement on Form S-4/A filed on October 19, 2010)
3.1.4	Articles of Organization of DriveTime Sales and Finance Company, LLC (incorporated by reference to Exhibit 3.1.4 to our Registration Statement on Form S-4/A filed on October 19, 2010)
3.1.5	Articles of Organization of DT Credit Company, LLC (incorporated by reference to Exhibit 3.1.5 to our Registration Statement on Form S-4/A Filed on October 19, 2010)
3.1.6	Articles of Organization of DT Jet Leasing, LLC (incorporated by reference to Exhibit 3.1.6 to our Registration Statement on Form S- 4/A filed on October 19, 2010)
3.2.1	By-laws of Ugly Duckling Corporation (former name of DriveTime Automotive Group, Inc.) (incorporated by reference to Exhibit 3.2.1 to our Registration Statement on Form S-4/A filed on October 19, 2010)
3.2.2	Bylaws of DriveTime Acceptance Corporation (former name of DT Acceptance Corporation) (incorporated by reference to Exhibit 3.2.2 to our Registration Statement on Form S-4/A filed on October 19, 2010)
3.2.3	Operating Agreement of DriveTime Car Sales Company, LLC (incorporated by reference to Exhibit 3.2.3 to our Registration Statement on Form S-4/A filed on October 19, 2010)
3.2.4	Operating Agreement of DriveTime Sales and Finance Company, LLC (incorporated by reference to Exhibit 3.2.4 to our Registration Statement on Form S-4/A filed on October 19, 2010)
3.2.5	Operating Agreement of DT Credit Company, LLC (incorporated by reference to Exhibit 3.2.5 to our Registration Statement on Form S-4/A filed on October 19, 2010)
3.2.6	Operating Agreement of DT Jet Leasing, LLC (incorporated by reference to Exhibit 3.2.6 to our Registration Statement on Form S- 4/A filed on October 19, 2010)
4.1.1	Indenture governing 12.625% Senior Secured Notes due 2017, including the form of 12.625% Senior Secured Notes due 2017, among DriveTime Automotive Group, Inc., DT Acceptance Corporation, DriveTime Car Sales Company, LLC, DriveTime Sales and Finance Company, LLC, DT Credit Company, LLC, DT Jet Leasing, LLC and Wells Fargo Bank, National Association, dated as of June 4, 2010 (incorporated by reference to Exhibit 3.1.1 to our Registration Statement on Form S-4/A filed on October 19, 2010)
4.1.2	First Supplemental Indenture governing 12.625% Senior Secured Notes due 2017, dated as of September 20, 2010, among DriveTime Automotive Group, Inc., DT Acceptance Corporation, Approval Services Company, LLC and Wells Fargo Bank, National Association, as Trustee. (incorporated by reference to Exhibit 4.1.2 to our Registration Statement on Form S-4/A filed on October 19, 2010)

<u>Exhibit No.</u>	<u>Description of Document</u>
4.1.3	Second Supplemental Indenture, dated as of August 16, 2011, by and among DriveTime Automotive Group, Inc., DT Acceptance Corporation, Wells Fargo Bank, National Association and Go Financial Company LLC (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on August 22, 2011)
4.1.4	Third Supplemental Indenture, dated as of October 6, 2011, by and among DriveTime Automotive Group, Inc., DT Acceptance Corporation, Wells Fargo Bank, National Association and DriveTime Ohio Company, LLC (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on October 13, 2011)
4.2.1	Security Agreement dated as of June 4, 2010, among DT Acceptance Corporation, DriveTime Automotive Group, Inc., DriveTime Car Sales Company, LLC, and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 4.1.3 to our Registration Statement on Form S-4/A filed on February 2, 2011)†
4.2.2	Supplement No. 1 dated as of October 28, 2011 to the Security Agreement dated as of June 4, 2010, among DriveTime Automotive Group, Inc., DT Acceptance Corporation, DriveTime Car Sales Company, LLC, and Wells Fargo Bank, National Association or the Secured Parties (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on November 3, 2011)
4.3	Pledge Agreement dated as of June 4, 2010, between DT Acceptance Corporation and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 4.1.4 to our Registration Statement on Form S-4/A filed on February 2, 2011)
4.4	Pledge Letter dated as of August 2, 2010, amending the Pledge Agreement dated as of June 4, 2010. (incorporated by reference to Exhibit 4.1.5 to our Registration Statement on Form S-4/A filed on February 2, 2011)
4.5	Intercreditor Agreement, dated as of June 4, 2010, among Santander Consumer USA Inc. and Manheim Automotive Financial Services, Inc., Wells Fargo Bank, National Association, DriveTime Automotive Group, Inc., DriveTime Sales and Finance Company, LLC, DriveTime Car Sales Company, LLC, and DT Acceptance Corporation, and each of the other Loan Parties party thereto (incorporated by reference to Exhibit 4.1.6 to our Registration Statement on Form S-4/A filed on February 2, 2011)
4.6	Registration Rights Agreement, dated June 4, 2010, among DriveTime Automotive Group, Inc., DT Acceptance Corporation, DriveTime Car Sales Company, LLC, DriveTime Sales and Finance Company, LLC, DT Credit Company, LLC, DT Jet Leasing, LLC, Jefferies & Company, Inc., RBS Securities Inc. and UBS Securities LLC (incorporated by reference to Exhibit 4.2 to our Registration Statement on Form S-4/A filed on October 19, 2010)
4.7	Registration Rights Agreement, dated June 6, 2011, by and among DT Acceptance Corporation, DriveTime Automotive Group, Inc., DriveTime Sales and Finance Company, LLC, DriveTime Car Sales Company, LLC, DT Credit Company, LLC, DT Jet Leasing, LLC, Approval Services Company, LLC and RBS Securities Inc. (incorporated by reference to Exhibit 10.1 to our Form 8-K filed on June 10, 2011)
10.1	DriveTime Executive Long Term Incentive Plan (incorporated by reference to Exhibit 10.1 to our Registration Statement on Form S-4/A filed on October 19, 2010)+
10.2.1	Executive Bonus Agreement, dated as of July 13, 2005, by and among DriveTime Automotive Group, Inc., DT Acceptance Corporation, and Mark Sauder (incorporated by reference to Exhibit 10.2 to our Registration Statement on Form S-4/A filed on October 19, 2010) +
10.2.2	First Amendment to Executive Bonus Agreement, dated as of January 1, 2009, by and among DriveTime Automotive Group, Inc., DT Acceptance Corporation, and Mark Sauder (incorporated by reference to Exhibit 10.3 to our Registration Statement on Form S-4/A filed on October 19, 2010) +

<u>Exhibit No.</u>	<u>Description of Document</u>
10.3.1	Executive Bonus Agreement, dated as of July 13, 2005, by and among DriveTime Automotive Group, Inc., DT Acceptance Corporation, and Al Appelman (incorporated by reference to Exhibit 10.4 to our Registration Statement on Form S-4/A filed on October 19, 2010) +
10.3.2	First Amendment to Executive Bonus Agreement, dated as of January 1, 2009, by and among DriveTime Automotive Group, Inc., DT Acceptance Corporation, and Al Appelman (incorporated by reference to Exhibit 10.5 to our Registration Statement on Form S-4/A filed on October 19, 2010) +
10.4.1	Executive Bonus Agreement, dated as of July 13, 2005, by and among DriveTime Automotive Group, Inc., DT Acceptance Corporation, and Jon Ehlinger (incorporated by reference to Exhibit 10.6 to our Registration Statement on Form S-4/A filed on October 19, 2010) +
10.4.2	First Amendment to Executive Bonus Agreement, dated as of January 1, 2009, by and among DriveTime Automotive Group, Inc., DT Acceptance Corporation, and Jon Ehlinger (incorporated by reference to Exhibit 10.7 to our Registration Statement on Form S-4/A filed on October 19, 2010) +
10.5	Form of Director and Officer Indemnity Agreement for directors and officers of DriveTime Automotive Group, Inc. (incorporated by reference to Exhibit 10.8.1 to our Registration Statement on Form S-4/A filed on October 19, 2010)
10.6	Form of Director and Officer Indemnity Agreement for directors and officers of DT Acceptance Corporation (incorporated by reference to Exhibit 10.8.2 to our Registration Statement on Form S-4/A filed on October 19, 2010)
10.7.1	Loan and Servicing Agreement, dated as of July 23, 2010, by and among DT Warehouse IV, LLC, DT Credit Company, LLC, Wells Fargo Bank, National Association, The Royal Bank of Scotland PLC, and other parties named therein (incorporated by reference to Exhibit 10.11 to our Registration Statement on Form S-4/A filed on April 27, 2011)†
10.7.2	Amendment No. 1 to Loan and Servicing Agreement, dated May 13, 2011, amending the Loan and Servicing Agreement, dated July 23, 2010, by and among DT Warehouse IV, DT Credit Company, Wells Fargo Bank, National Association, The Royal Bank of Scotland plc, and other parties named therein (incorporated by reference to Exhibit 10.11.2 to our Registration Statement on Form S-4 filed on June 27, 2011)
10.7.3	Amendment No. 2 to Loan and Servicing Agreement, dated as of September 19, 2011, amending the Loan and Servicing Agreement, dated July 23, 2010, by and among DT Warehouse IV, DT Credit Company, Wells Fargo Bank, National Association, The Royal Bank of Scotland plc, and other parties named therein (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q file on November 14, 2011) †
10.7.4	Amendment No. 3 to Loan and Servicing Agreement, dated December 28, 2011, amending the Loan and Servicing Agreement, dated July 23, 2010, by and among DT Warehouse IV, DT Credit Company, Wells Fargo Bank, National Association, The Royal Bank of Scotland plc, and other parties named therein (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on December 30, 2011)
10.8.1	Loan and Servicing Agreement, dated as of April 1, 2010, by and among DT Warehouse III, LLC, DT Credit Company, LLC, Wells Fargo Bank, National Association, UBS Real Estate Securities Inc., and the other parties named therein (incorporated by reference to Exhibit 10.12.1 to our Registration Statement on Form S-4/A filed on April 27, 2011)†
10.8.2	Amendment No. 1, dated as of July 28, 2010, to Loan and Servicing Agreement dated as of April 1, 2010 by and among DT Warehouse III, LLC, DT Credit Company, LLC, Wells Fargo Bank, National Association, UBS Real Estate Securities Inc., and the other parties named therein (incorporated by reference to Exhibit 10.12.2 to our Registration Statement on Form S-4/A filed on October 19, 2010)

<u>Exhibit No.</u>	<u>Description of Document</u>
10.8.3	Amendment No. 2, dated as of March 31, 2011, to Loan and Servicing Agreement dated as of April 1, 2010 by and among DT Warehouse III, LLC, DT Credit Company, LLC, Wells Fargo Bank, National Association, UBS Real Estate Securities Inc., and the other parties named therein (incorporated by reference to Exhibit 10.12.3 to our Registration Statement on Form S-4/A filed on April 7, 2011)
10.8.4	Amendment No. 3, dated as of April 10, 2011, to Loan and Servicing Agreement dated as of April 1, 2010 by and among DT Warehouse III, LLC, DT Credit Company, LLC, Wells Fargo Bank, National Association, UBS Real Estate Securities Inc., and the other parties named therein (incorporated by reference to Exhibit 10.12.4 to our Registration Statement on Form S-4/A filed on April 22, 2011)
10.8.5	Amendment No. 4, dated April 15, 2011, to Loan and Servicing Agreement dated as of April 1, 2010 by and among DT Warehouse III, LLC, DT Credit Company, LLC, Wells Fargo Bank, National Association, UBS Real Estate Securities Inc., and the other parties named therein (incorporated by reference to Exhibit 10.12.5 to our Registration Statement on Form S-4/A filed on April 22, 2011)
10.8.6	Amendment No. 5, dated as of September 19, 2011, to Loan and Servicing Agreement, dated as of April 1, 2010 by and among DT Warehouse III, LLC, DT Credit Company, LLC, Wells Fargo Bank, National Association, UBS Real Estate Securities Inc., and the other parties named therein (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q file on November 14, 2011)†
10.8.7	Amendment No. 6, dated December 28, 2011, to the Loan and Servicing Agreement dated as of April 1, 2010 by and among DT Warehouse III, LLC, DT Credit Company, LLC, Wells Fargo Bank, National Association, UBS Real Estate Securities Inc., and the other parties named therein (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on December 30, 2011)
10.9.1	Fourth Amended and Restated Loan and Security Agreement, dated as of October 28, 2011, by and among DriveTime Automotive Group, Inc. DriveTime Sales and Finance Company, LLC, DriveTime Car Sales Company, LLC, DriveTime Ohio Company, LLC, and Wells Fargo Bank, N.A, Santander Consumer USA Inc., and Manheim Automotive Financial Services, Inc. (incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q file on November 14, 2011) †
10.9.2	Guaranty and Security Agreement, dated as of October 28, 2011, by and among DT Acceptance Corporation, GFC Lending, LLC (f/k/a Go Financial Company, LLC), DT Credit Company, LLC, DT Jet Leasing, LLC, and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.6 to our Quarterly Report on Form 10-Q file on November 14, 2011)
10.10.1	Loan and Servicing Agreement, dated as of May 10, 2010, by and among DT Warehouse II, LLC, DT Credit Company, LLC, Santander Consumer USA Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.13.1 to our Registration Statement on Form S-4/A filed on April 27, 2011)†
10.10.2	Amendment No. 1, dated as of June 15, 2010, to Loan and Servicing Agreement, dated May 10, 2010, by and among DT Warehouse II, LLC, DT Credit Company, LLC, Santander Consumer USA Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.13.2 to our Registration Statement on Form S-4/A filed on October 19, 2010)
10.10.3	Amendment No. 2, dated as of July 23, 2010, to Loan and Servicing Agreement, dated as of May 10, 2010, by and among DT Warehouse II, LLC, DT Credit Company, LLC, Santander Consumer USA Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.13.3 to our Registration Statement on Form S-4/A filed on October 19, 2010)

<u>Exhibit No.</u>	<u>Description of Document</u>
10.10.4	Amendment No. 3, dated as of September 26, 2011, to Loan and Servicing Agreement, dated as of May 10, 2010, by and among DT Warehouse II, LLC, DT Credit Company, LLC, Santander Consumer USA Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.4 to our Quarterly Report on Form 10-Q file on November 14, 2011) †
10.10.5	Amendment No. 4, dated December 28, 2011, to Loan and Servicing Agreement, dated May 10, 2010, by and among DT Warehouse II, LLC, DT Credit Company, LLC, Santander Consumer USA Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on December 30, 2011)
10.11.1	Third Amended and Restated Loan and Servicing Agreement, dated as of July 23, 2010, by and among DT Warehouse, LLC, DT Credit Company, LLC, Wells Fargo Bank, National Association, Deutsche Bank AG, New York Branch, and the other parties named therein (incorporated by reference to Exhibit 10.10 to our Registration Statement on Form S-4/A filed on April 27, 2011) †
10.11.2	Amendment No. 1 to Third Amended and Restated Loan and Servicing Agreement, dated as of September 19, 2011, by and among DT Warehouse, LLC; DT Credit Company, LLC; Wells Fargo Bank National Association; Deutsche Bank AG, New York Branch; and Monterey Funding LLC (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q file on November 14, 2011) †
10.12	Restricted Stock Agreement, dated as of December 28, 2010, by and between DriveTime Automotive Group, Inc. and Raymond C. Fidel (incorporated by reference to Exhibit 10.14 to our Registration Statement on Form S-4/A filed on February 3, 2011)+
10.13	Restricted Stock Agreement, dated as of December 28, 2010, by and between DT Acceptance Corporation and Raymond C. Fidel (incorporated by reference to Exhibit 10.15 to our Registration Statement on Form S-4/A filed on February 3, 2011)+
10.14	Shareholders' Agreement, dated as of December 28, 2010, among DriveTime Automotive Group, Inc., Ernest C. Garcia II and Elizabeth Joanne Garcia, the Ernest C. Garcia III Multi-Generational Trust, the Brian Garcia Multi-Generational Trust, the Ernest Irrevocable 2004 Trust, and the Brian Irrevocable 2004 Trust, and Raymond C. Fidel (incorporated by reference to Exhibit 10.16 to our Registration Statement on Form S-4/A filed on February 3, 2011)
10.15	Shareholders' Agreement, dated as of December 28, 2010, among DT Acceptance Corporation, Ernest C. Garcia II and Elizabeth Joanne Garcia, the Ernest C. Garcia III Multi-Generational Trust, the Brian Garcia Multi-Generational Trust, the Ernest Irrevocable 2004 Trust, and the Brian Irrevocable 2004 Trust, and Raymond C. Fidel (incorporated by reference to Exhibit 10.17 to our Registration Statement on Form S-4/A filed on February 3, 2011)
10.16	Loan and Servicing Agreement, dated December 28, 2011, by and among DT Warehouse, LLC, DT Credit Company, LLC, Wells Fargo Bank, National Association, Deutsche Bank AG, New York Branch and the other parties listed therein* ††
10.17	Loan and Security Agreement, dated December 23, 2011, by and among DT Warehouse V, LLC, DT Credit Company, LLC, Wells Fargo Bank, N.A., Wells Fargo Securities, LLC, and Wells Fargo Bank, N.A * ††
31.1	Certification of Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
31.2	Certification of Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **

<u>Exhibit No.</u>	<u>Description of Document</u>
101.	INS XBRL Instance Document**
101.	SCH XBRL Taxonomy Extension Schema Document**
101.	CAL XBRL Taxonomy Extension Calculation Linkbase Document**
101.	DEF XBRL Taxonomy Extension Definition Linkbase Document**
101.	LAB XBRL Taxonomy Extension Label Linkbase Document**
101.	PRE XBRL Taxonomy Extension Presentation Linkbase Document**

* Filed herewith.

** Furnished herewith.

† Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission in accordance with an order granting confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.

†† Certain confidential information contained in this exhibit was omitted by means of redacting a portion of the text and replacing it with an asterisk. This exhibit has been filed separately with the Secretary of the SEC without the redaction pursuant to a Confidential Treatment Request under Rule 406 of the Securities Act.

+ Indicates a management contract or any compensatory plan, contract, or arrangement.

SIGNATURES

The Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Phoenix, State of Arizona, on March 30, 2012.

DRIVETIME AUTOMOTIVE GROUP, INC.

By: /s/ RAYMOND C. FIDEL

Raymond C. Fidel
President, Chief Executive Officer and
Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities below on March 30, 2012.

<u>Signature</u>	<u>Title</u>
<u>/s/ ERNEST C. GARCIA II</u> Ernest C. Garcia II	Chairman of the Board of Directors
<u>/s/ RAYMOND C. FIDEL</u> Raymond C. Fidel	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ MARK G. SAUDER</u> Mark G. Sauder	Chief Financial Officer and Executive Vice President (Principal Financial and Principal Accounting Officer)
<u>/s/ GREGG E. TRYHUS</u> Gregg E. Tryhus	Director
<u>/s/ MARYANN N. KELLER</u> Maryann N. Keller	Director
<u>/s/ DONALD J. SANDERS</u> Donald J. Sanders	Director

SIGNATURES

The Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Phoenix, State of Arizona, on March 30, 2012.

DT ACCEPTANCE CORPORATION

By: /s/ RAYMOND C. FIDEL

Raymond C. Fidel
President, Chief Executive Officer and
Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities below on March 30, 2012.

<u>Signature</u>	<u>Title</u>
<u>/s/ ERNEST C. GARCIA II</u> Ernest C. Garcia II	Chairman of the Board of Directors
<u>/s/ RAYMOND C. FIDEL</u> Raymond C. Fidel	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ MARK G. SAUDER</u> Mark G. Sauder	Chief Financial Officer and Executive Vice President (Principal Financial and Principal Accounting Officer)
<u>/s/ STEVEN P. JOHNSON</u> Steven P. Johnson	President and Director
<u>/s/ GREGG E. TRYHUS</u> Gregg E. Tryhus	Director
<u>/s/ MARYANN N. KELLER</u> Maryann N. Keller	Director
<u>/s/ DONALD J. SANDERS</u> Donald J. Sanders	Director

Confidential information in this Loan and Servicing Agreement has been omitted and filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request

LOAN AND SERVICING AGREEMENT

Dated as of December 28, 2011

among

DT WAREHOUSE, LLC,
as Borrower

DT CREDIT COMPANY, LLC,
as Servicer

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Backup Servicer, Paying Agent and Securities Intermediary

THE PERSONS FROM TIME TO TIME
PARTY HERETO AS CONDUIT LENDERS,

THE FINANCIAL INSTITUTIONS FROM TIME TO TIME
PARTY HERETO AS COMMITTED LENDERS,

THE FINANCIAL INSTITUTIONS FROM TIME TO TIME
PARTY HERETO AS MANAGING AGENTS,

and

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Program Agent

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LOAN AND SERVICING AGREEMENT

This LOAN AND SERVICING AGREEMENT dated as of December 28, 2011, is by and among DT WAREHOUSE, LLC, a Delaware limited liability company, as Borrower, DT CREDIT COMPANY, LLC, an Arizona limited liability company, as Servicer, WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Backup Servicer, Paying Agent and Securities Intermediary, THE COMMERCIAL PAPER CONDUITS FROM TIME TO TIME PARTY HERETO, as Conduit Lenders, THE FINANCIAL INSTITUTIONS FROM TIME TO TIME PARTY HERETO, as Committed Lenders, THE FINANCIAL INSTITUTIONS FROM TIME TO TIME PARTY HERETO, as Managing Agents, and DEUTSCHE BANK AG, NEW YORK BRANCH, as Program Agent for the Conduit Lenders and the Committed Lenders. Capitalized terms used herein shall have the meanings specified in Section 1.01.

PRELIMINARY STATEMENTS

WHEREAS, the Borrower may from time to time purchase Contracts and related assets from the Originator pursuant to the Purchase Agreement;

WHEREAS, to fund its purchases under the Purchase Agreement, the Borrower may from time to time request Loans from the Lenders on the terms and conditions of this Agreement;

WHEREAS, the Conduit Lenders may, in their sole discretion, make Loans so requested from time to time, and if a Conduit Lender in any Lender Group elects not to make any such Loan, the Committed Lenders in such Lender Group have agreed that they shall make such Loan, in each case subject to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the premises, the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each party agrees as follows:

ARTICLE I DEFINITIONS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“Accepted Servicing Practices” means, with respect to any Contract, those servicing practices (including collection procedures) of prudent subprime auto loan servicing institutions which service auto loans of the same type as such Contract in the jurisdiction where such Contract is located, and which are in accordance with the servicing practices described in the Credit and Collection Policy.

“Account Bank” means each of the Depository Account Bank and the Securities Intermediary.

“Accounting Period” means a calendar month.

“Adjusted LIBO Rate” means, for any Interest Period, an interest rate per annum obtained by dividing (i) the LIBO Rate for such Interest Period by (ii) a percentage equal to 100% minus the LIBO Rate Reserve Percentage for such Interest Period.

“Advance Rate” means, as of any date of determination, the Advance Rate Percentage in effect on such date, minus the Advance Rate Reduction Percentage (if any) on such date.

“Advance Rate Percentage” means, as of any LTV Adjusted Advance Rate Reporting Date and continuing until the next succeeding LTV Adjusted Advance Rate Reporting Date, the lesser of (a) 58.00% and (b) the LTV Adjusted Advance Rate determined by the Servicer pursuant to Section 5.05(i) hereof on such Quarterly Measurement Date.

“Advance Rate Reduction Percentage” means, at any time, (a) prior to the occurrence of a Level Three Trigger Event, 0%; (b) from and after the occurrence of a Level Three Trigger Event but prior to the occurrence of a Level One Trigger Event, 4.00% or (c) from and after the occurrence of a Level One Trigger Event, 9.00%.

“Adverse Claim” means a Lien other than any Permitted Lien.

“Affected Party” means any Lender, Deutsche Bank, individually and in its capacity as Program Agent, any Managing Agent, any Liquidity Provider and, with respect to each of the foregoing, the parent company or holding company that controls such Person.

“Affiliate” means, with respect to any Person, any other Person which, directly or indirectly, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” (together with the correlative meanings of “controlled by” and “under common control with”) means possession, directly or indirectly, of the power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the directors or managing general partners (or their equivalent) of such Person, or (b) 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.

“Aggregate Commitment” means, at any time, the sum of the Commitments then in effect. The Aggregate Commitment as of the Closing Date is \$150,000,000.

“Agreement” means this Loan and Servicing Agreement, as amended, restated, supplemented or otherwise modified from time to time.

“Alternative Rate” means, with respect to a Loan on any day, an interest rate per annum equal to the sum of the LIBO Rate Margin, plus the Adjusted LIBO Rate for such Interest Period; *provided, however*, that:

- (i) if a LIBOR Disruption Event is continuing on such day,
- (ii) if the applicable Lender does not receive a request, by no later than 12:00 p.m. (New York City time) on the Business Day preceding the first day of the related Interest Period that such Loan shall be funded at the Adjusted LIBO Rate,
- (iii) if, after giving effect to such Loan, the aggregate Principal Amount of all Loans held by the applicable Lender, is less than \$500,000, or
- (iv) if the Borrower elects to fund such Loan at the Base Rate,

the Alternative Rate shall be an interest rate per annum equal to the Base Rate in effect from time to time during such Interest Period plus the LIBO Rate Margin.

“Amount Financed” means, with respect to a Contract, the aggregate amount originally advanced under such Contract toward the purchase price of the Financed Vehicle and any related costs (exclusive of any Optional Contract Debtor Insurance).

“Annual Percentage Rate” or “APR” means, with respect to a Contract, the annual percentage rate of finance charges stated in such Contract.

“Approved Indebtedness” means any Indebtedness of DTAC and/or DTAG that satisfies all of the following criteria:

(i) such Indebtedness is subordinated in right of payment to all senior secured Indebtedness of DTAC and DTAG and, if such Indebtedness is secured Indebtedness, the Liens securing such Indebtedness are subordinated to the Liens securing all senior secured Indebtedness of DTAC and DTAG; and

(ii) (A) such Indebtedness has a scheduled maturity date no earlier than 24 months following the Commitment Termination Date, (B) if such Indebtedness is not represented by one or more notes in registered global form with The Depository Trust Company or a similar clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended, unless otherwise consented to in writing by the Majority Managing Agents, such Indebtedness is governed by documents which expressly provide that interest and principal payments with respect to such Indebtedness shall not be paid to the holders thereof from and after the occurrence of an Event of Termination or Incipient Event of Termination, (C) the documents governing such Indebtedness do not contain financial covenants more restrictive on the DT Entities than those set forth in Section 7.01(k) through (n) and (D) the documents governing such Indebtedness may not be amended without the prior written consent of the Program Agent.

“Approved Sub-servicer” means each Person (i) appointed by the Servicer pursuant to Section 6.01(d) to perform certain of the obligations of the Servicer hereunder, (ii) approved by the Borrower, the Servicer, the Program Agent and the Managing Agents and (iii) identified on Schedule III hereto, as such, Schedule III may be amended from time to time with the consent of the Borrower, the Servicer, the Program Agent and the Managing Agents.

“Article 122a” means Article 122a of the Capital Requirements Directive 2006/48/EC (as amended by Directive 2009/111/EC), as the same may be implemented by European Union Member States and amended and modified from time to time.

“Assignment and Acceptance” means an agreement substantially in the form set forth as Exhibit H hereto pursuant to which a new Conduit Lender or Committed Lender becomes party to this Agreement.

“Available Liquidity” means, with respect to the DT Entities On A Consolidated Basis at any date, the aggregate for such date of (i) all cash of the DT Entities On A Consolidated Basis, (ii) all Cash Equivalents then held by the DT Entities On A Consolidated Basis, (iii) the unused portion of the amount available to be borrowed by the DT Entities as of such date under the Inventory Facility, (iv) the unused portion of the amount available to be borrowed by any DT Entity or any Affiliate or Subsidiary thereof as of such date under each Warehouse Facility reviewed and approved by the Program Agent (such approval not to be unreasonably withheld or delayed), (v) the unused portion of the amount available to be borrowed as of such date by any DT Entity or any Affiliate or Subsidiary thereof under any other asset-based credit facility to which it is a party (including, without limitation, a credit facility secured by residual interests in securitization transactions involving Contracts) reviewed and approved by

the Program Agent (such approval not to be unreasonably withheld or delayed) and (vi) without duplication of the amount described in the preceding clause (v), the amount that would be available to be borrowed as of such date by a DT Entity or any Affiliate or Subsidiary thereof under an asset-based credit facility of the type described in such clause (v) if all unencumbered Contracts that are available and eligible to be pledged as collateral (without causing a default under the documents governing any Indebtedness of any DT Entity or any Affiliate or Subsidiary thereof) were so pledged by such DT Entity, Affiliate or Subsidiary on such date.

“Average Gross Margin” means, with respect to all Motor Vehicles sold by any DT Entity to Contract Debtors during any Accounting Period, the amount obtained by dividing (i) the aggregate sales price of such Motor Vehicles minus the aggregate cost of such Motor Vehicles (including purchase costs and any reconditioning or repair costs, each as measured by the DT Entities On A Consolidated Basis in accordance with GAAP) by (ii) the aggregate number of such Motor Vehicles sold during such Accounting Period.

“Backup Servicer” means Wells Fargo Bank, National Association, in its capacity as Backup Servicer pursuant hereto, or such other Person as may be approved by the Majority Managing Agents.

“Backup Servicing Fee” means, for any Accounting Period, the fees set forth in Section 6.10 hereof.

“Bankruptcy Code” means Title 11 of the United States Code, 11 U.S.C. Section 101 et seq., as amended from time to time, or any successor thereto.

“Base Rate” means a fluctuating interest rate per annum as shall be in effect from time to time, which rate shall at all times be equal to the higher of: (A) the Prime Rate, and (B) the Federal Funds Rate plus 0.50%.

“Basel II” means the second Basel Accord issued by the Basel Committee on Banking Supervision.

“Borrower” means DT Warehouse, LLC, a Delaware limited liability company, in its capacity as Borrower hereunder, together with its successors and permitted assigns.

“Borrower Information” has the meaning specified in Section 10.12(b) hereof.

“Borrower Obligations” means all present and future indebtedness and other liabilities and obligations (howsoever created or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Borrower to the Secured Parties arising under this Agreement or any other Facility Document or the transactions contemplated hereby or thereby, and shall include, without limitation, the repayment of the Outstanding Loan Amount and the payment of Interest, Fees and all other amounts due or to become due from the Borrower under the Facility Documents (whether in respect of fees, expenses, indemnifications, breakage costs, increased costs or otherwise), including, without limitation, interest, fees and other obligations that accrue after the commencement of any bankruptcy, insolvency or similar proceeding with respect to any Transaction Party (in each case whether or not allowed as a claim in such proceeding).

“Borrower Representatives” has the meaning specified in Section 10.12(a) hereof.

“Borrowing” means a borrowing of Loans under this Agreement.

“Borrowing Base” means, at any time, the sum of (i) the Borrowing Base (Eligible Contracts) and (ii) the Borrowing Base (Wet Contracts).

“Borrowing Base (Eligible Contracts)” means, at any time, the product of (i) the Advance Rate and (ii) (w) the aggregate Principal Balances of all Eligible Contracts at such time, minus (x) the amount by which the aggregate Principal Balances of all Eligible Contracts as to which the related Contract Debtor is rated “D+”, “D” or “D-” pursuant to the Credit and Collection Policy exceeds the product of 5.00% and the aggregate Principal Balances of all Eligible Contracts at such time, minus (y) the amount by which the aggregate Principal Balances of all Eligible Contracts as to which all or part in excess of 10.00% of any Scheduled Payment is 31 or more but less than 61 days delinquent exceeds the product of 10.00%, minus (z) the amount by which the aggregate Principal Balances of all Eligible Contracts as to which the original term to maturity exceeds sixty-eight (68) months exceeds the product of 5.00% and the aggregate Principal Balances of all Eligible Contracts at such time.

“Borrowing Base (Wet Contracts)” means, at any time, the lesser of (a) \$9,000,000 and (b) (i) the product of 50% and the aggregate Principal Balance of all Pledged Contracts that are Wet Contracts at such time, minus (ii) the amount by which the aggregate Principal Balances of all Pledged Contracts that are Wet Contracts as to which the related Contract Debtor is rated “D+”, “D” or “D-” pursuant to the Credit and Collection Policy exceeds the product of 5.00% and the aggregate Principal Balances of all Pledged Contracts that are Wet Contract at such time, minus (iii) the amount by which the aggregate Principal Balances of all Pledged Contracts that are Wet Contracts as to which the original term to maturity exceeds sixty-eight (68) months exceeds the product of 5.00% and the aggregate Principal Balances of all Pledged Contracts that are Wet Contracts at such time.

“Borrowing Base Certificate” means the certificate and accompanying computer file containing a detailed computation of the Borrowing Base (in a format acceptable to the Program Agent) prepared by the Borrower substantially in the form of Exhibit M attached hereto.

“Borrowing Base Deficiency” means, at any time, the excess, if any, of (i) the Outstanding Loan Amount over (ii) the Borrowing Base.

“Borrowing Date” has the meaning specified in Section 2.02(a)(i).

“Borrowing Request” has the meaning specified in Section 2.02(a)(i).

“Business Day” means any day other than a Saturday, Sunday or public holiday or the equivalent for banks in New York City, New York, Minneapolis, Minnesota and, if the term “Business Day” is used in connection with the LIBO Rate, any day on which dealings are carried on in the London interbank market.

“Capital Lease Obligations” means, for any Person, all obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

“Capitalized Lease” means a lease of (or other agreement conveying the right to use) real or personal property with respect to which at least a portion of the rent or other amounts thereon constitute Capital Lease Obligations.

“Cash Equivalents” means (a) securities with maturities of 90 days or less from the date of acquisition issued or fully guaranteed or insured by the United States Government or any agency thereof, (b) certificates of deposit and eurodollar time deposits with maturities of 90 days or less from the date of acquisition and overnight bank deposits of any commercial bank having capital and surplus in excess of \$500,000,000, (c) repurchase obligations of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than seven days with respect to securities issued or fully guaranteed or insured by the United States Government, (d) commercial paper of a domestic issuer rated at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody’s and in either case maturing within 90 days after the day of acquisition, (e) securities with maturities of 90 days or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A2 by Moody’s, (f) securities with maturities of 90 days or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (b) of this definition, (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition or (h) investments in money market or common trust funds having a rating from each of Moody’s and S&P in the highest investment category for short-term unsecured debt obligations or certificates of deposit granted thereby.

“Certificate of Title” means with respect to each Financed Vehicle, the certificate of title (or other evidence of ownership) issued by the department of motor vehicles, or other appropriate governmental body, of the state in which the Financed Vehicle is to be registered showing the Contract Debtor as owner, with a notation of the Originator’s or DTCS’s first lien or such other status indicated thereon which is necessary to perfect the Originator’s or DTCS’s security interest in the Financed Vehicle as a first priority security interest, and showing no other actual or possible lien interest in the Financed Vehicle.

“Change of Control” means any of the following: (a) the acquisition by any Person, or two or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of outstanding shares of voting stock or membership interests of either Parent Company at any time, if after giving effect to such acquisition, Ernest C. Garcia II or an entity or trust affiliated with such individual, collectively, ceases to own more than 50% of the voting stock and membership interests of each Parent Company or ceases to have the right to elect a majority of the board of directors of either Parent Company; (b) any transaction or series of transactions whereby any Person or Persons acting in concert (other than the Lenders and or their Affiliates) acquire the right, by contract or otherwise, to direct the management and activities of any DT Entity or its Subsidiaries or (c) the Originator shall cease to own, directly or indirectly, 100% of the issued and outstanding Equity Interests of the Borrower.

“Charged-Off Contract” means a Contract with respect to which any the following shall have occurred: (i) for which all, or any part in excess of 10%, of any Scheduled Payment is one hundred twenty (120) days or more delinquent on the last day of a calendar month; (ii) the related Financed Vehicle has been surrendered or repossessed and the redemption period granted the Contract Debtor or required by applicable law has expired, or is to be repossessed but is unable to be located or is otherwise subject to being repossessed; (iii) which has been settled for less than the Principal Balance; (iv) which has been liquidated by the Servicer through the sale of the Financed Vehicle; (v) for which proceeds have been received which in the Servicer’s reasonable judgment, constitute the final amounts recoverable in respect of such Contract; or (vi) which has been charged-off (or should have been charged-off) in accordance with the Credit and Collection Policy.

“Charged-Off Losses Ratio” means, with respect to any Accounting Period (i) with respect to the Pledged Contracts, the percentage equivalent of a fraction, the numerator of which is the aggregate Principal Balance of such Pledged Contracts which became Charged-Off Contracts during such Accounting Period, minus the aggregate of amounts received by the Servicer during such Accounting Period and applied to any Pledged Contract which is a Charged-Off Contract as of the end of such Accounting Period, and the denominator of which is the aggregate Principal Balance of all Pledged Contracts as of the end of such Accounting Period, or (ii) with respect to the Managed Portfolio Contracts, the percentage equivalent of a fraction, the numerator of which is the aggregate Principal Balance of the Managed Portfolio Contracts which became Charged-Off Contracts during such Accounting Period, minus the aggregate of amounts received by the Servicer during such Accounting Period and applied to any such Managed Portfolio Contract which is a Charged-Off Contract as of the end of such Accounting Period, and the denominator of which is the aggregate Principal Balance of all Managed Portfolio Contracts as of the end of such Accounting Period.

“Closing Date” means December 28, 2011.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” has the meaning set forth in Section 2.15.

“Collection Account” has the meaning set forth in Section 2.20.

“Collections” means any and all cash collections and other cash proceeds of the Pledged Contracts, all Scheduled Payments or other payments or distributions of principal, interest, finance charges, fees, late charges or other amounts collected in respect of the Pledged Contracts, all Insurance Proceeds, all payments from Contract Rights Payors, all Net Liquidation Proceeds, any Purchase Amounts paid by the Originator to the Borrower in connection with a repurchase of Contracts pursuant to the terms of the Purchase Agreement and any other amounts received by or on behalf of any DT Entity in respect of the Pledged Contracts.

“Commercial Paper” means the short term promissory notes issued by a Conduit Lender in the commercial paper market.

“Commitment” of any Committed Lender means the Dollar amount set forth on Schedule I hereto or, in the case of a Committed Lender that becomes a party to this Agreement pursuant to an Assignment and Acceptance or a Joinder Agreement the amount set forth therein as such Committed Lender’s “Commitment”, in each case as such amount may be (i) reduced or increased by any Assignment and Acceptance entered into by such Committed Lender and the other parties thereto in accordance with the terms hereof and (ii) reduced or increased pursuant to Section 2.03.

“Commitment Termination Date” means December 27, 2012, as such date may be extended from time to time pursuant to Section 2.08.

“Committed Lender” means, as to any Lender Group, each of the financial institutions listed on Schedule I as a “Committed Lender” for such Lender Group, together with its respective successors and permitted assigns.

“Commonly Controlled Entity” means a Person under “common control” (as defined in Section 4001(a)(14) of ERISA) with any DT Entity or their Affiliates.

“Conduit Lender” means, collectively, the Persons identified as “Conduit Lenders” on Schedule I and their respective successors and permitted assigns.

“Conduit Lending Limit” means, for any Conduit Lender, the maximum principal amount of the Loans which may be advanced by such Conduit Lender as set forth on Schedule I (or on the signature pages to the Assignment and Acceptance or Joinder Agreement pursuant to which such Conduit Lender became a party hereto), subject to assignment pursuant to Section 10.03, as such amount may be modified from time to time by notice from the related Managing Agent to the Borrower and the Program Agent.

“Continued Errors” has the meaning specified in Section 6.14.

“Contract” means a retail installment or conditional sale contract, with any Modifications, originated by any of DTCS, or the Originator at any time pursuant to which a Contract Debtor has (i) purchased a new or used Motor Vehicle from DTCS, (ii) granted a security interest in the Motor Vehicle to secure the Contract Debtor’s payment obligations, and (iii) agreed to pay the unpaid purchase price and a finance charge in periodic installments no less frequently than monthly.

“Contract Collateral” has the meaning specified in Section 2.15(a)(i)(J) hereof.

“Contract Debtor” means, with respect to a Contract, the Person that has executed the Contract as a purchaser, and any guarantor, co-signer or other Person obligated to make payments under the Contract.

“Contract Debtor Documents” means, with respect to a Contract, those documents that are identified on Schedule IV attached hereto and made a part hereof.

“Contract Debtor Information” has the meaning specified in Section 10.12(c) hereof.

“Contract Delivery Documents” means, with respect to a Contract, the original Certificate of Title (or, to the extent provided in Section 2.03 of the Custodial Agreement, evidence of application for a Certificate of Title) and the original executed Contract with original Contract Debtor signatures.

“Contract Disposition Transaction” means any sale of Contracts in connection with a Securitization Transaction, a whole loan sale transaction or any other similar transaction.

“Contract Rights” means, with respect to a Contract, all rights and interests of the Originator (at the time they arise, and before giving effect to any transfer or conveyance under the Purchase Agreement) or the Borrower (after giving effect to the transfers thereunder) in or with respect to (i) such Contract, (ii) the related Financed Vehicle, including any repossessed Financed Vehicle, and in and to any other collateral securing such Contract, including any security deposit; (iii) any Optional Contract Debtor Insurance and any other policies of fire, theft or comprehensive insurance, collision insurance, public liability insurance or property damage insurance maintained with respect to the Financed Vehicle, the Contract, or the Contract Debtor; (iv) all Collections with respect to such Contract, and (v) the originals of all Records relating to the Contracts, including, but not limited to, Contract Debtor Documents, financial statements of Contract Debtors, and all payment reports or records relating to the Contracts.

“Contract Rights Payors” means Persons, other than Contract Debtors, against whom Contract Rights may be asserted.

“Contract Selection Methodology” has the meaning set forth in the Purchase Agreement.

“Contractual Obligation” means as to any Person, any material provision of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound or any material provision of any security issued by such Person.

“Control Agreement” means an agreement among the Borrower, the Servicer, the Program Agent and an Account Bank, in such form as the Program Agent may approve, which provides for the Program Agent to have “control” (within the meaning of Section 9-102 of any applicable enactment of the UCC) of any account identified therein. The Master Agency Agreement shall be a Control Agreement for purposes of this Agreement.

“Coverage Ratio” means, on any Quarterly Measurement Date, the ratio computed by dividing (a) EBITDA for the portion of the calendar year ending on such Quarterly Measurement Date by (b) Interest Expense for such portion of the calendar year.

“CP Rate” means, with respect to any Conduit Lender on any day, the sum of (i) the per annum rate equivalent to the weighted average cost (as reasonably determined by the related Managing Agent, and which shall include (without duplication), the fees and commissions of placement agents and dealers, incremental carrying costs incurred with respect to Commercial Paper maturing on dates other than those on which corresponding funds are received by such Conduit Lender, other borrowings by such Conduit Lender and any other costs associated with the issuance of Commercial Paper) to the extent related to the issuance of Commercial Paper that is allocated, in whole or in part, by such Conduit Lender or its related Managing Agent to fund or maintain a Loan (or portion thereof) during such Interest Period; *provided, however*, that if any component of any such rate is a discount rate, in calculating the “CP Rate” for such Interest Period, the related Managing Agent shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum and (ii) the CP Rate Margin.

“CP Rate Margin” means (i) on or prior to December 31, 2010, a per annum rate equal to 4.25% or (ii) thereafter, a per annum rate equal to 3.25%.

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

“CRD” means, Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 (as amended by Directive 2009/111/EC), as amended from time to time.

“Credit and Collection Policy” means, (i) if DTCC or any Affiliate thereof is the Servicer, the underwriting guidelines and credit and collection policies and practices of the Originator as in effect on the date hereof, a copy of which attached as Exhibit A hereto, as modified from time to time in accordance with the terms of Section 5.03(c) or (ii) if DTCC or any Affiliate thereof is not the Servicer, the customary collection policies and practices of the successor Servicer.

“Cumulative Custodial Report” has the meaning set forth in the Custodial Agreement.

“Cumulative Quarterly Measurement Period” means, for the DT Entities On A Consolidated Basis as of any Quarterly Measurement Date, the period from the beginning of the fiscal year of the Parent Companies and their consolidated Subsidiaries through and including such Quarterly Measurement Date.

“Custodial Agreement” means the Amended and Restated Custodial Agreement, dated as of the Closing Date, among the Borrower, the Servicer, the Custodian and the Program Agent, as the same shall be modified and supplemented and in effect from time to time.

“Custodial Fees” means, for any Accounting Period, the fees set forth in Section 7 of the Custodial Agreement.

“Custodian” means Wells Fargo Bank, National Association, its successors and permitted assigns under the Custodial Agreement.

“Dealer” means a merchant in the business of selling Motor Vehicles to the public in the retail market.

“Debt Rating” means, with respect to any Person at any time, the then current rating by S&P or Moody’s of such Person’s long-term public senior unsecured non-credit enhanced debt.

“Debtor Relief Laws” means the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshaling of assets or similar debtor relief laws of the United States or any State of the United States from time to time in effect affecting the rights of creditors generally.

“Delinquency Measurement Contract” means, as of any date of determination, a Contract, other than a Charged-Off Contract, as to which all or any portion of any Scheduled Payment in excess of 10.00% of such Scheduled Payment is due and unpaid for more than 30 days but less than 121 days.

“Delinquency Measurement Ratio” means, as of any Measurement Date, (a) with respect to the Pledged Contracts, the quotient (expressed as a percentage) of (i) the Principal Balance of the Pledged Contracts which are Delinquency Measurement Contracts as of such Measurement Date, divided by (ii) the aggregate Principal Balance of all Pledged Contracts as of such Measurement Date, or (b) with respect to the Managed Portfolio Contracts, the quotient (expressed as a percentage) of (i) the Principal Balance of all of the Managed Portfolio Contracts which are Delinquency Measurement Contracts as of such Measurement Date, divided by (ii) the aggregate Principal Balance of all Managed Portfolio Contracts as of such Measurement Date.

“Demand Note” means that certain Fifth Amended and Restated Demand Note dated as of the Closing Date executed by DTAC in favor of the Borrower, which note has been pledged and assigned to the Program Agent for the benefit of the Secured Parties pursuant to this Agreement, as such note may be amended, restated, supplemented or otherwise modified from time to time.

“Depository Account” means each depository account, concentration account or other similar account into which Collections are collected or deposited.

“Depository Account Bank” means a financial institution at which a Depository Account is maintained.

“Dodd-Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act and any successor statute.

“Dollars” and “\$” each mean the lawful currency of the United States of America.

“DT Entities On A Consolidated Basis” means, with respect to any applicable financial statement or measurement, the treatment of such financial information or measurement for the Parent Companies and their consolidated Subsidiaries as a single unit, after elimination of all intercompany transactions, determined in accordance with GAAP.

“DT Entity” means, individually, DTAC, DTAG, DTCC, DTCS, and DTSFC; “DT Entities” means such Persons collectively.

“DTAC” means DT Acceptance Corporation, an Arizona corporation, together with its successors.

“DTAG” means DriveTime Automotive Group, Inc., a Delaware corporation, together with its successors.

“DTCC” means DT Credit Company, LLC, an Arizona limited liability company, together with its successors.

“DTCS” means DriveTime Car Sales Company, LLC, an Arizona limited liability company, together with its successors and each wholly-owned subsidiary of DriveTime Car Sales Company, LLC, created for the purpose of originating Contracts.

“DTOC” means DriveTime Ohio Company, LLC, an Arizona limited liability company, together with its successors.

“DTSFC” means DriveTime Sales and Finance Company, LLC, an Arizona limited liability company, together with its successors.

“Due Date” means, with respect to a Contract, the day of the month on which a Scheduled Payment is due on the Contract, exclusive of any days of grace.

“EBITDA” means, for the DT Entities On A Consolidated Basis any period, GAAP earnings plus (i) total interest expense (including that portion attributable to Capitalized Leases in accordance with GAAP and capitalized interest) of the DT Entities On A Consolidated Basis with respect to all outstanding Indebtedness of the DT Entities On A Consolidated Basis, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under interest rate agreements, but excluding, however, the amortization of deferred financing fees plus (ii) depreciation determined in accordance with GAAP for such period plus (iii) Taxes determined in accordance with GAAP for such period.

“Eligible Account” means either (a) a segregated account or accounts maintained with an institution whose deposits are insured by the Federal Deposit Insurance Corporation, the unsecured and uncollateralized long-term debt obligations of which institution shall be rated “AA” or higher by S&P and “Aa2” or higher by Moody’s and the short-term debt obligations of which have the highest short term rating by each of the Rating Agencies, and which is (i) a federal savings and loan association duly organized, validly existing and in good standing under the federal banking laws, (ii) an institution duly organized, validly existing and in good standing under the applicable banking laws of any State, (iii) a

national banking association duly organized, validly existing and in good standing under the federal banking laws or (iv) a subsidiary of a bank holding company or (b) a segregated trust account or accounts maintained with the trust department of a federal or State chartered depository institution acceptable to the Program Agent, having capital and surplus of not less than \$100,000,000, acting in its fiduciary capacity.

“Eligible Contract” means, at any time, a Contract:

- (a) as to which the information set forth in the Master Custodial Report with respect to such Contract is complete, true and correct in all material respects;
- (b) which is in the form of Exhibit D, or a different form consented to in writing by the Program Agent;
- (c) with respect to which the first Scheduled Payment is due within forty-five (45) days after the date of such Contract;
- (d) (i) with respect to which all, or any part in excess of 10%, of any Scheduled Payment is not more than sixty (60) days delinquent on payments and (ii) which, as of the date transferred to the Borrower, was less than thirty-one (31) days past due;
- (e) which the Servicer has not designated as out for or in repossession;
- (f) as to which any right of rescission arising out of the Contract of the Contract Debtor has expired;
- (g) which is not (i) a Charged-off Contract, (ii) a Contract for which the Amount Financed was in excess of \$30,000, or (iii) a Contract that (A) was previously a Pledged Contract and (B) was previously transferred by the Borrower in connection with a Contract Disposition Transaction and, at the time of such Contract Disposition Transaction, was a Delinquency Measurement Contract; *provided, that* notwithstanding the foregoing, a Contract of the type described in this clause (iii) may become an Eligible Contract if it otherwise satisfies the definition thereof upon the earlier of (x) the date after such Contract Disposition Transaction on which such Contract is not a Delinquency Measurement Contract and the related Contract Debtor has made at least four (4) Scheduled Payments thereunder and (y) the date on which such Contract was not a Delinquency Measurement Contract for three (3) consecutive Accounting Periods;
- (h) which a Simple Interest Method loan, has a fixed APR of at least 5.00% and the “Finance Charge” was computed using a fixed rate;
- (i) which (i) has an original term to maturity that is not less than twelve (12) months and does not exceed sixty-two (62) months, or such other period as may be agreed to from time to time by the Borrower and the Program Agent provided that (x) for Receivables as to which the Contract Debtor is rated “B” the original term to maturity is not less than twelve (12) months and does not exceed sixty-eight (68) months and (y) for Receivables as to which the Contract Debtor is rated “A” the original term to maturity is not less than twelve (12) months and does not exceed seventy-two (72) months, (ii) the Schedule of Payments has equal periodic payments except for payments due during the first 90 days of the term of such Contract, and except for the final payment which may be less than the other equal payments, and the payment obligation is in United States dollars, and (iii) does not cause the weighted average (based on Principal Balances of the applicable Eligible Contracts) original term to maturity of all Eligible Contracts that are

Pledged Contracts to exceed sixty-two (62) months; *provided that* the Pledged Contracts rendered ineligible solely pursuant to the foregoing clause (iii) shall be selected by the Borrower from the Pledged Contracts with the longest original term to maturity and only with Principal Balances required to reduce such weighted average original term to maturity of all Eligible Contracts that are Pledged Contracts to or below sixty-two (62) months; *provided that* any such ineligible Pledged Contract may be subsequently designated by the Borrower as an "Eligible Contract" if the eligibility of such Pledged Contract would not cause such weighted average original term to maturity of all Pledged Contracts to exceed sixty-two (62) months;

(j) which provides that, in the event such Contract is pre-paid, the prepayment shall fully pay the Principal Balance and unpaid interest, including interest in the month of prepayment to the date of prepayment, at the APR;

(k) which provides for the absolute sale of the Financed Vehicle to the Contract Debtor, and the Financed Vehicle is not on approval or subject to any agreement between the Contract Debtor and the Dealer for the repurchase or return of the Financed Vehicle;

(l) which does not present a credit, collateral or documentation risk which is material and unacceptable to the Program Agent;

(m) which was originated by DTCS, or the Originator in a Permitted State;

(n) which, if the Contract Debtor is an employee, officer, agent, director, stockholder, supplier or creditor of any DT Entity or an Affiliate thereof, does not contain terms different than those in the most recent employee purchase program, a copy of which is attached hereto as Schedule V;

(o) which contains the original signature of the Contract Debtor and the Dealer;

(p) which is the only unsatisfied original executed Contract for the purchase of the Financed Vehicle and accurately reflects all of the actual terms and conditions of the Contract Debtor's purchase of the Financed Vehicle;

(q) as to which no DT Entity or any Affiliate thereof has made any agreement with the Contract Debtor to reduce the amount owed on the Contract, or is required to perform any additional service for, or perform or incur any additional obligation to, the Contract Debtor in order for any DT Entity to enforce the Contract;

(r) which, (i) if originated by DTCS, was transferred by DTCS to the Originator pursuant to the Origination Agreement, (ii) [reserved], (iii) at the time originated by DTCS, or the Originator, satisfied the creditworthiness and other advance criteria in the Credit and Collection Policy or was otherwise approved by the Program Agent, and (iv) was originated without any fraud or misrepresentation on the part of DTCS, the Originator, or any other Person;

(s) with respect to which, the Contract Debtor's obligations under the Contract are secured by a validly perfected first priority security interest in the Financed Vehicle in favor of the Originator, which security interest has been validly assigned and transferred by the Originator to the Borrower, which has a valid, subsisting and enforceable first priority perfected security interest in such Financed Vehicle;

(t) which has not been, nor is it designated to be, terminated, satisfied, canceled, subordinated or rescinded in whole or in part; nor has the Financed Vehicle been released, or

designated for release, from the security interest granted by the Contract; and all of the holder's obligations under the Contract have been performed except those which first arise subsequent to such Contract becoming a Pledged Contract;

(u) no provision of which has been waived, extended, altered or modified in any respect other than as provided in the Accepted Servicing Practices;

(v) as to which no claims of rescission, setoff, counterclaim, defense or other material disputes have been asserted with respect to the Contract or Financed Vehicle;

(w) as to which there are no unsatisfied Liens or claims for Taxes, labor, materials, fines, confiscation, or replevin relating to the Contract or Financed Vehicle; there is no unsatisfied claim against the Contract Debtor based on the operation or use of the Financed Vehicle; all Taxes due for the purchase, use and ownership of the Financed Vehicle have been paid and all Taxes due on the transfer of the Contract to the Borrower have been paid;

(x) with respect to which no DT Entity has repossessed the Financed Vehicle or commenced a replevin action or other lawsuit, against the Contract Debtor or Financed Vehicle;

(y) with respect to which the model year of the Financed Vehicle is not more than twelve (12) years earlier than the model year in effect at the time the Contract becomes a Pledged Contract;

(z) as to which the obligation of the original Contract Debtor has not been released or assumed by another Person unless the release or assumption was properly documented and the Program Agent has consented in writing to such Contract being an Eligible Contract;

(aa) as to which the down payment complies with the Credit and Collection Policy, and has been paid in full by the Contract Debtor and not loaned to the Contract Debtor by any DT Entity or an Affiliate thereof, and any trade-in has been delivered to the Dealer with an endorsed Certificate of Title and as to which no amount has been loaned to the Contract Debtor to keep payments thereunder current;

(bb) with respect to which the Custodian has delivered to the Program Agent the deliveries required under the Custodial Agreement that confirm that the Custodian is in physical possession of the Contract Delivery Documents;

(cc) which, together with the sale of the Financed Vehicle and the sale of any Optional Contract Debtor Insurance, complied at the time such Contract was originated or made, and continue to comply in all material respects with all requirements of applicable Federal, State and local laws, and regulations thereunder including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Servicemembers Civil Relief Act of 2003, the Texas Finance Code and other State adaptations of the Uniform Consumer Credit Code, and other consumer credit laws and equal credit opportunity and disclosure laws; the form of such Contract and the manner in which it was completed and executed and all documents delivered and disclosures made in connection therewith are in compliance with all requirements of applicable Federal, State and local laws, and all applicable regulations thereunder, except to the extent a failure to so comply would not have an adverse effect on (i) the collection and payment of the Contract, or (ii) the interests in such Contract of any DT Entity;

(dd) with respect to which none of the Contracts Debtors is the United States of America, or any State, or any agency, department, or instrumentality of the United States of America, any State or municipality;

(ee) which was not originated in, and is not subject to the laws of, any jurisdiction under which the sale, transfer, and assignment of such Contract, or the assignment and grant of a security interest pursuant to this Agreement, shall be unlawful, void or voidable, and with respect to which (i) no consent of any Contract Debtor or other Person is required for the sale and assignment of or grant of security interest in such Contract and (ii) no DT Entity has entered into any agreement with any Contract Debtor or any other Person that prohibits, restricts or conditions the sale, assignment, or grant of security interest in any portion of such Contract;

(ff) which constitutes “tangible chattel paper” under Article 9 of the applicable UCC;

(gg) which (A) if such Contract was originated in a State in which notation of security interest on the title document of the related Financed Vehicle is required or permitted to perfect such security interest, the title document for such Financed Vehicle shows DTCS, or the Originator named as the original and only secured party under the related Contract as the holder of a first priority security interest in such Financed Vehicle; *provided that* any assumed name, designation or trade name may be used by DTCS, or the Originator on the title document; *provided further* that the use of any such assumed name, designation or trade name by DTCS, or the Originator shall result in a fully perfected first priority security interest in favor of DTCS, or the Originator and a legal opinion has been delivered to the Managing Agents by the Originator’s legal counsel stating the foregoing, and (B) if such Contract was originated in a State in which the filing of a financing statement under the UCC is required to perfect a security interest in motor vehicles, such filings or recordings have been duly made and show the DTCS, or the Originator named as the secured party under the Contract; and if the title document has not yet been returned from the Registrar of Titles, the Originator has received and delivered to the custodian written evidence that such title document showing DTCS, or the Originator as first lienholder has been applied for;

(hh) which represents the genuine, legal, valid and binding obligation of the Contract Debtor thereunder and is enforceable by the holder thereof in accordance with its terms, except only as such enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights generally, and all parties to such Contract had full legal capacity to execute and deliver such Contract and all other documents related thereto and to grant the security interest purported to be granted thereby;

(ii) with respect to which each Contract Debtor is and continues to be domiciled in the United States;

(jj) with respect to which the related Financed Vehicle has not suffered a casualty or been materially damaged and not repaired, and such Financed Vehicle is not located outside of the United States;

(kk) with respect to which, at the time of origination of such Contract, to the knowledge of the Originator, the Borrower and the Servicer, the related Financed Vehicle is customarily used and garaged in the state issuing the Certificate of Title;

(ll) with respect to which the related Financed Vehicle was properly delivered to the related Contract Debtor in good repair, without material defects and in satisfactory order, and such Financed Vehicle was accepted by the Contract Debtor after reasonable opportunity to

inspect and test same and, at the time of such delivery and acceptance, no Contract Debtor informed any DT Entity of any material defect therein;

(mm) with respect to which no Contract Debtor is involved in the business of leasing or selling any Financed Vehicles;

(nn) which does not constitute a “consumer lease” under either (A) the UCC as in effect in the jurisdiction whose law governs the Contract, or (B) the Consumer Leasing Act, 15 U.S.C. 1667;

(oo) which is included in the aggregate numbers reported in Trust Receipt Exhibit A, (i) which is not listed as having an Exception on the Cumulative Custodial Report, and (ii) for which the original Contract has not been delivered to the Borrower or Servicer pursuant to a Release Request;

(pp) which, at origination the related Financed Vehicle was covered by a comprehensive and collision insurance policy (i) in an amount at least equal to the lesser of (a) its maximum insurable value or (b) the principal amount due from the Contract Debtor under such Contract and (ii) naming DTCS or the Originator as a loss payee;

(qq) with respect to which the Servicer and the Originator have clearly marked their electronic records to indicate that the Contract has been transferred to and is owned by the Borrower;

(rr) with respect to which neither the related Contract Debtor (nor the Contract itself) was, at the date of transfer of such Contract to the Borrower, the subject of a bankruptcy proceeding commenced after the execution of such Contract except if such Contract Debtor has received a discharge or dismissal of such proceeding under the Bankruptcy Code;

(ss) which is not subject to a forced placed insurance policy on the related Financed Vehicle;

(tt) which has not been modified as to credit terms in a manner adverse to the interests of the Lenders (in the reasonable judgment of the Program Agent) or extended or deferred for a period greater than 6 months (in aggregate) after its original maturity date; and

(uu) with respect to which the scheduled payments under the Contract are due monthly in level payments through its maturity date sufficient to fully amortize the principal balance of such Contract by its maturity date, assuming timely payment by Obligors on simple interest Contracts, except that the payment in the first or last month of the life of the Contract may be minimally different from the level payment.

“Eligible Hedge Counterparty” means any bank, broker/dealer, insurance company or derivative product company reasonably acceptable to the Program Agent.

“Enforceability Exceptions” means exceptions to the enforceability of an obligation arising under (i) bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors’ rights generally, and (ii) general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance, regardless of whether considered in a proceeding at equity or at law.

“Entitlement Order” has the meaning set forth in Section 2.20(f).

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended or any successor statute.

“ERISA Affiliate” means any corporation or trade or business that is a member of any group of organizations (i) described in Section 414(b) or (c) of the Code of which Borrower is a member and (ii) solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the lien created under Section 302(f) of ERISA and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which Borrower is a member.

“Errors” has the meaning specified in Section 6.14.

“Eurocurrency Liabilities” has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“Event of Bankruptcy” means, with respect to any Person:

(i) such Person shall fail generally to pay its debts as they come due, or shall make a general assignment for the benefit of creditors; or any case or other proceeding shall be instituted by such Person seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of it or its debts under the Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or seeking the entry of an order for relief or the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets; or such Person shall take any corporate or limited liability company action to authorize any of such actions; or

(ii) a case or other proceeding shall be commenced, without the application or consent of such Person in any court seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets, or any similar action with respect to such Person under the Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and (A) such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of sixty (60) consecutive days or (B) an order for relief in respect of such Person shall be entered in such case or proceeding or a decree or order granting such other requested relief shall be entered.

“Event of Termination” has the meaning assigned to that term in Section 7.01.

“Exception” has the meaning set forth in the Custodial Agreement.

“Exception Report” has the meaning set forth in the Custodial Agreement.

“Excess Spread Ratio” means, on any date of determination, a percentage (which may be a negative percentage) computed as follows: (a) the product of (i) 12 and (ii) a fraction, the numerator of

which is the aggregate Finance Charge Collections during the immediately preceding Accounting Period and the denominator of which is the Outstanding Loan Amount at such time, minus (b) the Servicer Fee Rate, minus (c) the weighted average Interest Rate for the immediately preceding Accounting Period.

“Excluded Taxes” means (a) taxes imposed on or measured by net income (however denominated), franchise or gross revenue taxes imposed in lieu of net income taxes imposed, by the United States (or any political subdivision thereof), or any other jurisdiction (or any political subdivision thereof), as a result of the recipient being organized in, doing business in, or having its principal office or applicable lending office located in such jurisdiction; (b) any United States withholding tax imposed pursuant to any branch profits taxes imposed by the United States or any similar taxes imposed by any other jurisdiction in which the Borrower is located; (c) any United States withholding tax imposed by reason of an Affected Party’s failure to provide to Borrower the documents set forth in Section 2.13(c), to maintain or update such documents, or to provide any other documents, such that Borrower is required to withhold United States withholding tax; (d) any United States federal withholding taxes that would be imposed on amounts payable to an Affected Party that is not a United States person within the meaning of Code Section 7701(a)(30) based upon the applicable withholding rate in effect at the time such Affected Person becomes a party to the Agreement (or designates a new lending office); and (e) any taxes imposed pursuant to or as a result of FATCA.

“Extending Lenders” has the meaning specified in Section 2.08.

“Face Amount” means in relation to any Commercial Paper (a) if issued on a discount basis, the face amount stated therein and (b) if issued on an interest-bearing basis, the principal amount stated therein plus the amount of all interest accrued or to accrue thereon on or prior to its stated maturity date.

“Facility Availability” means, on any Business Day, the excess of (a) the lesser of (i) the Facility Limit on such date and (ii) the Borrowing Base on such date, over (b) the Outstanding Loan Amount on such date.

“Facility Documents” means collectively, this Agreement, the Purchase Agreement, the Custodial Agreement, the Performance Guaranty, the Demand Note, the Fee Letter, the Intercreditor Agreements, each Control Agreement and all other agreements, documents and instruments delivered pursuant thereto or in connection therewith.

“Facility Limit” means at any time, the Aggregate Commitment, adjusted as necessary to give effect to the addition of any Lender Group that becomes party to this Agreement pursuant to a Joinder Agreement under Section 10.04 hereof, any increase or reduction by the Borrower pursuant to Section 2.03 or any assignment pursuant to Section 10.03 hereof.

“FAS 167 Rules” means the final rule, titled “Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Regulatory Capital; Impact of Modifications to Generally Accepted Accounting Principles; Consolidation of Asset-Backed Commercial Paper Programs; and Other Related Issues”, adopted December 15, 2009, by the Federal Accounting Standard Board.

“FATCA” means Sections 1471 through 1474 of the Code and any applicable Treasury regulation promulgated thereunder or published administrative guidance implementing such Sections whether in existence on the date hereof or promulgated or published hereafter.

“Federal Funds Rate” means, with respect to any Lender for any period, a fluctuating interest rate per annum equal (for each day during such period) to the weighted average of the rates on

overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York; or if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the applicable Managing Agent from three federal funds brokers of recognized standing selected by it.

“Fee Letter” means the Fee Letter dated as of the Closing Date, by and between the Program Agent and the Borrower, as amended, restated, supplemented or otherwise modified from time to time.

“Fees” means, collectively, all Liquidity Fees and Other Fees.

“Final Collection Date” means the date on or following the Termination Date on which the Outstanding Loan Amount has been reduced to zero and all other Borrower Obligations have been paid in full.

“Financed Vehicle” means the new or used Motor Vehicle purchased by a Contract Debtor pursuant to a Contract.

“Finance Charge Collections” means, for any Accounting Period, the aggregate amount of Collections (other than Principal Collections) received during such Accounting Period, including, without limitation, (i) all amounts paid by or on behalf of Contract Debtors with respect to interest, finance charges and any other amounts due under the Pledged Contracts (other than with respect to the unpaid principal balance thereof) and (ii) Net Liquidation Proceeds.

“Financing SPC” means any bankruptcy remote special purpose or limited purpose entity established or used initially by any DT Entity or any of its Subsidiaries for the purpose of engaging in a securitization or warehousing of receivables or other financial assets.

“Foreclosure Event” means the occurrence of any of the following events:

(i) at any time following the occurrence of an Event of Termination, the percentage equivalent of a fraction, the numerator of which is the Outstanding Loan Amount at such time and the denominator of which is the aggregate Principal Balances of all Eligible Contracts at such time shall be greater than or equal to the Advance Rate in effect on the Termination Date plus 5.00%;

(ii) the delivery of a Termination Notice to the Servicer as a result of the occurrence of (A) a Servicer Default of the type described in any of clauses (a), (c) or (d) of the definition thereof or (B) a Servicer Default of the type described in clause (b) of the definition thereof if such Servicer Default occurred as a result of the failure of the Servicer to perform or observe any material term, covenant or agreement set forth in any of Sections 5.04(a) through (h) or Sections 5.06(a) through (d) of this Agreement (except that the materiality standard in this clause (ii) shall not apply to any term, covenant or agreement set forth in any of Sections 5.04(a) through (h) or Sections 5.06(a) through (d) of this Agreement that is qualified by a materiality standard or by reference to the existence or absence of a Material Adverse Effect by its terms);

(iii) a determination in good faith by the Program Agent that any DT Entity, the Borrower or Ernest C. Garcia II has engaged in fraud, malfeasance or intentional or willful misconduct in connection with the transactions contemplated by the Facility Documents;

(iv) any creditor of a DT Entity that is party to an Intercreditor Agreement (other than a creditor in its capacity as a lender under the Inventory Facility) takes any action against its collateral;

(v) (a) the occurrence of an Event of Bankruptcy of the type described in clause (i) of the definition thereof with respect to any DT Entity, the Borrower or Ernest C. Garcia II or (b) following the occurrence of an Event of Bankruptcy of the type described in clause (ii) of the definition thereof with respect to any DT Entity, the Borrower or Ernest C. Garcia II, any Person shall challenge the sales, contributions or other transfers from the Originator to the Borrower or the security interests created under the Facility Documents, or contest or support any other Person in contesting, in any proceeding (including any insolvency or liquidation proceedings), the absolute characterization of such conveyances on any basis or legal theory, including, without limitation, on the grounds that such sales, contributions or transfers were disguised financings or fraudulent conveyances or otherwise, or assert that any DT Entity and the Borrower should be substantively consolidated; or

(vi) any Person party to an Intercreditor Agreement (other than the Program Agent) shall breach any of its obligations thereunder.

“GAAP” means generally accepted accounting principles as in effect in the United States of America from time to time, consistently applied.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over the Borrower, any of its Subsidiaries or any of its properties.

“Governmental Rule” means any law, rule, regulation, ordinance, order, code interpretation, treaty, judgment, decree, directive, guidelines, policy or similar form of decision of any Governmental Authority.

“Guarantee” means, as to any Person, any obligation of such person directly or indirectly guaranteeing any Indebtedness of any other Person in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep well, to purchase assets, goods, securities or services, or take or pay or otherwise). The amount of any Guarantee of a Person shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The terms “Guarantee” and “Guaranteed” used as verbs shall have correlative meanings.

“Hedge Provider” means an Eligible Hedge Counterparty that has entered into one or more Interest Rate Hedge Agreements with the Borrower.

“Hedge Receipts” means all amounts payable to the Borrower under an Interest Rate Hedge Agreement.

“Incipient Event of Termination” means any event which, with the giving of notice or lapse of time or both, would constitute an Event of Termination.

“Incipient Servicer Default” means any event which, with the giving of notice or lapse of time or both, would constitute a Servicer Default.

“Indebtedness” means, for any Person: (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person); (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within 90 days of the date the respective goods are delivered or the respective services are rendered; (c) Indebtedness of others secured by a Lien on the Property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person; (d) accrued obligations of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for account of such Person; (e) Capital Lease Obligations of such Person; (f) obligations of such Person under repurchase agreements or like arrangements; (g) Indebtedness of others Guaranteed by such Person; and (h) any other obligation of such Person evidenced by a note, bond, debenture or similar instrument that would be classified as indebtedness on a balance sheet prepared in accordance with GAAP.

“Indemnified Amount” has the meaning set forth in Section 8.01.

“Indemnified Party” has the meaning set forth in Section 8.01.

“Indemnified Taxes” means any and all Taxes other than Excluded Taxes.

“Indenture” means that certain Indenture, dated as of June 4, 2010 among DTAG and DTAC, as issuers, the “Guarantors” party thereto and Wells Fargo Bank, National Association, as trustee and collateral agent, as amended, restated, supplemented or otherwise modified from time to time.

“Independent Director” means, with respect to a subject Person, a natural person who (a) for the five-year period prior to his or her appointment as Independent Director has not been, and during the continuation of his or her service as Independent Director is not: (i) a direct, indirect or beneficial stockholder, employee, director, member, manager, partner, officer, affiliate or associate of any Originator, the Borrower, the Servicer or any of their respective Affiliates (other than his or her service as an Independent Director of such subject Person); (ii) a customer or supplier of any Originator, the Borrower, the Servicer or any of their respective Affiliates (other than his or her service as an Independent Director of such subject Person); or (iii) any member of the immediate family of a person described in (i) or (ii), (b) has prior experience as an independent director for a corporation or limited liability company whose charter documents required the unanimous consent of all independent directors thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (c) has at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities.

“Initial Borrowing” means the first Borrowing made pursuant to this Agreement.

“Insurance Proceeds” means with respect to each Contract, proceeds of the Optional Contract Debtor Insurance.

“Intangible Assets” means the amount (to the extent reflected in determining consolidated stockholders’ equity) of (i) all investments in Subsidiaries of DTAC other than consolidated Subsidiaries and (ii) all goodwill, patents, trademarks, service marks, trade names, copyrights, organization or developmental expenses and other intangible items.

“Intercreditor Agreement” means each of (i) that certain Intercreditor Agreement, dated as of October 28, 2011, by and among DTAG, DTCS, DTOC, DTAC, the Borrower, the Program Agent and Wells Fargo Bank, N.A., as agent under the Inventory Facility, as amended, restated, supplemented or otherwise modified from time to time, and (ii) provisions substantially in the form of Exhibit O hereto, and “Intercreditor Agreements” means the foregoing collectively.

“Interest” means, for any Loan and any Interest Period, the sum for each day during such Interest Period of the following:

$$IR \times PA / CB$$

where:

IR = the Interest Rate for such Loan for such day.

PA = the Principal Amount of such Loan on such day.

CB = (i) in the case of a Loan, the Interest Rate for which is based on the Base Rate, 365 and (ii) in the case of any other Loan, 360.

“Interest Expense” means, for the DT Entities On A Consolidated Basis for any period, total interest expense (including that portion attributable to Capitalized Leases in accordance with GAAP and capitalized interest) of the DT Entities On A Consolidated Basis with respect to all outstanding Indebtedness of the DT Entities On A Consolidated Basis, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under interest rate agreements, but excluding, however, the amortization of deferred financing fees.

“Interest Period” means, for any Settlement Date, the period from and including the Settlement Date preceding such Settlement Date to, but excluding, such Settlement Date (or in the case of the initial Interest Period, the period from and including the Closing Date to, but excluding, the Settlement Date in August 2009).

“Interest Rate” means, with respect to any Loan on any day (i) to the extent such Loan is funded or maintained on such day by a Conduit Lender through the issuance of Commercial Paper, the CP Rate and (ii) otherwise, the Alternative Rate; *provided, that* for both clause (i) and (ii), that at all times following the occurrence and during the continuation of an Event of Termination (other than an Event of Termination that arises solely as a result of the failure of the Borrower to repay all Borrower Obligations in full on the Commitment Termination Date), the Interest Rate for each Loan on each day shall be an interest rate per annum equal to the Adjusted LIBO Rate in effect from time to time plus 8.00%.

“Interest Rate Hedge Agreement” any interest rate swap agreement, interest rate cap, collar or other arrangement between the Borrower and a Hedge Provider, consisting of a “Master Agreement” in a form published by the International Swaps and Derivatives Association, Inc., together with a “Schedule” thereto in substantially such form as the Program Agent shall have approved, each “Confirmation” thereunder confirming the terms of each transaction thereunder and any credit support annex and schedule thereto.

“Inventory Facility” means the Fourth Amended and Restated Loan and Security Agreement, dated as of October 28, 2011, by and among DTAG, DTSFC, DTCS, DTOC, Wells Fargo Bank, N.A., Santander Consumer USA, Inc. and Manheim Automotive Financial Services, Inc. and the other Persons from time to time party thereto as “Lenders” and Wells Fargo Bank, N.A., as agent for the “Lenders” thereunder, as further amended, restated, supplemented or otherwise modified from time to time.

“IRS” means the Internal Revenue Service of the United States of America.

“Joinder Agreement” means a joinder agreement substantially in the form set forth as Exhibit I hereto pursuant to which a new Lender Group becomes party to this Agreement.

“Law” means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Authority.

“Lender” means any Conduit Lender or Committed Lender, as applicable, and “Lenders” means, collectively, the Conduit Lenders and the Committed Lenders.

“Lender Group” means any Managing Agent and its related Conduit Lenders, if any, and Committed Lenders.

“Lender Group Limit” means, for any Lender Group, the amount set forth on Schedule I (or in the Joinder Agreement pursuant to which such Lender Group became party hereto) subject to assignment pursuant to Section 10.03, as such amount may be reduced in accordance with Section 2.03(a) or increased in accordance with Section 2.03(b) or for a Non-Extending Lender Group, the Lender Group Limit shall be reduced to zero on the Commitment Termination Date of such Lender Group.

“Lender Group Percentage” means, for any Lender Group, the percentage equivalent of a fraction (expressed out to five decimal places), the numerator of which is the aggregate Commitments of all Committed Lenders in such Lender Group and the denominator of which is the Aggregate Commitment.

“Lender Representatives” has the meaning specified in Section 10.12(b).

“Level One Trigger Event” means, as of any date of determination, the occurrence of any of the following:

(a) the Rolling Average Delinquency Ratio (Pledged Contracts) for the Accounting Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below;

Accounting Period	Rolling Average Delinquency Ratio (Pledged Contracts)
January	13.05%
February	11.84%
March	9.95%
April	8.50%
May	8.71%
June	9.64%
July	10.79%
August	11.74%
September	12.43%
October	12.65%
November	12.70%
December	13.00%

(b) the Rolling Average Delinquency Ratio (Managed Portfolio Contracts) for the Accounting Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below; or

Accounting Period	Rolling Average Delinquency Ratio (Managed Portfolio Contracts)
January	13.05%
February	11.84%
March	9.95%
April	8.50%
May	8.71%
June	9.64%
July	10.79%
August	11.74%
September	12.43%
October	12.65%
November	12.70%
December	13.00%

(c) the Rolling Average Charged-Off Losses Ratio (Managed Portfolio Contracts) for the Accounting Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below; or

Accounting Period	Rolling Average Charged-Off Losses Ratio (Managed Portfolio Contracts)
January	3.16%
February	3.09%
March	2.88%
April	2.47%
May	2.22%
June	2.13%
July	2.35%
August	2.62%
September	2.89%
October	3.07%
November	3.12%
December	3.15%

(d) the Rolling Average Charged-Off Losses Ratio (Pledged Contracts) for the Account Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below; or

Accounting Period	Rolling Average Charged-Off Losses Ratio (Pledged Contracts)
January	3.16%
February	3.09%
March	2.88%
April	2.47%
May	2.22%
June	2.13%
July	2.35%
August	2.62%
September	2.89%
October	3.07%
November	3.12%
December	3.15%

(e) the average of the Excess Spread Ratios for the three Accounting Periods immediately preceding such date shall be less than 6.00%.

“Level Two Trigger Event” means, as of any date of determination, the occurrence of any of the following:

(a) the Rolling Average Delinquency Ratio (Pledged Contracts) for the Accounting Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below;

Accounting Period	Rolling Average Delinquency Ratio (Pledged Contracts)
January	14.30%
February	13.09%
March	11.19%
April	9.75%
May	9.96%
June	10.89%
July	12.04%
August	12.99%
September	13.68%
October	13.90%
November	13.95%
December	14.25%

(b) the Rolling Average Delinquency Ratio (Managed Portfolio Contracts) for the Accounting Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below; or

Accounting Period	Rolling Average Delinquency Ratio (Managed Portfolio Contracts)
January	14.30%
February	13.09%
March	11.19%
April	9.75%
May	9.96%
June	10.89%
July	12.04%
August	12.99%
September	13.68%
October	13.90%
November	13.95%
December	14.25%

(c) the Rolling Average Charged-Off Losses Ratio (Managed Portfolio Contracts) for the Accounting Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below; or

Accounting Period	Rolling Average Charged-Off Losses Ratio (Managed Portfolio Contracts)
January	3.57%
February	3.50%
March	3.28%
April	2.88%
May	2.62%
June	2.53%
July	2.75%

August	3.02%
September	3.29%
October	3.47%
November	3.52%
December	3.55%

(d) the Rolling Average Charged-Off Losses Ratio (Pledged Contracts) for the Accounting Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below.

Accounting Period	Rolling Average Charged-Off Losses Ratio (Pledged Contracts)
January	3.57%
February	3.50%
March	3.28%
April	2.88%
May	2.62%
June	2.53%
July	2.75%
August	3.02%
September	3.29%
October	3.47%
November	3.52%
December	3.55%

“Level Three Trigger Event” means, as of any date of determination, the occurrence of any of the following:

(a) the Rolling Average Delinquency Ratio (Managed Portfolio Contracts) for the Accounting Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below; or

Accounting Period	Rolling Average Delinquency Ratio (Managed Portfolio Contracts)
January	11.75%
February	10.66%
March	8.96%
April	7.65%
May	7.84%
June	8.68%
July	9.71%
August	10.57%
September	11.19%
October	11.39%
November	11.43%
December	11.70%

(b) the Rolling Average Charged-Off Losses Ratio (Managed Portfolio Contracts) for the Accounting Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below; or

Accounting Period	Rolling Average Charged-Off Losses Ratio (Managed Portfolio Contracts)
January	2.84%

February	2.78%
March	2.59%
April	2.22%
May	2.00%
June	1.92%
July	2.12%
August	2.36%
September	2.60%
October	2.76%
November	2.81%
December	2.84%

(c) the Rolling Average Charged-Off Losses Ratio (Pledged Contracts) for the Accounting Period immediately preceding such date shall exceed the percentage set forth for such Accounting Period in the table below.

Accounting Period	Rolling Average Charged-Off Losses Ratio (Pledged Contracts)
January	2.84%
February	2.78%
March	2.59%
April	2.22%
May	2.00%
June	1.92%
July	2.12%
August	2.36%
September	2.60%
October	2.76%
November	2.81%
December	2.84%

“Leverage Ratio” means, on any Quarterly Measurement Date, the ratio computed by dividing (a) the total assets of the DT Entities On A Consolidated Basis as of such date, determined in accordance with GAAP by (b) Net Worth on such date.

“LIBO Rate” means, for any Loan (or portion thereof) for any Interest Period, the rate determined by the related Managing Agent by reference to page “US0001M <INDEX>” in the Bloomberg Financial Markets system as the composite offered rate for London interbank deposits for a one-month period, or if that rate does not appear on that display page, the rate per annum shown on Reuters Screen LIBOR01 (or any successor page as the composite offered rate for London interbank deposits for a one-month period), as shown under the heading “USD” at approximately 11:00 a.m., London time, on the second Business Day before the first day of such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” shall be the rate at which deposits in Dollars in a principal amount of not less than \$1,000,000 and for a maturity comparable to such Interest Period are offered by the related Reference Bank in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, on the second Business Day before (and for value on) the first day of such Interest Period.

“LIBO Rate Margin” means (i) prior to the Termination Date, a per annum rate equal to 2.25% or (ii) at all other times, a per annum rate equal to 6.50%.

“LIBO Rate Reserve Percentage” means, for any Interest Period in respect of which Interest is computed by reference to the LIBO Rate, the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of

Governors of the Federal Reserve System (or any successor) (or if more than one such percentage shall be applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurocurrency Liabilities is determined) having a term equal to such Interest Period.

“LIBOR Disruption Event” means, with respect to any Interest Period, any of the following: (a) a determination by any Lender or any Liquidity Provider 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 dollars in the London interbank market to make, fund or maintain Loans during such Interest Period, (b) the failure of the source listed in the definition of “LIBO Rate” to publish a London interbank offered rate as of 11:00 a.m. on the second Business Day prior to the first day of such Interest Period, (c) a determination by any Lender or Liquidity Provider that the rate at which deposits of United States dollars are being offered in the London interbank market does not accurately reflect the cost to such Person of making, funding or maintaining its Loans for such Interest Period or (d) the inability of such Lender or Liquidity Provider, because of market events not under the control of such Person, to obtain United States dollars in the London interbank market to make, fund or maintain its Loans for such Interest Period.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), or preference, priority, charge or other security agreement or preferential arrangement of any kind or nature whatsoever that is intended as security.

“Liquidation Fee” means for any Interest Period of any Loan held by a Lender (i) the amount, if any, by which the additional Interest which would have accrued during such Interest Period on the reductions of the Principal Amount of such Loan relating to such Interest Period had a reduction of the Principal Amount not occurred, exceeds (ii) the income, if any, received by the Lender which holds such Loan from the investment of the proceeds of such reductions of Principal Amount. A certificate as to the amount of any Liquidation Fee (including the computation of such amount) shall be submitted by the affected Lender to the Borrower and shall be conclusive and binding for all purposes, absent manifest error.

“Liquidity Agreement” means a liquidity loan agreement, asset purchase agreement or similar agreement entered into by a Conduit Lender with a group of financial institutions in connection with this Agreement.

“Liquidity Fee” means a fee payable by the Borrower to each Managing Agent for the account of the Lenders in its related Lender Group on each Liquidity Fee Payment Date during the period commencing on the date hereof until (and including) the Final Collection Date an amount equal to the product of (a) the daily average excess, if any, of (i) the sum of the Commitments of the Committed Lenders in its related Lender Group during the immediately preceding Interest Period over (ii) the Principal Amount of the Loans funded by the Lenders in the related Lender Group during the immediately preceding Interest Period, and (b) a per annum rate equal to (i) on each day during the 120-day period immediately following the consummation of any Securitization Transaction pursuant to which asset-backed securities secured by Contracts with an aggregate principal balance of \$200,000,000 or more are issued, 0.25% or (ii) on each day during any other period, 0.50%.

“Liquidity Fee Payment Date” means each Settlement Date.

“Liquidity Provider” means any of the financial institutions from time to time party to any Liquidity Agreement with a Conduit Lender.

“Loan” means a loan made to the Borrower pursuant to Article II.

“Lock-Box” means any post office box maintained by the Originator, the Servicer or a Lockbox Bank, in each case, for the purpose of receiving payments on Pledged Contracts or other Collections.

“Lock-Box Processor” means any of the Persons identified as a Lock-Box Processor on Exhibit F and any other Person that may from time to time perform lock-box services with respect to one or more Lock-Boxes.

“LTV Adjusted Advance Rate” means, as of any Quarterly Measurement Date, the lesser of (a) 58.00% and (b) the product of (i) 0.96 and (ii) the sum of the percentages calculated in accordance with the formula set forth below for each Financed Vehicle included in the Managed Portfolio as of such date, divided by the total number of Financed Vehicles included in the Managed Portfolio as of such date.

$$\frac{BC + R + W\&R + F + TC + SC + SM}{AF}$$

where:

BC = the purchase price for the acquisition of the related Financed Vehicle,

R = the reconditioning costs with respect to the related Financed Vehicle, which shall include parts, labor and allocation of overhead with respect to the related Financed Vehicle,

W&R = the post-sale costs with respect to warranty claims and customarily provided repairs with respect to the related Financed Vehicle to the extent not reimbursed by the owner of such Financed Vehicle, insurance or otherwise,

F = the reasonable allocation of the costs with respect to the acquisition of the related Financed Vehicle other than payment of the purchase price for such Financed Vehicle, including compensation of vehicle buyers, together with travel and other expenses of vehicle buyers, auction fees or costs and fees or costs of non-purchased vehicles,

TC = the costs of transportation of the related Financed Vehicle from the point of acquisition to the lot from which it is sold, including interim transportation to the reconditioning center and alternate lots,

SC = the sales commission paid with respect to the related Financed Vehicle,

SM = the reasonable allocation of all selling and marketing expenses with respect to the related Financed Vehicle, including, without limitation, advertising, marketing and promotion costs, and

AF = the Amount Financed of the related Financed Vehicle.

“LTV Adjusted Advance Rate Reporting Date” means the fifteenth (15) day following each Quarterly Measurement Date or, if such day is not a Business Day, the next succeeding Business Day.

“Majority Committed Lenders” means, at any time, Committed Lenders whose Commitments together exceed fifty percent (50%) of the Aggregate Commitment at such time.

“Majority Managing Agents” means, at any time, Managing Agents whose Lender Group Limits together exceed fifty percent (50%) of the Facility Limit at such time.

“Managed Portfolio Contracts” means Contracts, serviced by Servicer, which were originated or purchased by any of the DT Entities, including but not limited to the Pledged Contracts and those contracts which have been subsequently sold to a third party, with the servicing retained by Servicer and with a residual interest in the installment contracts held by any of the DT Entities.

“Managing Agent” means, as to any Conduit Lender or Committed Lender, the Person listed on Schedule I as the “Managing Agent” for such Lenders, together with its respective successors and permitted assigns.

“Master Agency Agreement” means that certain Amended and Restated Master Depository Accounts and Post Office Boxes and Agency Agreement, dated as of December 16, 2005 among DTCC, DTCS, Royal Bank of Scotland (successor-in-interest to Greenwich Capital Financial Products, Inc.), Wells Fargo Bank, National Association and Wilmington Trust Company, in its capacity as owner trustee of certain “Current Trusts” identified therein, as amended, modified or supplemented from time to time, together with any acknowledgement and agreement.

“Master Custodial Report” has the meaning set forth in the Custodial Agreement.

“Material Adverse Effect” means a material adverse effect on (a) the property, business, operations, financial condition or prospects of any Transaction Party or any Affiliate thereof, (b) the ability of any Transaction Party to perform in all material respects its obligations under any of the Facility Documents to which it is a party, (c) the legality, validity or enforceability in all material respects of any of the Facility Documents, (d) the rights and remedies of the Lenders under any of the Facility Documents, (e) the timely payment of the principal of or interest on the Loans or other amounts payable in connection therewith, (f) any Secured Party’s interest in the Collateral generally or in any material portion of the Collateral or (g) the collectibility of the Pledged Contracts generally or of any material portion of the Pledged Contracts.

“Material Indenture Provision” means each of the following provisions of the Indenture: the definitions of “Permitted Warehouse Facility” and “Permitted Warehouse Transfer” thereunder and Sections 4.04, 4.05, 4.06, 4.12, 4.14 or 10.04 thereof.

“Maturity Date” means the third anniversary of the Termination Date.

“Measurement Date” means, with respect to any Accounting Period, the nearest Sunday to the last day of such Accounting Period.

“Modification” shall mean, with respect to a Contract, any amendment or agreement modifying such Contract made in accordance with Accepted Servicing Practices.

“Monthly Loan Tape” means a data tape, which shall include with respect to each Pledged Contract (i) the related Contract identification number, (ii) the Originator and origination channel, (iii) the current Principal Balance, (iv) the current number of days such Pledged Contract is delinquent, (v) whether or not the related Contract Debtor is a debtor in bankruptcy, (vi) the next payment date, (vii) the remaining term to maturity, (viii) the current maturity date, (ix) the original maturity date, (x) the number of times extended, (xi) the number of payments that have been made, (xii) the date of such Pledged Contract (origination date), (xiii) the funding date, (xiv) the original interest rate, (xv) the current interest rate, (xvi) the original monthly payment amount, (xvii) the current monthly payment amount, (xviii) the original loan-to-value ratio, (xix) the original debt-to-income ratio, (xx) the amount of the down payment, (xxi) the make/model/year of the related Financed Vehicle, (xxii) the vehicle identification number of the related Financed Vehicle, (xxiii) the book value of the related Finance Vehicle, (xxiv) the original Principal Balance (amount financed), (xxv) the original term to maturity, (xxvi) new/used Financed Vehicle status, (xxvii) mileage of the related Financed Vehicle at origination, (xxviii) the State in which the related Contract Debtor has a mailing address, (xxix) the FICO® score at origination, (xxx) history of payments delinquent (number of times delinquent) 1-30 days, 31-60 days, 61-90, 91-120 days and 121 or more days, (xxxi) history/duration of total extensions, (xxxii) credit tier, (xxxiii) title status and (xxxiv) such other information as may be reasonably requested by the Program Agent without unreasonable expense or effort by the Servicer.

“Monthly Report” means a report, in substantially the form of Exhibit C-1, furnished by the Servicer to the Managing Agents for the Lenders pursuant to Section 5.05(g).

“Monthly Reporting Date” means the second Business Day prior to each Settlement Date.

“Monthly Serviced Portfolio Report” means a report, in substantially the form of Exhibit C-2, furnished by the Servicer to the Managing Agents for the Lenders pursuant to Section 5.05(g).

“Moody’s” means Moody’s Investors Service, Inc., and its successors.

“Motor Vehicle” means a passenger motor vehicle, van, or light duty truck which is not manufactured for a particular commercial purpose and which can be registered for use on public highways, and is not a vehicle that is titled outside the United States or has been previously titled outside the United States.

“Multiemployer Plan” means a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been or are required to be made by Borrower or any ERISA Affiliate and that is covered by Title IV of ERISA.

“Net Equity” means the excess of the book value of the assets of the DT Entities On A Consolidated Basis over the book value of the liabilities of the DT Entities On A Consolidated Basis, in each case determined in accordance with GAAP.

“Net Income” means, for any period for the DT Entities On A Consolidated Basis, the net income (or loss) of the DT Entities On A Consolidated Basis for such period taken as a single accounting period determined in conformity with GAAP; provided that there shall be excluded (i) the income (or loss) of any Person (other than the DT Entities On A Consolidated Basis) in which any other Person (other than the DT Entities On A Consolidated Basis) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to the DT Entities On A Consolidated Basis by such Person during such period, (ii) the income (or loss) of any Person accrued prior to the date it becomes a consolidated Subsidiary or is merged into or consolidated with any DT Entity or that Person’s assets are acquired by any DT Entity or a consolidated Subsidiary, (iii) the income of any Subsidiary to

the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of their charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary, (iv) any after-tax gains or losses attributable to asset sales or returned surplus assets of any pension plan, and (v) (to the extent not included in clauses (i) through (iv) above) any net extraordinary gains or net non-cash extraordinary losses.

“Net Liquidation Proceeds” means, with respect to a Charged-Off Contract, (i) proceeds from the disposition of the Financed Vehicle relating to such Charged-Off Contract, less reasonable Servicer out-of-pocket costs, including, repossession and resale expenses not already deducted from such proceeds, and any amounts required by law to be remitted to the related Contract Debtor, (ii) any Insurance Proceeds relating to such Charged-Off Contract or (iii) other monies received from the related Contract Debtor or otherwise.

“Net Worth” means, at any time with respect to the DT Entities On A Consolidated Basis, (i) Net Equity at such time, plus (ii) the lesser of (x) the aggregate amount of Approved Indebtedness at such time and (y) \$100,000,000, plus (iii) without duplication, the preference value of preferred shares of the DT Entities On A Consolidated Basis minus (iv) the sum of (x) the aggregate value of all Intangible Assets of the DT Entities On A Consolidated Basis at such time determined in accordance with GAAP and (y) the aggregate amount of all advances to employees of the DT Entities at such time.

“Net Worth (Adjusted)” means, at any time with respect to the DT Entities On A Consolidated Basis, (i) Net Equity at such time, plus (ii) the aggregate amount of Approved Indebtedness at such time, plus (iii) without duplication, the preference value of preferred shares of the DT Entities On A Consolidated Basis minus (iv) the sum of (x) the aggregate value of all Intangible Assets of the DT Entities On A Consolidated Basis at such time determined in accordance with GAAP and (y) the aggregate amount of all advances to employees of the DT Entities at such time.

“Non-Contract Collateral” has the meaning assigned thereto in Section 2.15(a)(ii)(J) hereof.

“Non-Extending Lender” has the meaning specified in Section 2.06(c)(ii).

“Notice of Exclusive Control” has the meaning specified in Section 2.20(h).

“Official Body” means any Governmental Authority or any accounting board or authority (whether or not part of a government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic.

“Optional Contract Debtor Insurance” means any insurance which insures a Financed Vehicle or a Contract Debtor’s obligations under a Contract, including but not limited to credit life, credit health, credit disability, unemployment insurance, and any service contract, mechanical breakdown coverage, warranty, or extended warranty for a Financed Vehicle.

“Origination Agreement” mean that certain Origination Agreement, dated as of March 19, 2003, between DTCS and DTAC, as amended, restated, supplemented or otherwise modified.

“Originator” means DTAC.

10.10. “Other Fees” means amounts owed by the Borrower hereunder pursuant to Sections 2.11, 2.12, 2.13, 2.14, 8.01 and

“Outstanding Loan Amount” means, at any time, the aggregate outstanding principal amount of all Loans hereunder.

“Parent Company” means each of DTAG and DTAC.

“Participant” has the meaning specified in Section 10.03(f).

Agents. “Paying Agent” means Wells Fargo Bank, National Association or any other Person acceptable to the Majority Managing

“Paying Agent Fee” means, for any Accounting Period, \$1,000.

ERISA. “PBGC” means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under

“Performance Guaranty” means that certain Amended and Restated Performance Guaranty dated as of the Closing Date, by the Performance Guarantors in favor of the Program Agent, as amended, restated, supplemented or otherwise modified from time to time.

“Performance Guarantor” means each of DTAG and DTAC, and “Performance Guarantors” means both of the foregoing collectively.

“Permitted Distribution” means (i) if DTAC or DTAG (each a “Parent Company”) is a validly electing S corporation under §§1361 and 1362 of the Code, a disregarded entity for federal income Tax purposes, or a limited liability company electing not to be Taxed as a corporation, a quarterly dividend paid by a Parent Company to its shareholders or members in an amount not greater than the percentage of its Net Income (not including any Net Income that is a loss) (“S-Corp Net Income”) for such quarter equal to the highest combined federal, state and/or local Tax rate (taking into account the deductibility of state and local Taxes) applicable to any ultimate Tax-paying direct or indirect shareholder or member of such Parent Company (provided, however, that the payment by a Parent Company of a quarterly dividend that exceeds such percentage of its S-Corp Net Income for such quarter will not constitute a breach of this clause (i) if the aggregate amount of all Restricted Payments paid by such Parent Company during such calendar year as of the date of such dividend does not exceed such percentage of its S-Corp Net Income for such quarter and all previous quarters during such calendar year (the “S-Corp Permissible Dividend Amount”); (ii) any S-Corp Permissible Dividend Amount to the extent unpaid but declared within 135 days after the end of such quarter) or (iii) any Restricted Payment by DTAC or DTAG to its shareholders or members (other than as permitted under clauses (i) or (ii) hereof) in an aggregate amount not in excess of fifty percent (50.0%) of the Net Income of the DT Entities On A Consolidated Basis during any fiscal quarter.

“Permitted Investments” shall mean:

(a) direct obligations of, or guaranteed as to the full and timely payment of principal and interest by, the United States or obligations of any agency or instrumentality thereof, if such obligations are backed by the full faith and credit of the United States;

(b) federal funds, certificates of deposit, time deposits, bankers’ acceptances (which shall each have an original maturity of not more than ninety (90) days and, in the case of bankers’

acceptances, shall in no event have an original maturity of more than 365 days) or demand deposits of any United States depository institution or trust company organized under the laws of the United States or any state and subject to supervision and examination by federal and or state banking authorities; provided, that the short-term obligations of such depository institution or trust company are rated in one of the two highest available rating categories by the Rating Agencies on the date of acquisition thereof;

(c) commercial paper (having original maturities of not more than thirty (30) days) of any corporation incorporated under the laws of the United States or any state thereof which is rated A-1 or better by S&P and P-1 by Moody's on the date of acquisition thereof;

(d) securities of money market funds rated AA or better by S&P and Aa or better by Moody's on the date of acquisition thereof; or

(e) repurchase obligations secured by an investment described in clause (a) above with a market value greater than the repurchase obligation, provided that such security is held by a third party custodian which has a rating for its short-term, unsecured debt or commercial paper (other than such obligations the rating of which is based on the credit of a Person other than such custodian) of P-1 by Moody's and at least A-1 by S&P on the date of acquisition thereof.

Each of the Permitted Investments may be purchased by the Paying Agent or through an Affiliate of the Paying Agent.

"Permitted Liens" means any of the following: (a) Liens for taxes and assessments (i) which are not yet due and payable or (ii) the validity of which are being contested in good faith by appropriate proceedings and with respect to which the Borrower is maintaining adequate reserves in accordance with GAAP; (b) Liens in favor of the Program Agent or any Secured Party, including any Liquidity Providers (but only in connection with this Agreement); and (c) Liens in favor of the Borrower arising pursuant to the Purchase Agreement.

"Permitted State" means each of Arizona, Nevada, California, New Mexico, Texas, Florida, Georgia, Virginia, North Carolina, Colorado, Oklahoma, South Carolina, Tennessee, Alabama, Mississippi, Ohio, Kentucky, Arkansas, Missouri and Indiana and such other states as may be approved by the Program Agent in writing from time to time (such approval not to be unreasonably withheld).

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity.

"Plan" means an employee benefit or other plan established or maintained by the Borrower or any ERISA Affiliate and that is covered by Title IV of ERISA, other than a Multiemployer Plan.

"Pledged Contract" means, at any date, each Contract owned by the Borrower on such date, whether or not such Contract is an Eligible Contract, excluding any Contract released from the Lien of this Agreement pursuant hereto, and any Terminated Contracts.

"Pre-Tax Net Income" means, for any period for the DT Entities On A Consolidated Basis, Net Income (not including any Net Income that is a loss) plus the amount of any income Taxes paid or currently payable by the DT Entities On A Consolidated Basis during such period.

“Predecessor Servicer Work Product” has the meaning specified in Section 6.14.

“Prime Rate” means, with respect to any Lender Group, the rate of interest announced publicly by the related Reference Bank from time to time as its prime or base rate (such rate not necessarily being the lowest or best rate charged by such Reference Bank).

“Principal Amount” means with respect to any Loan, the original principal amount of such Loan, as such principal amount may be reduced from time to time by (i) payments made in accordance with Section 2.05 and (ii) Collections received by the applicable Lender holding such Loan from distributions made pursuant to Section 2.06 or Section 2.07, as applicable, that have been applied to reduce the Principal Amount of such Loan; *provided, that* if such Principal Amount 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 Principal Amount shall be increased by the amount of such rescinded or returned distribution, as though it had not been received by such Lender.

“Principal Balance” means, with respect to any Contract as of any date, the Amount Financed minus the sum of the following amounts without duplication: (i) that portion of all Scheduled Payments actually received on or prior to such day allocable to principal using the Simple Interest Method; (ii) any payment of the Amount Financed with respect to the Contract allocable to principal; (iii) any Cram Down Loss in respect of such Contract; and (iv) any prepayment in full or any partial prepayments applied to reduce the Amount Financed.

“Principal Collections” means, for any Accounting Period, the aggregate amount of Collections (other than Net Liquidation Proceeds) with respect to the aggregate Principal Balance due under the Pledged Contracts received or deemed received during such Accounting Period, together with Finance Charge Collections that are reallocated as Principal Collections on any Settlement Date pursuant to Section 2.06(b).

“Pro Rata Share” means, at any time for any Committed Lender in any Lender Group, (a) the Commitment of such Committed Lender at such time, divided by the sum of the Commitments of all Committed Lenders in such Lender Group at such time and (b) after the Commitments of all the Committed Lenders in such Lender Group have been terminated, the outstanding principal amount of the Loans funded by such Committed Lender at such time, divided by the outstanding principal amount of the Loans funded by all the Committed Lenders in such Lender Group at such time.

“Product Information” has the meaning specified in Section 10.12(a).

“Program Agent” means Deutsche Bank, in its capacity as agent for the Lenders, together with its successors and permitted assigns.

“Prohibited Transaction” means any transaction set forth in Section 406 of ERISA or Section 4975 of the IRC which is not exempt under Section 408 of ERISA or Section 4975(d) of the IRC.

“Property” means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

“Purchase Agreement” means that certain Amended and Restated Purchase and Contribution Agreement dated as of the Closing Date, by and between the Originator and the Borrower, as amended, restated, supplemented or otherwise modified from time to time.

“Quarterly Data” means a data tape, which shall include with respect to each Pledged Contract (i) the information specified in the definition of “Monthly Loan Tape,” (ii) static pool gross and net loss data by monthly origination vintages, (iii) loss and delinquency data with respect to all Managed Portfolio Contracts and (iv) such other information as the Program Agent may reasonably request, without unreasonable expense or effort by the Servicer, from time to time to satisfy or fulfill regulatory requirements applicable to the Secured Parties, including capital treatment under Basel II, for the related quarter; provided that all Quarterly Data will be based on data available as of the last day of the Accounting Period most recently ended prior to the Quarterly Determination Date.

“Quarterly Determination Date” means the Settlement Date in each January, April, July, and October, commencing in January 2012.

“Quarterly Measurement Date” means, for the DT Entities On A Consolidated Basis with respect to any fiscal year, the last day of the March, June, September and December Accounting Periods.

“Rate Type” means the Adjusted LIBO Rate, the Base Rate or the CP Rate.

“Rating Agencies” means each of S&P and Moody’s or their respective successors.

“Rating Request” means a written request by an Affected Party or Lender to the Borrower and the Servicer, stating that such Affected Party or Lender intends to request that a Rating Agency publicly issue a rating to the transactions contemplated by this Agreement that reasonably reflects the economics and credit of the Loans at the time of such request.

“Records” means all agreements, documents, instruments, books, records and other information (including, without limitation, financial statements, accounting records, customer lists, credit files, computer programs, electronic data print outs and other computer materials and records, tapes, discs, punch cards, data processing software and related property and rights) maintained by or on behalf of the Borrower or the Servicer with respect to the Pledged Contracts.

“Reference Bank” means, with respect to any Lender Group, the financial institution identified as the Reference Bank for such Lender Group on Schedule I or such other financial institution as shall be specified by the Managing Agent for such Lender Group in a written notice to the Borrower.

“Register” has the meaning specified in Section 10.03(d).

“Registrar of Titles” means a state agency in a Permitted State that issues Certificates of Titles.

“Regulations T, U and X” means Regulations T, U and X of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

“Release” has the meaning specified in Section 2.06(c)(iv).

“Release Request” has the meaning set forth in the Custodial Agreement.

“Reportable Event” has the meaning set forth in Section 4043 of ERISA.

“Required Data” means ongoing information regarding the Collateral required to be provided by the Borrower or the Servicer to the Program Agent at the request of the Program Agent or

any Managing Agent, including in connection with any Lender's or Affected Party's regulatory capital requirements.

"Required Standard of Care" has the meaning set forth in Section 6.07.

"Required Takeout Price" means, with respect to any Securitization Transaction or whole loan sale transaction, an amount equal to the sum of (i) the portion of the Outstanding Loan Amount required to be reduced at the time of such Securitization Transaction or whole loan sale transaction such that after giving effect to the sale of the related Pledged Contracts, the Outstanding Loan Amount will not exceed the Borrowing Base, plus (ii) all accrued and unpaid Interest and Fees at the time of such Securitization Transaction or whole loan sale transaction, plus (iii) if any other Borrower Obligations are then due and payable at the time of such Securitization Transaction or whole loan sale transaction, the aggregate amount of such other Borrower Obligations.

"Requirement of Law" means as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" means, as to any Person, the chief executive officer or, with respect to financial matters, the chief financial officer of such Person; provided, that in the event any such officer is unavailable at any time he or she is required to take any action hereunder, Responsible Officer means any officer authorized to act on such officer's behalf as demonstrated by a certificate of corporate resolution.

"Restricted Junior Payment" means (i) any dividend or other distribution, direct or indirect, on account of the membership interests of the Borrower now or hereafter outstanding, (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any membership interests of the Borrower now or hereafter outstanding, (iii) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any membership interests of the Borrower now or hereafter outstanding, and (iv) any payment of management fees by the Borrower.

"Restricted Payments" means with respect to any Person, (i) collectively, all dividends or other distributions of any nature (cash, securities, assets or otherwise), and all payments, by virtue of redemption or otherwise, on any class of equity securities (including, without limitation, warrants, options or rights therefor) or membership interests issued by such Person, whether such securities or interests are now or may hereafter be authorized or outstanding and any distribution in respect of any of the foregoing, whether directly or indirectly and (ii) any payment on account of, or set apart assets for a sinking or other analogous fund for the purchase, defeasance, retirement or other acquisition of any subordinate debt of any DT Entity, whether now or hereafter outstanding, or any other distributions in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any DT Entity.

"Retained Interest" means a material net economic interest of not less than five percent (5%) of the aggregate Principal Balance of all Pledged Contracts in accordance with the text of Article 122a.

"Rolling Average Charged-Off Losses Ratio (Managed Portfolio Contracts)" means, for any Accounting Period with respect to the Managed Portfolio Contracts, the average of the Charged-Off

Losses Ratio for the Managed Portfolio Contracts for the DT Entities On A Consolidated Basis for the three (3) consecutive Accounting Periods most recently ended.

“Rolling Average Charged-Off Losses Ratio (Pledged Contracts)” means, for any Accounting Period with respect to the Pledged Contracts, the average of the Charged-Off Losses Ratio with respect to the Pledged Contracts for the three (3) consecutive Accounting Periods most recently ended.

“Rolling Average Delinquency Ratio (Managed Portfolio Contracts)” means, as of any Measurement Date with respect to the Managed Portfolio Contracts, the average of the Delinquency Measurement Ratios for the Managed Portfolio Contracts for the DT Entities On A Consolidated Basis for the three (3) consecutive Accounting Periods most recently ended.

“Rolling Average Delinquency Ratio (Pledged Contracts)” means, as of any Measurement Date with respect to the Pledged Contracts, the average of the Delinquency Measurement Ratios for all Pledged Contracts for the three (3) consecutive Accounting Periods most recently ended.

“Rolling Average Extension Rate (Managed Portfolio Contracts)” means, with respect to the Managed Portfolio Contracts, the percentage of Managed Portfolio Contracts for which an extension has been granted by the Servicer in accordance with the Credit and Collection Policy during any Accounting Period (computed as the number of whole months extended or fractions thereof, on a twelve (12) month rolling average basis and based on the number of Managed Portfolio Contracts at the beginning of each Accounting Period).

“Rolling Average Extension Rate (Pledged Contracts)” means, with respect to the Pledged Contracts for any Accounting Period, the percentage of Pledged Contracts for which an extension has been granted by the Servicer in accordance with the Credit and Collection Policy during such Accounting Period (computed as the number of whole months extended or fractions thereof, on a twelve (12) month rolling average basis and based on the number of Pledged Contracts at the beginning of each Accounting Period).

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, and its successors.

“Schedule of Payments” means the schedule of payments disclosed on a Contract.

“Scheduled Payments” means the periodic installment payment amount disclosed in the Schedule of Payments for the Contract.

“Secured Parties” means, collectively, the Lenders, each Managing Agent, the Program Agent, the Custodian, the Backup Servicer and each other Indemnified Party.

“Securities Intermediary” has the meaning set forth in Section 2.20(b).

“Securitization Transaction” means any securitization or structured finance transaction entered into by any DT Entity or an Affiliate thereof from time to time secured in whole or in part by Contracts and/or Pledged Contracts.

“Servicer” means, at any time, the Person then authorized pursuant to Article VI hereof to act hereunder in such capacity. As of the date hereof, DTCC is the Servicer.

“Servicer Default” means the occurrence of any of the following with respect to the Servicer:

- (a) the Servicer shall fail to make any payment or deposit required to be made by it hereunder when due, and such failure shall continue for one Business Day; or
- (b) the Servicer shall fail to perform or observe any term, covenant or agreement contained in this Agreement or any other Facility Document on its part to be performed or observed and such failure remains unremedied for five (5) days after it receives notice of such failure from any Affected Party or a Responsible Officer of the Servicer has knowledge thereof; or
- (c) any representation or warranty made or deemed to be made by the Servicer under this Agreement, any Monthly Report, any Borrowing Base Certificate, any Borrowing Request or other information or report delivered pursuant hereto shall prove to have been false or incorrect in any material respect when made or deemed made or delivered; or
- (d) an Event of Bankruptcy shall have occurred with respect to the Servicer; or
- (e) occurrence of an Event of Termination pursuant to clause (bb) of Section 7.01 or of any other Event of Termination relating to the Servicer (including, without limitation, breach of any applicable financial covenants); or
- (f) the occurrence of a Level Two Trigger Event pursuant to clause (a), (b), (c) or (d) of the definition thereof.

“Servicer Fee” means a fee with respect to each Accounting Period, payable in arrears on each Settlement Date for the account of the Servicer, in an amount equal to the product of (i) one-twelfth of the Servicer Fee Rate and (ii) the aggregate Principal Balances of all Pledged Contracts as of the last day of such Accounting Period; *provided, that* if the Servicer is not DTCC or an Affiliate of DTAC, the Servicer Fee shall be reflective on the market rate for servicing similar Contracts.

“Servicer Fee Rate” means a rate per annum equal to four percent (4.00%); *provided, that*, from and after the Commitment Termination Date, so long as no Event of Termination, Servicer Default, Incipient Event of Termination or Incipient Servicer Default shall have occurred and be continuing (other than an Event of Termination that arises solely as a result of the failure of the Borrower to repay all Borrower Obligations in full on the Commitment Termination Date), the “Servicer Fee Rate” shall mean a rate per annum equal to seven percent (7.00%).

“Servicing Report” has the meaning set forth in Section 6.15(a).

“Servicing Transfer” has the meaning set forth in Section 6.01(c).

“Servicing Turnover” has the meaning set forth in Section 6.07.

“Settlement Date” means (i) the 15th day of each Accounting Period (or, if such day is not a Business Day, the next succeeding Business Day) and (ii) on and after the occurrence of an Event of Termination, each other Business Day specified by the Program Agent (which, in the discretion of the Program Agent, may be as frequently as daily) in a written notice to the Borrower, the Paying Agent and the Servicer.

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

“Single Employer Plan” has the meaning set forth in Section 3(41) of ERISA.

“Subsidiary” means, with respect to any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

“Supporting Obligations” has the meaning given to such term in the UCC.

“Taxes” means any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto.

“Terminated Contract” has the meaning set forth in the Custodial Agreement.

“Termination Date” means the earliest to occur of (i) the Commitment Termination Date, (ii) the declaration or automatic occurrence of the Termination Date pursuant to Section 7.02 and (iii) that Business Day which the Borrower designates as the Termination Date by notice to the Program Agent at least five (5) Business Days prior to such Business Day.

“Termination Notice” has the meaning set forth in Section 6.01(c).

“Transaction” has the meaning specified in Section 10.12.

“Transaction Parties” means, collectively, the Borrower, the Originator, the Performance Guarantors and, so long as it is DTCC or an Affiliate of DTAC, the Servicer.

“Transition Expenses” means any documented expenses and allocated cost of personnel reasonably incurred by the Backup Servicer in connection with a Servicing Transfer.

“Trust Receipt Exhibit A” has the meaning set forth in the Custodial Agreement.

“UCC” means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction.

“Walk-In Payment Percentage” means, with respect to any Accounting Period, the percentage equivalent of a fraction the numerator of which is the amount of Collections not received either by electronic funds transfer or by check delivered to a Lock-Box during such Accounting Period and the denominator of which is the amount of Collections deposited in Collection Account during such Accounting Period.

“Walk-In Payment Ratio” means, on any day, the average of the Walk-In Payment Percentages for the three most recently completed Accounting Periods.

“Warehouse Facility” means (i) the credit facility evidenced by that certain Loan and Servicing Agreement, dated as of April 1, 2010 among DT Warehouse III, LLC, as borrower, DTCC, as servicer, Wells Fargo Bank, National Association, as backup servicer, paying agent and securities intermediary, the persons from time to time party thereto as “Conduit Lenders”, the financial institutions from time to time party thereto, as “Committed Lenders” and “Managing Agent” and UBS Real Estate Securities Inc., as “Program Agent” and the other “Facility Documents” referred to therein, in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time, (ii) the credit facility evidenced by that certain Loan and Servicing Agreement dated as of July 23, 2010 among DT Warehouse IV, LLC, as borrower, DTCC, as servicer, Wells Fargo Bank, National Association, as backup servicer, paying agent and securities intermediary, the commercial paper conduits from time to time party thereto, the financial institutions from time to time party thereto, as Committed Lenders, the financial institutions from time to time party thereto, as Managing Agents, and The Royal Bank of Scotland PLC, as “Program Agent” and the other “Facility Documents” referred to therein, in each case as the same may be amended, restated, supplemented or otherwise modified from time to time; (iii) the credit facility evidenced by that Loan and Security Agreement dated as of December 23, 2011 among DT Warehouse V, LLC, as borrower, DTCC, as servicer, Wells Fargo Bank, N.A., a national banking association, as lender, Wells Fargo Securities, LLC, a Delaware limited liability company, as administrative agent for the Lender and Wells Fargo Bank, N.A., a national banking association, as collateral custodian and as the backup servicer; or (iv) any other committed revolving credit facility (other than the credit facility evidenced by this Agreement) in favor of DTAC, DTAG and/or an Affiliate thereof pursuant to which one or more lenders, purchasers or other investors have agreed to provide financing to DTAC, DTAG and/or an Affiliate thereof secured by Contracts.

“Warehouse Facility Availability” means, on any Business Day with respect to any Warehouse Facility, the maximum principal amount available to be borrowed on such date by DTAC, DTAG and/or an Affiliate thereof under such Warehouse Facility, determined on such date after giving effect to any borrowing base or similar calculation set forth therein and subject to the facility limit or maximum available credit thereunder.

“Wet Contract” means, as of any date of determination, a Contract:

- (a) as to which the information set forth in the Borrowing Request with respect to such Contract is complete, true and correct in all material respects;
- (b) which is in the form of Exhibit D, or a different form consented to in writing by the Managing Agents;
- (c) with respect to which the first Scheduled Payment is due within forty-five (45) days after the date of such Contract;
- (d) with respect to which the related Contract Debtor is not delinquent on payments;
- (e) which the Servicer has not designated as out for or in repossession;
- (f) as to which any right of rescission arising out of the Contract of the Contract Debtor has expired;
- (g) which is not (i) a Charged-off Contract, (ii) a Contract for which the Amount Financed was in excess of \$30,000, or (iii) a Contract that (A) was previously a Pledged Contract

and (B) was previously transferred by the Borrower in connection with a Contract Disposition Transaction and, at the time of such Contract Disposition Transaction, was a Delinquency Measurement Contract; *provided, that* notwithstanding the foregoing, a Contract of the type described in this clause (iii) may become an Eligible Contract if it otherwise satisfies the definition thereof upon the earlier of (x) the date after such Contract Disposition Transaction on which such Contract is not a Delinquency Measurement Contract and the related Contract Debtor has made at least four (4) Scheduled Payments thereunder and (y) the date on which such Contract was not a Delinquency Measurement Contract for three (3) consecutive Accounting Periods;

(h) which a Simple Interest Method loan, has a fixed APR and the "Finance Charge" was computed using a fixed rate;

(i) which has an original term to maturity that does not exceed sixty-two (62) months, or such other period as may be agreed to from time to time by the Borrower and the Program Agent, provided that (x) for Receivables as to which the Contract Debtor is rated "B" the original term to maturity is not less than twelve (12) months and does not exceed sixty-eight (68) months and (y) for Receivables as to which the Contract Debtor is rated "A" the original term to maturity is not less than twelve (12) months and does not exceed seventy-two (72) months, (ii) and the Schedule of Payments has equal periodic payments except for payments due during the first 90 days of the term of such Contract, and except for the final payment which may be less than the other equal payments, and the payment obligation is in United States dollars, and (iii) does not cause the weighted average (based on Principal Balances of the applicable Eligible Contracts) original term to maturity of all Eligible Contracts that are Pledged Contracts to exceed sixty-two (62) months; *provided that* the Pledged Contracts rendered ineligible solely pursuant to the foregoing clause (iii) shall be selected by the Borrower from the Pledged Contracts with the longest original term to maturity and only with Principal Balances required to reduce the such weighted average original term to maturity of all Eligible Contracts that are Pledged Contracts to or below sixty-two (62) months; *provided that* any such ineligible Pledged Contract may be subsequently designated by the Borrower as an "Eligible Contract" if the eligibility of such Pledged Contract would not cause such weighted average original term to maturity of all Pledged Contracts to exceed sixty-two (62) months;

(j) which provides that, in the event such Contract is pre-paid, the prepayment shall fully pay the Principal Balance and unpaid interest, including interest in the month of prepayment to the date of prepayment, at the APR;

(k) which provides for the absolute sale of the Financed Vehicle to the Contract Debtor, and the Financed Vehicle is not on approval or subject to any agreement between the Contract Debtor and the Dealer for the repurchase or return of the Financed Vehicle;

(l) which does not present a credit, collateral or documentation risk which is material and unacceptable to the Program Agent;

(m) which was originated by DTCS, or the Originator in a Permitted State;

(n) which, if the Contract Debtor is an employee, officer, agent, director, stockholder, supplier or creditor of any DT Entity or an Affiliate thereof, does not contain terms different than those in the most recent employee purchase program, a copy of which is attached hereto as Schedule V;

(o) which contains the original signature of the Contract Debtor and the Dealer;

- (p) which is the only unsatisfied original executed Contract for the purchase of the Financed Vehicle and accurately reflects all of the actual terms and conditions of the Contract Debtor's purchase of the Financed Vehicle;
- (q) as to which no DT Entity or any Affiliate thereof has made any agreement with the Contract Debtor to reduce the amount owed on the Contract, or is required to perform any additional service for, or perform or incur any additional obligation to, the Contract Debtor in order for any DT Entity to enforce the Contract;
- (r) which, (i) if originated by DTCS, was transferred by DTCS to the Originator pursuant to the Origination Agreement, (ii) [reserved], (iii) at the time originated by DTCS, or the Originator, satisfied the creditworthiness and other advance criteria in the Credit and Collection Policy or was otherwise approved by the Program Agent, and (iv) was originated without any fraud or misrepresentation on the part of DTCS, the Originator, or any other Person;
- (s) with respect to which, the Contract Debtor's obligations under the Contract are secured by a validly perfected first priority security interest in the Financed Vehicle in favor of the Originator, which security interest has been validly assigned and transferred by the Originator to the Borrower, which has a valid, subsisting and enforceable first priority perfected security interest in such Financed Vehicle;
- (t) which has not been, nor is it designated to be, terminated, satisfied, canceled, subordinated or rescinded in whole or in part; nor has the Financed Vehicle been released, or designated for release, from the security interest granted by the Contract; and all of the holder's obligations under the Contract have been performed except those which first arise subsequent to such Contract becoming a Pledged Contract;
- (u) no provision of which has been waived, extended, altered or modified in any respect, and the day of the month that Scheduled Payments are due has not been changed from the original schedule of payments;
- (v) as to which no claims of rescission, setoff, counterclaim, defense or other material disputes have been asserted with respect to the Contract or Financed Vehicle;
- (w) as to which there are no unsatisfied Liens or claims for Taxes, labor, materials, fines, confiscation, or replevin relating to the Contract or Financed Vehicle; there is no unsatisfied claim against the Contract Debtor based on the operation or use of the Financed Vehicle; all Taxes due for the purchase, use and ownership of the Financed Vehicle have been paid and all taxes due on the transfer or the Contract to the Borrower have been paid;
- (x) with respect to which no DT Entity has repossessed the Financed Vehicle or commenced a replevin action or other lawsuit, against the Contract Debtor or Financed Vehicle;
- (y) with respect to which the model year of the Financed Vehicle is not more than twelve (12) years earlier than the model year in effect at the time the Contract becomes a Pledged Contract;
- (z) as to which the obligation of the original Contract Debtor has not been released or assumed by another Person unless the release or assumption was properly documented and the Program Agent has consented in writing to such Contract being an Eligible Contract;

(aa) as to which the down payment complies with the Underwriting Guidelines, and has been paid in full by the Contract Debtor and not loaned to the Contract Debtor by any DT Entity or an Affiliate thereof, and any trade-in has been delivered to the Dealer with an endorsed Certificate of Title;

(bb) [Reserved];

(cc) which, together with the sale of the Financed Vehicle and the sale of any Optional Contract Debtor Insurance, complied at the time such Contract was originated or made, and continue to comply in all material respects with all requirements of applicable Federal, State and local laws, and regulations thereunder including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Servicemembers Civil Relief Act of 2003, the Texas Finance Code and other State adaptations of the Uniform Consumer Credit Code, and other consumer credit laws and equal credit opportunity and disclosure laws; the form of such Contract and the manner in which it was completed and executed and all documents delivered and disclosures made in connection therewith are in compliance with all requirements of applicable Federal, State and local laws, and all applicable regulations thereunder, except to the extent a failure to so comply would not have an adverse effect on (i) the collection and payment of the Contract, or (ii) the interests in such Contract of any DT Entity;

(dd) with respect to which none of the Contracts Debtors is the United States of America, or any State, or any agency, department, or instrumentality of the United States of America, any State or municipality;

(ee) which was not originated in, and is not subject to the laws of, any jurisdiction under which the sale, transfer, and assignment of such Contract, or the assignment and grant of a security interest pursuant to this Agreement, shall be unlawful, void or voidable, and with respect to which (i) no consent of any Contract Debtor or other Person is required for the sale and assignment of or grant of security interest in such Contract and (ii) no DT Entity has entered into any agreement with any Contract Debtor or any other Person that prohibits, restricts or conditions the sale, assignment, or grant of security interest in any portion of such Contract;

(ff) which constitutes "tangible chattel paper" under Article 9 of the applicable UCC;

(gg) which (A) if such Contract was originated in a State in which notation of security interest on the title document of the related Financed Vehicle is required or permitted to perfect such security interest, the title document for such Financed Vehicle shows the Originator named as the original and only secured party under the related Contract as the holder of a first priority security interest in such Financed Vehicle; *provided that* any assumed name, designation or trade name may be used by the Originator on the title document; *provided further* that the use of any such assumed name, designation or trade name by the Originator shall result in a fully perfected first priority security interest in favor of Originator and a legal opinion has been delivered to the Managing Agents by the Originator's legal counsel stating the foregoing, and (B) if such Contract was originated in a State in which the filing of a financing statement under the UCC is required to perfect a security interest in motor vehicles, such filings or recordings have been duly made and show the Originator named as the secured party under the Contract; and if the title document has not yet been returned from the Registrar of Titles, the Originator has received and delivered to the custodian written evidence that such title document showing the Originator as first lienholder has been applied for;

(hh) which represents the genuine, legal, valid and binding obligation of the Contract Debtor thereunder and is enforceable by the holder thereof in accordance with its terms, except only as such enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, and all parties to such contract had full legal capacity to execute and deliver such contract and all other documents related thereto and to grant the security interest purported to be granted thereby;

(ii) with respect to which each Contract Debtor is and continues to be domiciled in the United States;

(jj) with respect to which the related Financed Vehicle has not suffered a casualty or been materially damaged and not repaired, and such Financed Vehicle is located outside of the United States;

(kk) with respect to which, at the time of origination of such Contract, to the knowledge of the Originator, the Borrower and the Servicer, the related Financed Vehicle is customarily used and garaged in the state issuing the Certificate of Title;

(ll) with respect to which the related Financed Vehicle was properly delivered to the related Contract Debtor in good repair, without material defects and in satisfactory order, and such Financed Vehicle was accepted by the Contract Debtor after reasonable opportunity to inspect and test same and, at the time of such delivery and acceptance, no Contract Debtor informed any DT Entity of any material defect therein;

(mm) with respect to which no Contract Debtor is involved in the business of leasing or selling any Financed Vehicles;

(nn) which does not constitute a "consumer lease" under either (A) the UCC as in effect in the jurisdiction whose law governs the Contract, or (B) the Consumer Leasing Act, 15 U.S.C. 1667;

(oo) with respect to which the Contract Delivery Documents have not been delivered to the Custodian as of such date of determination;

(pp) which is less than 11 calendar days old, measured from the date of such Contract to such date of determination;
and

(qq) is listed on Schedule I to the most recently delivered Borrowing Request.

SECTION 1.02. Other Terms and Constructions. Under this Agreement, all accounting terms not specifically defined herein shall be construed in accordance with GAAP as in effect in the United States, and all accounting determinations made and all financial statements prepared hereunder shall be made and prepared in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9. The words "herein," "hereof," and "hereunder" and other words of similar import refer to this Agreement as a whole, including the exhibits and schedules hereto, as the same may from time to time be amended or supplemented and not to any particular section, subsection, or clause contained in this Agreement, and all references to Sections, Exhibits and Schedules shall mean, unless the context clearly indicates otherwise, the Sections hereof and the Exhibits and Schedules attached hereto, the terms of which Exhibits and Schedules are hereby incorporated into this Agreement. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience and do not define, limit, construe or describe the scope or intent of the provisions of this Agreement. Each of the definitions set forth in Section 1.01

hereof shall be equally applicable to both the singular and plural forms of the defined terms. Unless specifically stated otherwise, all references herein to any agreements, documents or instruments shall be references to the same as amended, restated, supplemented or otherwise modified from time to time.

SECTION 1.03. 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 AMOUNTS AND TERMS OF THE LOANS

SECTION 2.01. The Loans.

(a) On the terms and subject to the conditions hereof, on the Closing Date, and thereafter from time to time prior to the Termination Date, each Conduit Lender may in its sole discretion, and each Committed Lender shall, if the Conduit Lender in its related Lender Group, if any, elects not to, make Loans to the Borrower in an amount, for each Lender Group, equal to its Lender Group Percentage of the amount requested by the Borrower pursuant to Section 2.02; *provided, that* no Lender shall make any such Loan or portion thereof to the extent that, after giving effect to such Loan:

(i) the aggregate outstanding Principal Amount of the Loans funded by such Lender hereunder shall exceed its Conduit Lending Limit (in the case of a Conduit Lender) or Commitment (in the case of a Committed Lender);

(ii) the Outstanding Loan Amount shall exceed the lesser of the Facility Limit and the Borrowing Base; or

(iii) the sum of (A) the aggregate Face Amount of Commercial Paper issued by the Conduit Lender(s) in such Lender Group to fund or maintain the Loans hereunder and (B) the aggregate outstanding Principal Amount of the Loans funded hereunder by the Lenders in such Lender Group other than through the issuance of Commercial Paper, shall exceed the Lender Group Limit for such Lender Group.

If there is more than one Committed Lender in a Lender Group, each such Committed Lender shall lend its Pro Rata Share of such Lender Group's Lender Group Percentage of each requested Loan, to the extent such Loan is not made by the related Conduit Lender. Each Borrowing shall be in a minimum principal amount equal to \$500,000 and in integral multiples of \$100,000 in excess thereof; *provided, that* for any period during which the Facility Limit exceeds the Outstanding Loan Amount by \$500,000 or less, each Borrowing shall be in a minimum principal amount equal to \$100,000 and in integral multiples of \$100,000 in excess thereof. Subject to the foregoing and to the limitations set forth in Section 2.05, the Borrower may borrow, prepay and reborrow the Loans hereunder.

(b) Each Borrowing shall consist of Loans having the same Interest Period and made on the same day by each of the Lender Groups ratably according to their respective Lender Group Percentages. The first Borrowing hereunder shall occur on the Closing Date.

(c) On the Termination Date, the Commitments of the Committed Lenders will terminate automatically without any action required on the part of any Person.

(d) On the Maturity Date, all of the Loans, together with all other Borrower Obligations, shall mature and be due and payable.

SECTION 2.02. Borrowing Procedures.

(a) Borrowing Requests.

(i) The Borrower shall request a Borrowing hereunder by submitting to the Program Agent a written notice, substantially in the form of Exhibit B (each, a “Borrowing Request”) not later than (x) in the case of a Borrowing of less than or equal to \$20,000,000, 11:00 a.m. (New York City time) on the Business Day of the proposed Borrowing or (y) in the case of a Borrowing in excess of \$20,000,000, 12:00 p.m. (New York City time) on the Business Day prior to the date of the proposed Borrowing (each, a “Borrowing Date”); provided, that there shall not be more than three (3) Borrowing Dates during any calendar week. Promptly after its receipt thereof, the Program Agent shall submit a copy of each Borrowing Request to each Managing Agent who shall promptly forward a copy thereof to the Lenders in its Lender Group.

(ii) Each Borrowing Request shall: (A) specify (1) the amount of the requested Borrowing which amount shall be allocated among the Lender Groups based on the respective Conduit Lending Limits of the Conduit Lenders in each Lender Group, (2) the Outstanding Loan Amount after giving effect to such Borrowing, (3) the desired Borrowing Date, and (4) the account of the Borrower to which the proceeds of such Borrowing are to be remitted, (B) certify that, after giving effect to the proposed Borrowing, no Borrowing Base Deficiency would exist, and (C) be accompanied by a duly completed Schedule I to such Borrowing Request which sets forth the required information regarding the Eligible Contracts or Wet Contracts that are the subject of such Borrowing.

(b) Conduit Lender Acceptance or Rejection. If a Conduit Lender shall receive a Borrowing Request, such Conduit Lender shall instruct the related Managing Agent to accept or reject such request by no later than the close of business on the Business Day of the applicable Borrowing Request. If a Conduit Lender rejects a Borrowing Request, the related Managing Agent shall promptly notify the Borrower and the related Committed Lenders of such rejection. If a Conduit Lender declines to fund its portion of any Borrowing Request, the Borrower may cancel and rescind such Borrowing Request in its entirety upon notice thereof received by the Program Agent and each Managing Agent prior to the close of business on the Business Day immediately prior to the proposed Borrowing Date. At no time will a Conduit Lender be obligated to make Loans hereunder regardless of any notice given or not given pursuant to this Section.

(c) Committed Lender’s Commitment.

(i) If a Conduit Lender rejects a Borrowing Request and the Borrower has not cancelled such Borrowing Request in accordance with clause (b) above, any Loan requested by the Borrower in such Borrowing Request that would otherwise be made by such Conduit Lender shall be made by the related Committed Lenders in its Lender Group on a pro rata basis in accordance with their respective Pro Rata Shares of such Loan.

(ii) The obligations of any Committed Lender to make Loans hereunder are several from the obligations of any other Committed Lenders (whether or not in the same Lender Group). The failure of any Committed Lender to make Loans hereunder shall not release the obligations of any other Committed Lender (whether or not in the same Lender Group) to make Loans hereunder, but no Committed Lender shall be responsible for the failure of any other Committed Lender to make any Loan hereunder.

(iii) Notwithstanding anything herein to the contrary, a Committed Lender shall not be obligated to fund any Loan at any time on or after the Termination Date or if, after giving effect to such Loan, the aggregate outstanding Loans funded by such Committed Lender hereunder would exceed an amount equal to (i) such Committed Lender's Commitment, minus (ii) such Committed Lender's ratable share of the aggregate outstanding principal balance of the Loans held by the Conduit Lender(s) in such Committed Lender's Lender Group.

(d) Disbursement of Funds. On each Borrowing Date, subject to the satisfaction of the conditions precedent specified in this Agreement, each applicable Lender shall remit its share of the aggregate amount of the Loans requested by the Borrower to the account of its related Managing Agent specified therefor to such Lender by 1:30 p.m. (New York City time) by wire transfer of same day funds. Upon receipt of such funds, each Managing Agent shall remit such funds by wire transfer of same day funds to the account of the Borrower specified in the related Borrowing Request by 3:00 p.m. (New York City time) to the extent it has received such funds from the Lenders in its Lender Group no later than 1:30 p.m. (New York City time).

SECTION 2.03. Reductions and Increases to the Facility Limit. Reductions of the Facility Limit. The Borrower may, from time to time upon at least three (3) Business Days' prior written notice to each Managing Agent (with a copy to the Paying Agent), elect to reduce the Facility Limit in whole or in part, *provided that* after giving effect to any such reduction and any principal payments on such date, the Outstanding Loan Amount shall not exceed the Facility Limit. Any such reduction shall be in a minimum amount of \$5,000,000 and in integral multiples of \$1,000,000 in excess thereof; and *provided further* that any such reduction shall effect a ratable reduction of the Commitments of each Committed Lender and of each Lender Group's Lender Group Limit. Once the Facility Limit is reduced pursuant to this Section 2.03(a) it may not subsequently be reinstated without the consent of each Committed Lender.

(b) Increases to the Facility Limit. The Borrower may, from time to time upon at least thirty (30) days (or such lesser number of days agreed to by the Managing Agents) prior written notice request an increase to the Facility Limit. Each such notice shall specify (i) the proposed date such increase shall become effective and (ii) the proposed amount of such increase (which amount shall be at least \$25,000,000 or an integral multiple of \$5,000,000 in excess thereof), and shall otherwise be in form and substance satisfactory to the Managing Agents. Such increase to the Facility Limit shall become effective, if, and only if, (x) the Program Agent and the Managing Agent (on behalf of the Committed Lenders in the related Lender Group) of each Lender Group whose Lender Group Limit is being increased has approved such increase, by delivering a written confirmation of such approval to the Program Agents, the Managing Agents and the Borrower (with a copy to the Paying Agent) or (y) to the extent that the Committed Lenders in one or more Lender Groups have, in their sole discretion, agreed to increase the Facility Limit in an amount which is less than the Borrower's requested increase to the Facility Limit, the Borrower shall reduce its requested increase to the Facility Limit to an amount equal to such lower amount. Nothing contained herein shall constitute a commitment on the part of any Committed Lender hereunder to agree to any such increase.

SECTION 2.04. Interest and Fees. On each Settlement Date and on the Final Collection Date, the Borrower shall pay to each Lender (or its related Managing Agent) all accrued and unpaid Interest with respect to the Loans for the preceding Interest Period pursuant to Section 2.06 or Section 2.07 of this Agreement. On each Liquidity Fee Payment Date, the Borrower shall pay to each Managing Agent the accrued and unpaid Liquidity Fees then due and payable pursuant to Section 2.06 of this Agreement. On or before each Settlement Date, each Managing Agent (on behalf of the Lenders in the related Lender Group) shall furnish the Borrower with an invoice setting forth the amount of the accrued and unpaid Interest for the related Interest Period. All payments of Interest and Liquidity Fees shall be

made out of Collections, the proceeds of Loans or, if the Program Agent consents, such other funds available to the Borrower.

SECTION 2.05. Principal Payments. Optional Prepayments. The Borrower may, at its option, prepay on any Business Day all or any portion of any Loan upon prior written notice delivered to each Managing Agent (with a copy to the Paying Agent) not later than 12:00 p.m. (New York City time) one (1) Business Day prior to the date of such payment. Each such notice shall be in the form attached as Exhibit J and shall specify (i) the aggregate amount of the prepayment to be made on the Loans and (ii) the Business Day on which the Borrower will make such prepayment. Each such prepayment shall be in a minimum principal amount equal to \$500,000 and in integral multiples of \$100,000 in excess thereof and shall be made ratably among the Lenders based on the aggregate Principal Amount of the Loans held by each. At the request of any Managing Agent, each such prepayment of the Loans to the Lenders in such Managing Agent's Lender Group must be accompanied by a payment of all accrued and unpaid Interest on the amount prepaid and any other amounts (including amounts payable under Section 2.13) due from the Borrower hereunder in respect of such prepayment. Any such prepayment shall be made out of Collections or, with the consent of the Program Agent (such consent not to be unreasonably withheld) out of other funds of the Borrower.

(b) Mandatory Prepayments. Before 12:00 p.m. (New York City time) on each Business Day, the Borrower shall deliver to the Program Agent, the Backup Servicer and the Paying Agent a Borrowing Base Certificate, the calculation in such certificate to be made as of the close of business on the prior Business Day. In the event that such Borrowing Base Certificate or any Monthly Report indicates or if at any time the Program Agent or the Backup Servicer shall notify Borrower that a Borrowing Base Deficiency exists, the Borrower shall no later than the close of business on the second Business Day following the day on which such Borrowing Base Deficiency exists, prepay the Outstanding Loan Amount in part or in whole, such that after giving effect to such prepayment or pledge the Outstanding Loan Amount does not exceed the Borrowing Base. In addition, if with respect to any Pledged Contract, any of the events described in Section 2.2 of the Purchase Agreement occurs, the Borrower shall cause the Originator to repurchase from the Borrower, each such Pledged Contract. Not later than the Business Day following its receipt of the Purchase Amount from the Originator, the Borrower shall prepay the Loans in an aggregate amount equal to such Purchase Amount, and such Purchase Amount shall be deemed to constitute Collections hereunder. Not later than the close of business on the first Business Day after the date on which the Outstanding Loan Amount is less than or equal to 5.00% of the Outstanding Loan Amount as of the close of business on the Termination Date, the Borrower shall prepay the Outstanding Loan Amount in full.

SECTION 2.06. Application of Collections Prior to Termination Date.

(a) The Servicer shall cause all Collections received in the Depository Accounts and the Lockboxes to be remitted to the Collection Account not later than the third Business Day after receipt thereof. Subject to Section 2.20, funds on deposit in the Collection Account from time to time may be invested in Permitted Investments. Each such Permitted Investment shall mature not later than the Business Day preceding the next Settlement Date and shall be held to maturity. Each investment instruction by the Borrower or the Servicer, which may be a standing instruction, shall designate specific types of Permitted Investments (and the terms thereof) and shall certify that such investments constitute Permitted Investments that will mature at the time specified in the preceding sentence. Absent the written instruction of the Borrower or the Servicer, the Paying Agent shall invest funds on deposit in the Collection Account in Permitted Investments described in clause (d) of the definition thereof. None of the Program Agent, the Paying Agent or Securities Intermediary shall be liable for any loss incurred in connection with an investment in the Collection Account, except for losses due to such Person's failure to

make payments on such Permitted Investments issued by such Person in its commercial capacity as principal obligor (and not as Program Agent, Paying Agent or Securities Intermediary).

(b) On each Settlement Date prior to the Termination Date, the Paying Agent shall, based on the information set forth in the related Monthly Report, apply all Finance Charge Collections and Hedge Receipts on deposit in the Collection Account on such day in the following order and priority:

(i) *first*, to the Paying Agent, the Securities Intermediary, the Custodian and the Backup Servicer, pro rata, based on the amounts owing to them in respect of accrued (x) Paying Agent Fees, (y) Custodial Fees and (z) Backup Servicing Fees, together with any costs, expenses or indemnities then due and payable to the Paying Agent, the Securities Intermediary, the Custodian or the Backup Servicer, and any Transition Expenses then due and payable to the Backup Servicer if it becomes the successor Servicer; *provided, that* in no event shall the amount payable to the Backup Servicer in respect of Transition Expenses pursuant to this clause (b)(i) exceed \$200,000 in the aggregate;

(ii) *second*, to the Servicer (if not DTCC or an Affiliate of a DT Entity) the accrued and unpaid Servicer Fee and, if not otherwise paid, at the direction of the Majority Managing Agents, pay to each Approved Sub-servicer all amounts then due and payable pursuant to the contract between the Servicer and such Approved Sub-servicer;

(iii) *third*, to pay the purchase price of an Interest Rate Hedge Agreement pursuant to Section 5.01(p) of this Agreement;

(iv) *fourth*, to each Managing Agent (for the account of the Lenders in the related Lender Group), on a *pro rata* basis, an amount equal to the aggregate accrued and unpaid Interest and Liquidity Fees then due and payable to the Lenders in respect of the preceding Interest Period, together with any accrued and unpaid Interest and Liquidity Fees from prior Interest Periods;

(v) *fifth*, to be reallocated as Principal Collections pursuant to Section 2.06(c), an amount necessary to cure a Borrowing Base Deficiency or to cause the Outstanding Loan Amount to equal the Facility Limit;

(vi) *sixth*, if any Borrower Obligations (other than the amounts paid pursuant to clauses (i) through (iv) above) are then due and payable by the Borrower to any Secured Party, to each such Secured Party (ratably in accordance with the amounts owing to each) the Borrower Obligations so due and payable;

(vii) *seventh*, to the Servicer (if DTCC or an Affiliate of a DT Entity) the accrued and unpaid Servicer Fee; and

(viii) *eighth*, if no Event of Termination or Incipient Event of Termination has occurred and is continuing, remit any remaining amounts to the Borrower; *provided, that* if an Event of Termination or Incipient Event of Termination has occurred and is continuing, any remaining amounts shall be retained in the Collection Account for application on the next Settlement Date in accordance with this Section 2.06 or Section 2.07.

(c) On each Business Day prior to the Termination Date (including, without limitation, each Settlement Date), the Paying Agent shall based on written instructions from the Servicer

cause all Principal Collections on deposit in the Collection Account on such day to be applied in the following order and priority:

(i) *first*, if a Borrowing Base Deficiency exists, or the Outstanding Loan Amount exceeds the Facility Limit, to the Managing Agents, on behalf of the applicable Lenders, an amount equal to such Borrowing Base Deficiency or the amount necessary to cause the Outstanding Loan Amount to be less than or equal to the Facility Limit (such amount to be allocated among the Lenders ratably in accordance with the outstanding principal balance of the Loans held by each), *provided, however*, that at any time there are Extending Lenders and Non-Extending Lenders, notwithstanding the foregoing, the amount necessary to cause the Outstanding Loan Amount to be less than or equal to the Facility Limit, shall be applied to pay the Managing Agents of all Non-Extending Lenders with such amount to be allocated among the Non-Extending Lenders ratably in accordance with the outstanding principal balance of the Loans held by each;

(ii) *second*, in the event that at least one Committed Lender has agreed to any extension of the Commitment Termination Date pursuant to Section 2.08 when requested by the Borrower, and at least one Lender has not agreed to such extension (each such Lender, a “Non-Extending Lender”), then, from and after the occurrence of the Commitment Termination Date for any Non-Extending Lender, to each such Non-Extending Lender, in payment of the outstanding principal balance of its Loans, in an amount equal to such Non-Extending Lender’s ratable share (in accordance with the respective outstanding principal balance of the Loans made by each of the Lenders) of the balance of such Collections (such ratable share to be determined on each Business Day, solely for the purposes of this clause (ii), based upon the outstanding Loans of the Lenders immediately preceding such Commitment Termination Date), until such Non-Extending Lender’s outstanding Loans are reduced to zero;

(iii) *third*, if the Managing Agent of a Conduit Lender has notified the Borrower and the Servicer that such Conduit Lender shall not make any more Loans, to such Conduit Lender, in reduction of its outstanding Loans, in an amount equal to such Conduit Lender’s ratable share of the balance of such Collections (in accordance with the outstanding principal balance of such Loans held by each Lender) until the principal balance of the Loans of such Conduit Lender is reduced to zero; and

(iv) *fourth*, remit any remaining Principal Collections to the Borrower for application in accordance with Section 2.06(d) below (any such remittance, a “Release”); *provided that*, if the conditions precedent for such Release set forth in Section 3.02 are not satisfied, the Servicer shall retain such Principal Collections into the Collection Account for application on the next Business Day in accordance with this Section 2.06 or Section 2.07, as applicable.

(d) Any Principal Collections remitted to the Borrower pursuant to Section 2.06(c)(iv) shall be applied by the Servicer, on behalf of the Borrower: (i) *first*, if so requested by the Borrower, to pay or prepay (or set aside for the payment or prepayment of) Loans, (ii) *second*, to pay the purchase price for Eligible Contracts to be acquired by the Borrower from the Originator on such day under the Purchase Agreement, and (iii) *third*, any remaining amounts to be retained in the Collection Account for application on the next Business Day in accordance with this Section 2.06; *provided that*, on any Settlement Date prior to the Termination Date, any remaining amounts after giving effect to the preceding clauses (i) and (ii) may be remitted to Borrower if both before and immediately after giving effect thereto, no Event of Termination or Incipient Event of Termination exists or will exist.

SECTION 2.07. Application of Collections After Termination Date.

(a) On the Termination Date, the Servicer shall deposit to the Collection Account all Collections (for which it has good funds) held by it on such date. On each Business Day thereafter, the Servicer shall deposit (or cause to be deposited) to the Collection Account, within three (3) Business Days of its receipt thereof, all Collections received by it that have not previously been deposited to the Collection Account. The Servicer and the Borrower shall not make any withdrawals from the Collection Account from and after the Termination Date.

(b) On each Settlement Date from and after the Termination Date, the Paying Agent shall, based on the information set forth in the related Monthly Report, apply all Collections received since the prior Settlement Date, and all funds, if any, on deposit in the Collection Account that have not been previously applied hereunder (including, without limitation, any investment earnings received with respect to such funds) in the following order of priority:

(i) *first*, to the Paying Agent, the Securities Intermediary, the Custodian and the Backup Servicer, pro rata, based on the amounts owing to them in respect of accrued (x) Paying Agent Fees, (y) Custodial Fees and (z) Backup Servicing Fees, together with any costs, expenses or indemnities then due and payable to the Paying Agent, the Securities Intermediary, the Custodian or the Backup Servicer, and any Transition Expenses then due and payable to the Backup Servicer if it becomes the successor Servicer; *provided, that* in no event shall the amount payable to the Backup Servicer in respect of Transition Expenses pursuant to this clause (b)(i) exceed \$200,000 in the aggregate;

(ii) *second*, to the Program Agent an amount equal to the Borrower Obligations (other than those described in clause (iii) below) owing to the Program Agent in respect of costs and expenses of the type described in Section 10.10 incurred by it in connection with the enforcement of any Facility Document or the collection of any amounts due thereunder;

(iii) *third*, to pay the purchase price of an Interest Rate Hedge Agreement pursuant to Section 5.01(p) of this Agreement;

(iv) *fourth*, to the Servicer the accrued and unpaid Servicer Fee and, if not otherwise paid, at the direction of the Majority Managing Agents, pay to each Approved Sub-servicer all amounts then due and payable pursuant to the contract between the Servicer and such Approved Sub-servicer;

(v) *fifth*, to the Lenders, the Managing Agents and the Program Agent, on a pro rata basis, an amount equal to the aggregate accrued and unpaid Interest and Liquidity Fees;

(vi) *sixth*, to the Lenders an amount equal to the Outstanding Loan Amount (such amount to be allocated among the Lenders ratably in accordance with the outstanding principal balance of the Loans held by each);

(vii) *seventh*, if any Borrower Obligations (other than the amounts paid pursuant to clauses (i) through (vi) above) are then due and payable by the Borrower to any Secured Party, to each such Secured Party (ratably in accordance with the amounts owing to each) the Borrower Obligations so due and payable;

(viii) *eighth*, if the Termination Date was declared by the Program Agent solely as a result of the occurrence of an Event of Termination of the type described in Section 7.01(o)(i)

and the related Borrowing Base Deficiency was not caused solely as a result of the effect of clauses (b) or (c) of the definition of “Advance Rate Reduction Percentage,” to the Program Agent, for its own account, the “Default Fee” under and as defined in the Fee Letter; and

(ix) *ninth*, on the Final Collection Date, remit any remaining funds to the Borrower.

SECTION 2.08. Extension of Commitment Termination Date. The Borrower may, no more frequently than once each year by delivering written notice to the Managing Agents (with a copy to the Program Agent and the Conduit Lenders), request the Lenders to extend the Commitment Termination Date for an additional 364 days past the then applicable Commitment Termination Date, with such extension to become effective with respect to any Lender Group, as of the date one or more Committed Lenders having Commitments equal to 100% of such Lender Group’s Lender Group Limit shall in their sole discretion consent to such extension (the Lenders in such a Lender Group, “Extending Lenders”). Any such request shall be subject to the following conditions: (i) at no time will any Commitment have a term of more than 364 days and, if any such request would result in a term of more than 364 days, such request shall be deemed to have been made for such number of days so that, after giving effect to such extension on the date requested, such term will not exceed 364 days, (ii) none of the Lenders will have any obligation to extend any Commitment, (iii) any such extension of the Commitment Termination Date will be effective only upon the written agreement of at least one Committed Lender and the Borrower and (iv) any request for such extension shall be made at least sixty (60) days prior to the then current Commitment Termination Date. The Managing Agent for each applicable Committed Lender will respond to any such request within thirty (30) days (with a copy to the Paying Agent) but in any event no earlier than thirty (30) days prior to the then current Commitment Termination Date, *provided, that* any Managing Agent’s failure to respond within such period shall be deemed to be a rejection of the requested extension.

SECTION 2.09. Payments and Computations, Etc. 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 2:00 p.m. (New York City time) on the day when due in lawful money of the United States of America in immediately available funds to the Collection Account or such account as the Program Agent or the relevant Managing Agents may designate prior to such payment from time to time in writing. The Borrower and the Servicer (only with respect to amounts payable pursuant to Section 8.02) shall, to the extent permitted by law, pay to the Affected Party interest on all amounts not paid or deposited or debited by such Person when due hereunder at 2% per annum above the Base Rate from time to time in effect, payable on demand. All computations of Interest, Liquidity Fees, Servicer Fees and interest 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; *provided, that* all computations of Interest calculated at the Base Rate shall be made on the basis of a year of 365 days for the actual number of days (including the first but excluding the last day) elapsed. In no event shall any provision of this Agreement require the payment or permit the collection of Interest in excess of the maximum permitted by applicable law. In the event that any payment hereunder (whether constituting a repayment of Loans or a payment of Interest or any other amount) is rescinded or must otherwise be returned for any reason, the amount of such payment shall be restored and such payment shall be considered not to have been made.

SECTION 2.10. [Reserved].

SECTION 2.11. Interest Protection.

(a) If due to 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 by any Governmental Authority of any law or regulation (other than laws or regulations relating to taxes) after the date hereof or (ii) the compliance by any Lender or any Liquidity Provider with any directive or request from any central bank or other Governmental Authority (whether or not having the force of law) imposed after the date hereof, (1) there shall be an increase in the cost to such Lender or such Liquidity Provider of funding or maintaining any Loan which accrues Interest at the Adjusted LIBO Rate or the CP Rate hereunder or of extending a commitment in respect thereof, or (2) such Lender or such Liquidity Provider shall be required to make a payment calculated by reference to any Loan which accrues Interest at the Adjusted LIBO Rate or the CP Rate funded by it or Interest received by it, then the Borrower shall, from time to time, within thirty (30) days after demand by the related Managing Agent, pay such Managing Agent for the account of such Lender or such Liquidity Provider (as a third party beneficiary, in the case of any Affected Party other than one of the Lenders), that portion of such increased costs incurred, amounts not received or required payment made or to be made, which such Managing Agent reasonably determines is attributable to funding and maintaining, or extending a commitment to fund, any Loan which accrues Interest at the Adjusted LIBO Rate or the CP Rate hereunder or pursuant to any Liquidity Agreement or similar liquidity facility.

(b) Each Managing Agent will promptly notify the Borrower and the Program Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle any Lender or related Liquidity Provider in its Lender Group to compensation pursuant to Section 2.11(a). Each Lender or Liquidity Provider will designate a different lending office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Lender or Liquidity Provider, be otherwise disadvantageous to it or inconsistent with its internal policies and procedures. In determining the amount of such compensation, such Lender may use any reasonable averaging and attribution methods. The applicable Lender or Liquidity Provider (or such party's related Managing Agent) shall submit to the Borrower a certificate in reasonable detail describing such increased costs incurred, amounts not received or receivable or required payment made or to be made, which certificate shall be conclusive in the absence of manifest error.

(c) Failure or delay on the part of any Managing Agent to demand compensation pursuant to Section 2.11(a) shall not constitute a waiver of such Managing Agent's right to demand such compensation; provided that the Borrower shall not be required to compensate any Lender or related Liquidity Provider pursuant to this Section for any increased capital unless such Managing Agent gives notice to the Borrower and the Program Agent to compensate such Lender or Liquidity Provider pursuant to this Section within 180 days after the date such Managing Agent knows an event has occurred pursuant to which such Lender or Liquidity Provider will seek such compensation.

SECTION 2.12. Increased Capital.

(a) If either (i) the introduction of or any change in or in the interpretation by any Official Body of any law or regulation or (ii) compliance by any Affected Party with (x) any directive or request from any central bank or other Official Body (whether or not having the force of law) imposed after the date hereof or (y) with the requirements of, whether such compliance is commenced prior to or after the date hereof, any of (a) the FAS 166/67 Rules, (b) Basel II or (c) the Dodd-Frank Act, or any existing or future rules, regulations, guidance, interpretations or directives from the U.S. bank regulatory agencies relating to the FAS 166/167 Capital Guidelines, Basel II or the Dodd-Frank Act (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Affected Party or such Affected Party reasonably determines that the amount of such capital is increased by or based upon the existence of any Lender's agreement to make or maintain Loans hereunder and other similar agreements or facilities and such event would have the effect of reducing the rate of return on capital of such Affected Party by an amount deemed by such Affected Party to be material, then, within thirty (30) days after demand by such Affected Party or the related Managing

Agent, the Borrower shall pay to such Affected Party (as a third party beneficiary, in the case of any Affected Party other than one of the Lenders) or the related Managing Agent for the account of such Affected Party from time to time, as specified by such Affected Party or such Managing Agent, additional amounts sufficient to compensate such Affected Party in light of such circumstances, to the extent that such Affected Party or such Managing Agent on behalf of such Affected Party reasonably determines such increase in capital to be attributable to the existence of the applicable Lender's agreements hereunder.

(b) Each Managing Agent will promptly notify the Borrower and the Program Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle any Lender or Affected Party in its Lender Group to compensation pursuant to Section 2.12(a). Each Lender or Affected Party will designate a different lending office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Lender or Affected Party, be otherwise disadvantageous to it or inconsistent with its internal policies. In determining the amount of such compensation, such Lender or Affected Party may use any reasonable averaging and attribution methods. The applicable Lender or Affected Party (or such party's related Managing Agent) shall submit to the Borrower a certificate describing such compensation, which certificate shall be conclusive in the absence of manifest error.

(c) Failure or delay on the part of any Managing Agent to demand compensation pursuant to Section 2.12(a) shall not constitute a waiver of such Managing Agent's right to demand such compensation; provided that the Borrower shall not be required to compensate any Lender or Affected Party in its Lender Group pursuant to this Section for any increased capital unless such Managing Agent gives notice to the Borrower and the Program Agent to compensate such Lender or Affected Party in its Lender Group pursuant to this Section within 180 days after the date such Managing Agent knows an event has occurred pursuant to which such Lender or Affected Party in its Lender Group will seek such compensation.

(f) If any Lender or Affected Party has, or anticipates having, any claim for compensation under Section 2.12(a) against the Borrower, and such Affected Party or Lender believes that having the transactions contemplated by this Agreement publicly rated by a Rating Agency or qualifying under the supervisory formula approach under Basel II would reduce the amount of such compensation by an amount deemed by such Affected Party or Lender to be material, such Affected Party or Lender shall provide a request for Required Data or a Rating Request to the Borrower and the Servicer. Any Affected Party or Lender may also provide a request for Required Data or a Rating Request to the Borrower and the Servicer at any other time after the Commitment Termination Date. The Borrower and the Servicer shall cooperate with such Affected Party or Lender's efforts to obtain Required Data and/or a credit rating from the Rating Agency specified in the Rating Request at the level that reasonably reflects the economics and credit of the Loans at the time of such request, and shall provide directly or through distribution to such Affected Party or Lender any information such Rating Agency may require for purposes of providing and monitoring the credit rating. The Affected Party or Lender making the Rating Request shall bear the costs and expenses of providing the Required Data and pay the initial and any subsequent and ongoing fees payable to the Rating Agency in connection with a Rating Request pursuant to this Section 2.12(f). If a credit rating from each Rating Agency specified in a Rating Request pursuant to this Section 2.12(f) that reasonably reflects the economics and credit of the Loans at the time of such request shall not have been obtained within 60 days following delivery of such Rating Request as a result of the Borrower's or the Servicer's delay or failure to cooperate with respect to such Rating Request, the Termination Date shall be deemed to have occurred until such time as such a credit rating is obtained. If the Required Data specified in a request for Required Data shall not have been delivered by the Borrower or the Servicer within 60 days following the request for delivery, the Termination Date shall be deemed to have occurred until such time as the Required Data is obtained.

(g) The Borrower and the Servicer shall cooperate with such Affected Party's or such Lender's efforts to obtain a credit rating from the Rating Agency specified in the Rating Request at the level that reasonably reflects the economics and credit of the Loans at the time of such request, and shall provide directly or through distribution to the Program Agent any information such Rating Agency may require for purposes of providing and monitoring the credit rating. Such Affected Party or Lender, as applicable, shall pay the initial and any subsequent or ongoing fees payable to the Rating Agency in connection with a Rating Request pursuant to this Section 2.12(f) and (g).

SECTION 2.13. Funding Losses. In the event that any Liquidity Provider or any Lender shall incur any loss, expense or Liquidation Fees (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Liquidity Provider or Lender in order to fund or maintain any Loan or interest therein) as a result of (i) any reduction of the Principal Amount of any Loan at any time other than in accordance with this Agreement or (ii) the failure of the Borrower to accept the proceeds of any Loan in accordance with a request therefor under Section 2.02, then, upon demand from the related Managing Agent to Borrower, Borrower shall pay to such Managing Agent for the account of such Liquidity Provider or Lender, the amount of such loss, expense or Liquidation Fees. Such written notice shall, in the absence of manifest error, be conclusive and binding upon Borrower.

SECTION 2.14. Taxes.

(a) Except to the extent required by applicable law, any and all payments and deposits required to be made hereunder or under any instrument delivered hereunder by the Borrower hereunder shall be made free and clear of and without deduction for Taxes. If the Borrower or the Servicer shall be required by law to make any deduction for Indemnified Taxes, (i) the Borrower shall make an additional payment to such Affected Party, in an amount sufficient so that, after making all required deductions (including deductions applicable to additional sums payable under this Section 2.14), such Affected Party receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower (or the Servicer, on its behalf) shall make such deductions and (iii) the Borrower (or the Servicer, on its behalf) shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law. If Borrower or Servicer is required by law to deduct any Excluded Taxes, then (A) Borrower or Servicer, as applicable, shall make such deductions, (B) the Borrower or Servicer, as applicable, shall pay the amount deducted to the relevant taxing authority or other authority in accordance with applicable law, and (C) the amounts so deducted and paid to the relevant taxing authority shall be treated under this Agreement as made to the Affected Party.

(b) In addition, the Borrower agrees to pay any present or future stamp or other documentary Taxes or any other excise or property taxes or similar levies which arise from any payment made hereunder or under any instrument delivered hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any instrument delivered hereunder.

(c) (1) Each Affected Party that is a "United States person" within the meaning of Section 7701(a)(30) of the Code agrees to complete and to deliver to the Borrower on or before the Effective Date (or, if later, on or prior to the date it becomes a party to this Agreement) a duly completed and executed copy of Internal Revenue Service Form W-9 or successor form establishing that the Affected Party is a United States person that is not subject to U.S. backup withholding Tax.

(2) Each Affected Party which is not organized under the laws of the United States or any State thereof shall timely deliver to the Borrower such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the

Borrower or Servicer, as the case may be, to determine (A) whether or not payments made hereunder are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Affected Party's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Affected Party by the Borrower pursuant to this Agreement or otherwise to establish such Affected Party's status for withholding tax purposes in the applicable jurisdiction. Without limiting the generality of the foregoing, each Affected Party which is not organized under the laws of the United States or any State thereof shall, on or prior to the date that such Affected Party becomes a party to or obtains rights under this Agreement, and prior to any payment being made by the Borrower to such Affected Party, deliver to the Borrower: (i) two duly completed and executed copies of the Internal Revenue Service Form W-8BEN or W-8ECI (or any successor form) as applicable; and (ii) to the extent it may lawfully do so, such other forms or certificates as may be required under the laws of any applicable jurisdiction (on or before the date that any such form expires or becomes obsolete), in order to permit the Borrower to make payments to, and deposit funds to or for the account of, such Affected Party hereunder and under the other Facility Documents without any deduction or withholding for or on account of any tax. Each such Affected Party, to the extent it may lawfully do so, shall submit to the Borrower (with copies to the Program Agent) two updated, completed, and duly executed versions of: (i) all forms referred to in the previous sentence upon the expiry of, or the occurrence of any event requiring a change in, the most recent form previously delivered by it to the Borrower or the substitution of such form; and (ii) such extensions or renewals thereof as may reasonably be requested by the Borrower.

(3) Each Affected Party shall deliver to the Borrower such other tax forms or other documents as shall be prescribed by applicable law, to the extent applicable, (x) to demonstrate that payments to such Affected Party under this Agreement and the Loans are exempt from any United States withholding tax imposed pursuant to FATCA or (y) to allow the Borrower to determine the amount to deduct or withhold under FATCA from a payment hereunder. Each Affected Party further agrees to complete and to deliver to the Borrower from time to time, so long as it is eligible to do so, any successor or additional form required by the Internal Revenue Service or reasonably requested by the Borrower in order to secure an exemption from, or reduction in the rate of, U.S. withholding tax.

(d) If the Borrower is required to pay additional amounts to or for the benefit of any Affected Party pursuant to this Section as a result of a change of law or treaty occurring after such Affected Party first became a party to this Agreement, such Affected Party will, at the Borrower's request, change the jurisdiction of its applicable lending office if, in the sole judgment of such Affected Party, such change (i) will eliminate or reduce any such additional payment which may thereafter accrue and (ii) is not otherwise disadvantageous to such Affected Party.

(e) If the Internal Revenue Service or any other governmental authority of the United States or other jurisdiction asserts a claim that Borrower or Servicer did not properly withhold tax from amounts paid to or for the account of any Affected Person due to a failure on the part of the Affected Person (because the appropriate form was not delivered, was not properly executed, or because such Affected Person failed to notify Borrower or Servicer of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Affected Person shall indemnify and hold Borrower and Servicer harmless for all amounts paid, directly or indirectly, by Borrower or Servicer, as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to Borrower or Servicer under this Section 2.14,

together with all costs and expenses (including attorneys fees and expenses). The obligation of the Affected Persons under this subsection shall survive the payment of all obligations under this Agreement.

(f) If any Affected Party determines that it has received a refund of any Taxes as to which it has been indemnified by Borrower or Servicer or with respect to which Borrower or Servicer has paid additional amounts pursuant to this Section 2.14 it shall promptly pay over such refund to Borrower or Servicer, as applicable, (but only to the extent of payments made, or additional amounts paid, by Borrower under this Section 2.14 with respect to Taxes giving rise to such a refund), net of all reasonable out-of-pocket expenses of such Affected Party and without interest (other than any interest paid by the relevant governmental authority with respect to such a refund)

SECTION 2.15. Security Interest.

(a) As security for the performance by the Borrower of all the terms, covenants and agreements on the part of the Borrower to be performed under this Agreement or any other Facility Document, including the payment when due of all Borrower Obligations, the Borrower hereby grants to the Program Agent, for the benefit of the Secured Parties, a security interest in all of the Borrower's right, title and interest in, to and under the following, whether now owned or hereafter acquired, now existing or hereafter created, and wherever located (collectively, the "Collateral"):

- (i) each Contract owned by the Borrower and each of the following items with respect to such Contract:
 - (A) the Contract Debtor Documents;
 - (B) the Contract Rights;
 - (C) any Supporting Obligations;
 - (D) any payments from a bank account of, and any electronic funds transfers from, any Contract Debtor or Contract Rights Payor (subject to the terms and conditions of the Master Agency Agreement);
 - (E) any associated chattel paper, lease, instrument, installment sale contract or installment loan contract;
 - (F) any contract purchase discount;
 - (G) any rights of the Borrower to dealer reserves or rate participation with respect to such Contract, if any;
 - (H) any money, payments or proceeds of any insurance policies with respect to any or all Contracts or any Financed Vehicles with respect to which the Borrower is solely or jointly the owner or is insured or is the loss payee or is a beneficiary, including, without limitation, any Insurance Proceeds;
 - (I) all accessions to, substitutions for and all replacements and products of, any of the foregoing property; and

(J) all moneys, instruments and other proceeds of the foregoing (all of the foregoing items in this Section 2.15(a)(i) with respect to all Pledged Contracts being the “Contract Collateral”);

(ii) all of the following items owned by the Borrower, whether now owned or hereafter acquired, now existing or hereafter created and wherever located, except to the extent the same constitutes the Contract Collateral:

(A) all chattel paper, accounts, goods, investment property, letters of credit, letter-of-credit rights, leases, instruments, installment sales contracts, installment payment contracts, general intangibles, payment intangibles, promissory notes, and Supporting Obligations relating thereto;

(B) the Demand Note, all rights to payment thereunder and all rights to payments required to be made thereunder;

(C) all deposit accounts and other bank accounts or securities accounts (subject to the terms and conditions of the Master Agency Agreement);

(D) the Collection Account, together with all Permitted Investments and all money, investment property, instruments and other property on deposit from time to time in, credited to or related to the Collection Account (including any subaccounts of any such account), and in all interest, dividends, earnings, income and other distributions from time to time received, receivable or otherwise distributed or distributable thereto or in respect thereof (including any accrued discount realized on liquidation of any investment purchased at a discount);

(E) each Interest Rate Hedge Agreement and all Hedge Receipts;

(F) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds, products, rents, receipts or profits of the conversion, voluntary or involuntary, into cash or other property, all cash and non-cash proceeds, and other property consisting of, arising from or relating to all or any part of any of the foregoing;

(G) all rights, remedies, powers, privileges and claims of the Borrower under or with respect to the Purchase Agreement and the Custodial Agreement (whether arising pursuant to the terms of the Purchase Agreement or the Custodial Agreement or otherwise available to the Borrower at law or in equity), including the rights of Borrower to enforce the Purchase Agreement and the Custodial Agreement, and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect to the Purchase Agreement or the Custodial Agreement to the same extent as the Borrower could but for the assignment and security interest granted to the Program Agent for the benefit of the Secured Parties;

(H) all monies, instruments, investment property and other property distributed or distributable in respect of (together with all earnings, dividends, distributions, income, issues, and profits relating to) any of the foregoing; and

(I) all other property of the Borrower;

(J) all proceeds of the foregoing (all of the foregoing items in this Section 2.15(a)(ii) being the “Non-Contract Collateral”).

(b) The Borrower hereby authorizes the filing of financing statements, and continuation statements and amendments thereto and assignments thereof, describing the collateral covered thereby as “all of debtor’s personal property or assets” or words to that effect, notwithstanding that such wording may be broader in scope than the collateral described in this Section 2.15. The Borrower authorizes the Program Agent to file financing or continuation statements, and amendments thereto and assignments thereof, relating to the Pledged Contracts and the other Collateral without the signature of the Borrower. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law. This Agreement shall constitute a security agreement under applicable law.

(c) The Borrower represents and warrants that each remittance of Collections to the Program Agent or the Lenders hereunder will have been (i) in payment of a debt incurred in the ordinary course of business or financial affairs and (ii) made in the ordinary course of business or financial affairs.

SECTION 2.16. Demand Note. On the Closing Date, the Borrower will deliver the Demand Note to the Program Agent. The Borrower hereby authorizes the Program Agent to demand payment on the Demand Note at any time during the period commencing on the Closing Date and ending on the Final Collection Date, and hereby acknowledges and agrees that the Program Agent may exercise any and all rights and remedies of the Borrower under or in connection with the Demand Note, including, without limitation, any and all rights of the Borrower to demand or otherwise require payment of any amount under, or performance of any provision of, the Demand Note; *provided, that* notwithstanding the foregoing, the Program Agent agrees that it will not demand payment on the Demand Note after the Termination Date so long as all of the following conditions are satisfied: (i) the Termination Date occurred solely as a result of the occurrence of the Commitment Termination Date, (ii) at all times following the Termination Date the percentage equivalent of a fraction, the numerator of which is the Outstanding Loan Amount and the denominator of which is the aggregate Principal Balances of all Eligible Contracts is greater than or equal to the Advance Rate in effect on the Termination Date, (iii) no Event of Termination or Servicer Default has occurred and is continuing and (iv) if the Outstanding Loan Amount is less than or equal to 5.00% of the Outstanding Loan Amount as of the close of business on the Termination Date, the Borrower has not breached its obligation to prepay the Outstanding Loan Amount in full pursuant to the last sentence of Section 2.05(b) hereof. The Program Agent shall deposit all amounts received from DTAC under the Demand Note to the Collection Account and such amounts shall be treated as Finance Charge Collections or Principal Collections for purposes of Sections 2.06 and 2.07 hereof, as determined by the Program Agent in its sole discretion.

(b) The Borrower agrees (i) to instruct DTAC to comply with the instructions of the Program Agent as described in this Section 2.16, (ii) to instruct DTAC that no payment shall be made under the Demand Note other than at the direction of the Program Agent and (iii) if the Borrower shall receive any payment from DTAC under the Demand Note, it shall so notify the Program Agent and deposit such payments into the Collection Account or as otherwise directed by the Program Agent within one Business Day following receipt thereof. Any payment received by the Borrower under or in connection with the Demand Note shall be received in trust for the benefit of the Program Agent, shall be segregated from other funds of the Borrower and shall be forthwith paid over to the Program Agent in the same form received (with any necessary indorsement). During the period from the Closing Date until the Final Collection Date, the Borrower will not consent to any amendment or modification of the Demand Note without the prior written consent of the Program Agent.

(c) The Borrower hereby irrevocably appoints the Program Agent as the Borrower's attorney-in-fact, with full authority in the place and stead of the Borrower and in the name of the Borrower or otherwise, from time to time to take any action and to execute any instrument which the Program Agent may deem necessary or appropriate in order to exercise its remedies hereunder with respect to the Demand Note, including, without limitation, (i) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for monies due and to become due under or in connection with the Demand Note, (ii) to receive, indorse and collect any drafts or other instruments, documents, security certificates and chattel paper in connection therewith, and (iii) to file any claims or take any action or institute proceeding which the Program Agent may deem necessary or desirable for the collection of the Demand Note or otherwise to enforce compliance with the terms, conditions or rights of the Program Agent with respect to the Demand Note.

(d) The powers conferred on the Program Agent pursuant to this Section 2.16 are solely to protect its interest in the Demand Note and shall not impose any duty upon it to exercise any such powers. Except for the accounting for moneys actually received by it hereunder, the Program Agent shall have no duty with respect to the Demand Note, as to ascertaining or taking any action with respect to matters relative to the Demand Note, whether or not the Program Agent is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against other parties or any other rights pertaining to the Demand Note.

SECTION 2.17. Evidence of Debt. Each Lender shall maintain an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the outstanding principal balance of such Loans and the amount of Interest payable and paid to such Lender from time to time hereunder. The entries made in such accounts of the Lenders shall be *prima facie* evidence of the existence and amounts of the obligations recorded therein; provided, however, that the failure of any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

SECTION 2.18. Certain Transactions. The Borrower may from time to time enter into, or participate in, Contract Disposition Transactions pursuant to which the Borrower sells some or all of the Pledged Contracts as of a specified cut-off date if (i) the net proceeds payable to the Borrower in connection with any such Contract Disposition Transaction are equal to or greater than the Required Takeout Price on the date of such sale, (ii) the Pledged Contracts to be included in such Contract Disposition Transaction are selected by the Borrower, DTCC or DTAC in a manner consistent with customary practices for term asset-backed securities transactions or whole loan sales transactions and not in a manner intended to, or that could be reasonably expected to materially and adversely affect the interests of the Program Agent or the Secured Parties and (iii) the Borrower has directed the buyer of the Pledged Contracts to be included in such Contract Disposition Transaction in writing (with a copy to the Program Agent) to remit all such net proceeds of its purchase of such Pledged Contracts directly to the Collection Account. Upon receipt by the Program Agent of confirmation that the net proceeds of the purchase price for the Pledged Contracts that are included in any Contract Disposition Transaction have been credited to the Collection Account, (x) the Program Agent shall apply such net proceeds to reduce the Outstanding Loan Amount ratably among all Lenders and to pay any other Borrower Obligations included in the calculation of the Required Takeout Price and (y) the related Contract Documents shall be released to the buyer thereof and the Program Agent shall execute and deliver such instruments of release, prepared by and at the expense of the Borrower, in each case without recourse, representation or warranty, as shall be necessary to release the Program Agent's security interest therein. In connection with any sale of Pledged Contracts by the Borrower in connection with a Contract Disposition Transaction, the Servicer shall deliver a Borrowing Base Certificate (after giving effect to such Contract

Disposition Transaction) to the Backup Servicer and each Managing Agent and make appropriate entries in its general accounting records to reflect the sale of the applicable Pledged Contracts.

SECTION 2.19. Release of Lien. In connection with (a) any repurchase of Pledged Contracts by Originator from the Borrower pursuant to the Purchase Agreement or (b) any sale of Pledged Contracts pursuant to Section 2.18, and promptly following the Final Collection Date, the Program Agent agrees, at the Borrower's expense, and without recourse, representation or warranty, to execute, deliver, file and record any release, document or other instrument and take such action that may be necessary or that the Borrower may reasonably request, to evidence the release by the Program Agent of its security interest in the applicable Pledged Contracts and related Collateral.

SECTION 2.20. The Collection Account.

(a) On or prior to the Closing Date, the Borrower shall establish and shall thereafter maintain an Eligible Account in the name of the Borrower for the purpose of receiving Collections (the "Collection Account"). The taxpayer identification number associated with the Collection Account shall be that of the Borrower and the Borrower will report for Federal, state and local income taxes, the income, if any, represented by the Collection Account.

(b) The Collection Account shall initially be established at Wells Fargo Bank, National Association. Wells Fargo Bank, National Association hereby confirms that it is a national banking association and shall act as a "securities intermediary" (as defined in Section 8-102 of the UCC) and a "bank" (as defined in Section 9-102 of the UCC) hereunder (in such capacities, the "Securities Intermediary") with respect to the Collection Account and that the account number of the Collection Account is [*].

(c) The Collection Account shall be a "securities account" as defined in Section 8-501 of the UCC and shall be maintained by the Securities Intermediary as a securities intermediary in the name of the Borrower, subject to the lien of the Program Agent, for the benefit of the Secured Parties. The Securities Intermediary shall treat the Program Agent as the "entitlement holder" (within the meaning of Section 8-102(a)(7) of the UCC) in respect of all "financial assets" (within the meaning of Section 8-102(a)(9) of the UCC) credited to the Collection Account;

(d) The Securities Intermediary hereby confirms and agrees that:

(i) the Securities Intermediary shall not change the name or account number of the Collection Account without the prior written consent of the Program Agent;

(ii) all securities or other property underlying any financial assets (as hereinafter defined) credited to the Collection Account shall be registered in the name of the Securities Intermediary, indorsed to the Securities Intermediary or indorsed in blank or credited to another securities account maintained in the name of the Securities Intermediary, and in no case will any financial asset credited to the Collection Account be registered in the name of the Borrower or any other Person, payable to the order of the Borrower or specially indorsed to the Borrower or any other Person, except to the extent the foregoing have been specially indorsed to the Program Agent, for the benefit of the Secured Parties, or in blank;

* Confidential information on this page has been omitted and filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request.

(iii) all property transferred or delivered to the Securities Intermediary pursuant to this Agreement will be promptly credited to the Collection Account;

(iv) the Collection Account is an account to which financial assets are or may be credited, and the Securities Intermediary shall, subject to the terms of this Agreement, treat each of the Borrower and the Servicer as entitled to exercise the rights that comprise any financial asset credited to each such account;

(v) the Securities Intermediary shall promptly deliver copies of all statements, confirmations and other correspondence concerning the Collection Account and/or any financial assets credited thereto simultaneously to each of the Servicer (on behalf of the Borrower) and the Program Agent at the address for each set forth on Schedule II to this Agreement; and

(vi) notwithstanding the intent of the parties hereto, to the extent that Collection Account shall be determined to constitute a “deposit account” within the meaning of Section 9-102(a)(29) of the UCC, the Collection Account shall be subject to the exclusive control of the Program Agent, for the benefit of the Secured Parties, and the Securities Intermediary will comply with instructions originated by the Program Agent directing disposition of the funds in the Collection Account without further consent by the Borrower or the Servicer; *provided that*, notwithstanding the foregoing, until such time as the Securities Intermediary receives a Notice of Exclusive Control (as defined below), the Program Agent hereby authorizes the Securities Intermediary to honor all withdrawal, payment, transfer or other instructions directing disposition of the funds in the Collection Account received from the Borrower or the Servicer, on its behalf.

(e) The Securities Intermediary hereby agrees that each item of property (including, without limitation, any investment property, financial asset, security, instrument or cash) credited to the Collection Account shall be treated as a “financial asset” within the meaning of Section 8-102(a)(9) of the UCC.

(f) Except as otherwise set forth in Section 2.20(g) and (h), the Securities Intermediary will comply with “entitlement orders” (as defined in Section 8-102(a)(8) of the UCC) (“Entitlement Orders”) originated by the Borrower or by the Servicer. Neither the Servicer nor the Borrower shall directly make any withdrawals from the Collection Account.

(g) If at any time the Securities Intermediary shall receive any Entitlement Order from the Program Agent (i.e., an order directing a transfer or redemption of any financial asset in the Collection Account), or any “instruction” (within the meaning of Section 9-104 of the UCC), originated by the Program Agent, the Securities Intermediary shall comply with such Entitlement Order or instruction without further consent by the Borrower, the Servicer or any other Person. Notwithstanding the foregoing, the parties hereto agree that the Securities Intermediary will comply with the following with respect to any Entitlement Order or instruction: (i) until its receipt of a Notice of Exclusive Control (as defined below) with respect to the financial assets in the Collection Account, any cash received into the Collection Account may be invested in Permitted Investments selected by the Borrower or by the Servicer; and (ii) from and after its receipt of a Notice of Exclusive Control (as defined below), with respect to the financial assets in the Collection Account and without further consent of the Borrower, the Servicer or any other Person, any cash received into the Collection Account, may be invested in Permitted Investments selected by the Program Agent, for the benefit of the Secured Parties.

(h) Upon receipt by the Securities Intermediary of a written notice substantially in the form of Exhibit K hereto (a “Notice of Exclusive Control”), the Securities Intermediary will take all

Entitlement Orders, instructions or other directions it receives from the Program Agent, on behalf of the Secured Parties, with respect to the Collection Account, without further consent by the Borrower, the Servicer or any other Person, and shall cease complying with Entitlement Orders, instructions or other directions concerning the Collection Account originated by the Borrower, the Servicer or any other Person.

(i) In the event that the Securities Intermediary has or subsequently obtains by agreement, by operation of law or otherwise a security interest in any of the Collection Account or any financial assets, funds, cash or other property credited thereto or any security entitlement with respect thereto, the Securities Intermediary hereby agrees that such security interest shall be subordinate to the security interest of the Program Agent, for the benefit of the Secured Parties. Notwithstanding the preceding sentence, the financial assets, funds, cash or other property credited to any of the Collection Account will not be subject to deduction, set-off, banker's lien, or any other right in favor of any Person other than the Program Agent, for the benefit of the Secured Parties (except that the Securities Intermediary may set-off (i) all amounts due to the Securities Intermediary in respect of customary fees and expenses for the routine maintenance and operation of the Collection Account, and (ii) the face amount of any checks that have been credited to the Collection Account but are subsequently returned unpaid because of uncollected or insufficient funds).

(j) Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the "bank's jurisdiction" (within the meaning of Section 9-304 of the UCC) and the "security intermediary's jurisdiction" (within the meaning of Section 8-110 of the UCC).

SECTION 2.21. The Paying Agent.

(a) The Borrower hereby appoints Wells Fargo Bank, National Association as the initial Paying Agent. All payments of amounts due and payable in respect of the Borrower Obligations that are to be made from amounts withdrawn from the Collection Account pursuant to Sections 2.06 or 2.07 shall be made on behalf of the Borrower by the Paying Agent. The Paying Agent hereby agrees that subject to the provisions of this Section, it shall:

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

(ii) give the Program Agent notice of any default by the Borrower of which it has actual knowledge in the making of any payment required to be made with respect to the Borrower Obligations;

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

(iv) immediately resign as a Paying Agent and forthwith pay to the Program Agent any sums held by it in trust for the payment of Notes if at any time it ceases to meet the requirements set forth in Section 2.20(b);

(v) comply with all requirements of the Code and any applicable State law with respect to the withholding from any payments made by it in respect of any Borrower Obligations of any applicable withholding taxes imposed thereon and with respect to any

applicable reporting requirements in connection therewith; and

(vi) provide to the Managing Agents such information as is required to be delivered under the Code or any State law applicable to the particular Paying Agent, relating to payments made by the Paying Agent under this Agreement.

(b) Each Paying Agent (other than the initial Paying Agent) shall be appointed by the Borrower with the prior written consent of the Program Agent. The Borrower shall not appoint any Paying Agent which is not, at the time of such appointment, a depository institution or trust company that (i) is incorporated under the laws of the United States of America or any State thereof, (ii) is subject to supervision and examination by federal or state banking authorities and (iii) has outstanding unsecured commercial paper or other short-term unsecured debt obligations that are rated "A-1+" by S&P or "Prime-1" by Moody's (or its equivalent).

(c) Each Managing Agent (on behalf of the Lenders in its related Lender Group) shall furnish to the Paying Agent, no later than the second calendar day prior to each Settlement Date, wiring instructions for all payments to be made to such Managing Agent or the related Lenders on such Settlement Date.

(d) On the Final Collection Date, all funds then held by any Paying Agent other than the Program Agent under this Agreement shall, upon demand of the Borrower, be paid to the Program Agent to be held and applied according to Section 2.07, and thereupon such Paying Agent shall be released from all further liability with respect to such funds.

ARTICLE III CONDITIONS OF EFFECTIVENESS AND LOANS

SECTION 3.01. Conditions Precedent to Effectiveness. As conditions precedent to the effectiveness of this Agreement, and the initial Borrowing hereunder (i) the Managing Agents shall have received each of the documents, instruments, legal opinions and other agreements listed on Exhibit G that are required to be delivered on or prior to the date hereof, together with all fees due and payable on the date hereof; (ii) since December 31, 2010, no event has occurred which would have a Material Adverse Effect and (iii) each Managing Agent shall have completed satisfactory due diligence and audits with respect to the Originator, the Borrower, the Servicer, the Performance Guarantors and the Contracts and each Lender shall have received all necessary credit approvals in order to consummate the transactions contemplated by this Agreement.

SECTION 3.02. Conditions Precedent to All Borrowings and Releases. Each Borrowing (including, without limitation, the Initial Borrowing) made by the Lenders to the Borrower and each Release, shall be subject to the further conditions precedent that on the date of each Borrowing or Release, each of the following shall be true and correct both before and immediately after giving effect to such Borrowing or Release, as applicable:

(a) each Managing Agent shall have received from the Servicer each of the Monthly Report and the Monthly Serviced Portfolio Report most recently required to be delivered pursuant to Section 5.05(g) hereof and the officer certificate most recently required to be delivered pursuant to Section 5.05(i) hereof.

(b) the representations and warranties contained in Article IV shall be true and correct in all material respects on and as of such date as though made on and as of such date unless such

representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date;

(c) no event has occurred and is continuing, or would result from such Borrowing or Release which constitutes an Event of Termination, a Servicer Default, an Incipient Event of Termination or an Incipient Servicer Default;

(d) the Termination Date has not occurred;

(e) the Borrower shall have timely made all of the deliveries under Sections 2.01, 2.02 and 2.03 of the Custodial Agreement with respect to all Eligible Contracts;

(f) the Custodian shall have timely made all deliveries under Sections 3.01, 3.02, 3.03 and 3.04 of the Custodial Agreement with respect to all Eligible Contracts;

(g) the Borrower shall have delivered to the Backup Servicer and each Managing Agent a Borrowing Base Certificate which reflects all Eligible Contracts as of the close of business on the day preceding the Borrowing Date and not later than 1:00 p.m. (New York City time) on the requested Borrowing Date the Backup Servicer shall have confirmed to each Managing Agent the accuracy of the information set forth in such Borrowing Base Certificate and shall not have noted any exceptions with respect thereto (except any such exceptions which the Managing Agents shall have waived in writing);

(h) the weighted average APR of the Pledged Contracts shall exceed 18%;

(i) before and after giving effect to such Borrowing or Release, no Borrowing Base Deficiency shall exist; and

(j) only with respect to any such Borrowing requested to be made by a Conduit Lender, the related Managing Agent shall not have delivered to the Borrower a notice stating that such Conduit Lender shall not make any further Loans hereunder.

Each delivery of a Borrowing Request to the Program Agent, and the acceptance by the Borrower of the proceeds of any Borrowing or any Release, shall constitute a representation and warranty by the Borrower that, as of the date of such Borrowing or Release, both before and after giving effect thereto and the application of the proceeds thereof, each of the applicable statements set forth in clauses (a) through (f) above are true and correct to the extent set forth in such clauses.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as of the Closing Date and on each date a Loan or a Release is made as follows:

(a) Due Formation and Good Standing. The Borrower is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business, and is in good standing, in every jurisdiction where the nature of its business requires it to be so qualified.

(b) Due Authorization and No Conflict. The execution, delivery and performance by the Borrower of this Agreement, the Purchase Agreement and all other Facility Documents to which it is a party, and the transactions contemplated hereby and thereby, are within the Borrower's limited liability

company powers, have been duly authorized by all necessary limited liability company action and do not contravene or constitute a default under, any provision of applicable law or of the Borrower's certificate of formation or of the limited liability company agreement or of any agreement, judgment, injunction, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Adverse Claim on any asset of the Borrower. This Agreement, the Purchase Agreement and the other Facility Documents to which the Borrower is a party have been duly executed and delivered on behalf of the Borrower.

(c) Governmental Consent. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Borrower of this Agreement, the Purchase Agreement or any other agreement, document or instrument to be delivered by it hereunder that has not already been given or obtained, except for filings under the UCC required under Article III.

(d) Enforceability of Facility Documents. Each of this Agreement, the Purchase Agreement and each other Facility Document to be delivered by the Borrower in connection herewith, constitutes the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, subject to the Enforceability Exceptions.

(e) No Litigation. There are no actions, suits or proceedings pending, or to the knowledge of the Borrower threatened, against the Borrower or the property of the Borrower, in any court, or before any arbitrator of any kind, or before or by any Governmental Authority. The Borrower is not in default with respect to any order of any court, arbitrator or Governmental Authority.

(f) Perfection Representations.

(i) This Agreement creates a valid and continuing security interest in the Borrower's right, title and interest in, to and under the Collateral in favor of the Program Agent, which security interest is prior to all other Liens (other than Permitted Liens), and is enforceable against creditors of, and purchasers from, the Borrower;

(ii) The Borrower has taken all steps necessary to perfect its security interest against the Contract Debtors in the Financed Vehicles and other property securing the Pledged Contracts;

(iii) The Pledged Contracts constitute "tangible chattel paper" within the meaning of UCC Section 9-102;

(iv) Immediately prior to the grant by the Borrower of a security interest to the Program Agent hereunder, the Borrower owns and has good and marketable title to the Collateral, free and clear of any Lien, claim or encumbrance of any Person (other than Permitted Liens);

(v) The Borrower has caused, or will have caused within ten (10) days after the date hereof or any applicable Borrowing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the Program Agent's first priority security interest in the Collateral;

(vi) Other than the security interest granted to the Program Agent for the benefit of the Secured Parties pursuant to this Agreement, the Borrower has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral, except

as permitted by this Agreement and the other Facility Documents. The Borrower has not authorized the filing of and is not aware of any financing statements against the Borrower that include a description of collateral covering the Collateral other than any financing statement (i) in favor of the Program Agent or (ii) that has been terminated. The Borrower is not aware of any judgment lien or tax lien filings against the Borrower;

(vii) Immediately prior to the pledge hereunder, the Borrower or the Custodian has in its possession all original copies of the Contracts and related Contract Debtor Documents. None of the Contracts or related Contract Debtor Documents has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person. All financing statements filed or to be filed against the Borrower in favor of the Program Agent in connection herewith describing the Collateral contain a statement to the effect that "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the secured party";

(viii) Notwithstanding any other provision of this Agreement or any other Facility Document, the representations contained in this Section 4.01(f) shall be continuing and remain in full force and effect.

(g) Compliance with Laws. The Borrower 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.

(h) Accuracy of Information. The information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of the Borrower to the Program Agent, any Managing Agent or any Lender in connection with the negotiation, preparation or delivery of this Agreement and the other Facility Documents or included herein or therein or delivered pursuant hereto or thereto, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of the Borrower to the Program Agent, any Managing Agent or any Lender in connection with this Agreement and the other Facility Documents and the transactions contemplated hereby and thereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. There is no fact known to a Responsible Officer that, after due inquiry, could reasonably be expected to have a Material Adverse Effect that has not been disclosed herein, in the other Facility Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to the Program Agent, any Managing Agent or any Lender for use in connection with the transactions contemplated hereby or thereby. The Borrower has delivered all documents required to be delivered pursuant to Section 5.02(l). There is no action pending or threatened by any creditor of any DT Entity against any collateral for any Indebtedness of any DT Entity.

(i) Location of Records; Organizational Identification Number. The locations of the offices where the Borrower keeps all the Records are listed on Exhibit E. The Borrower's federal employer identification number is 26-1209912 and its organizational identification number is 4435741. The Borrower is organized solely under the laws of the State of Delaware.

(j) Collection Information; Master Agency Agreement. The names and addresses of all the Approved Sub-servicers, Depository Account Banks and Lock-Box Processors, together with the addresses of the Lock-Boxes and the account numbers of the Depository Accounts are as specified in Exhibit F. The Lock-Boxes set forth on Exhibit F are the only addresses to which Contract Debtors and

Approved Sub-servicers of Pledged Contracts are directed to make payment. The Depository Accounts set forth on Exhibit F are the only accounts (other zero-balance accounts) to which Contract Debtors, Approved Sub-servicers or Lock-Box Processors remit Collections of Pledged Contracts by wire transfer or electronic funds transfer. Exhibit N hereto is a full, complete and correct copy of the Master Agency Agreement and such agreement has not been modified and is in full force and effect. There are no agreements or understandings relating to the Master Agency Agreement that are not fully and accurately described in Exhibit N. No DT Entity has granted any Person, other than Wells Fargo Bank, National Association under the Master Agency Agreement, “control” (within the meaning of Section 9-102 of any applicable enactment of the UCC) of any Depository Account or the right to take control of any Depository Account at a future time or upon the occurrence of a future event.

(k) No Trade Names. The Borrower has no, and has not used any, trade names, fictitious names, assumed names or “doing business as” names.

(l) Investments. The Borrower does not own or hold, directly or indirectly (i) any capital stock or equity security of, or any equity interest in, any Person or (ii) any debt security or other evidence of indebtedness of any Person, except for Permitted Investments and as otherwise contemplated by the Facility Documents. The Borrower has no Subsidiaries.

(m) Facility Documents. The Purchase Agreement is the only agreement pursuant to which the Borrower directly or indirectly purchases and receives capital contributions of Contracts from the Originator and the Facility Documents delivered to the Program Agent represent all agreements between the Originator and the Borrower relating to the transfer of the Contracts, except for other agreements related to the transactions that are permitted by Section 5.03(k).

(n) Business. Since its formation, the Borrower has conducted no business other than entering into and performing its obligations under the Facility Documents to which it is a party, and such other activities as are incidental to the foregoing. The Facility Documents to which it is a party, and any agreements entered into in connection with the transactions that are permitted by Section 5.03(k), are the only agreements to which the Borrower is a party.

(o) Taxes. The Borrower has filed or has received an extension of time for filing of, all United States Federal income tax returns (if any) and all other material tax returns which are required to be filed by it and has paid all taxes that are due and payable by it pursuant to such returns or pursuant to any assessment received by the Borrower, except to the extent that any such assessment is being contested in good faith by appropriate proceedings. The charges, accruals and reserves on the books of the Borrower in respect of taxes and other governmental charges are, in the Borrower’s opinion, adequate.

(p) Solvency. The Borrower: (i) is not “insolvent” (as such term is defined in §101(32)(A) of the Bankruptcy Code), (ii) is able to pay its debts as they come due; and (iii) does not have unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage.

(q) Use of Proceeds. No proceeds of any Loan will be used by the Borrower to acquire any security in any transaction which is subject to Section 13 or 14 of the Securities Exchange Act of 1934, as amended.

(r) Ownership. As of the date hereof, all of the membership interests in the Borrower are directly owned of record by the Originator, all of which are validly issued, fully paid and nonassessable and there are no options, warrants or other rights to acquire any membership interests in the

Borrower other than the provisions relating to the special membership interest of the independent director.

(s) Eligibility. Each Pledged Contract included as an Eligible Contract represented by the Borrower to be an “Eligible Contract” on any date hereunder, or included in the calculation of the Borrowing Base on any date, satisfies the requirements of eligibility contained in the definition of “Eligible Contract” as of such date. Each Pledged Contract included as a Wet Contract represented by the Borrower to be a “Wet Contract” on any date hereunder, or included in the calculation of the Borrowing Base (Wet Contracts) on any date, satisfies the requirements of eligibility contained in the definition of “Wet Contract” as of such date.

(t) Payments to Originator. With respect to each Pledged Contract, the Borrower shall have (i) received such Pledged Contract as a contribution to the capital of the Borrower by the Originator or (ii) purchased such Pledged Contract from the Originator in exchange for payment (made by the Originator in accordance with the provisions of the Purchase Agreement) in an amount which constitutes fair consideration and reasonably equivalent value. No such sale shall have been made for or on account of an antecedent debt owed by the Originator to the Borrower and no such sale is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(u) Material Adverse Effect. Since the date of formation of the Borrower, no event has occurred which would have a Material Adverse Effect.

(v) Compliance with Credit and Collection Policy. The Borrower has complied in all material respects with the Credit and Collection Policy with regard to each Pledged Contract and has not made any change to such Credit and Collection Policy other than as permitted under Section 5.03(c).

(w) Event of Termination. No Event of Termination or Incipient Termination Event has occurred or is continuing.

SECTION 4.02. Representations and Warranties of the Servicer. The Servicer (so long as a DT Entity is the Servicer) represents and warrants on the Closing Date and on each date a Loan or a Release is made as follows:

(a) Due Formation and Good Standing. The Servicer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Arizona and has all limited liability company power and authority to carry on its business as now conducted and is qualified to do business in, and is in good standing in, every jurisdiction where the nature of its business requires it to be so qualified except where the failure so to qualify could not reasonably be expected to have a Material Adverse Effect.

(b) Due Authorization and No Conflict. The execution, delivery and performance by the Servicer of this Agreement are within the Servicer’s limited liability company powers, have been duly authorized by all necessary limited liability company action on the part of the Servicer and do not contravene or constitute a default under, any provision of applicable law or of the Servicer’s certificate or articles of organization or operating agreement or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Servicer that could have a Material Adverse Effect or result in the creation or imposition of any Adverse Claim on any asset of the Servicer upon or with respect to any of its properties. This Agreement and the other Facility Documents to which the Servicer is a party have been duly executed and delivered on behalf of the Servicer.

(c) Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Servicer of this Agreement or any other agreement, document or instrument to be delivered by it hereunder that has not already been given or obtained.

(d) Enforceability of Facility Documents. Each of this Agreement and each other Facility Document to be delivered by the Servicer in connection herewith constitutes the legal, valid and binding obligation of the Servicer enforceable against the Servicer in accordance with its terms, subject to the Enforceability Exceptions.

(e) No Litigation. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against, or to the knowledge of a Responsible Officer of the Servicer after due inquiry, threatened against the Servicer or any of its subsidiaries (i) that could reasonably be expected to be adversely determined and that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect or (ii) that seeks to prevent the consummation of the transactions contemplated by this Agreement or the other Facility Documents. The Servicer is not in default with respect to any order of any court, arbitrator or other Governmental Authority, which default could reasonably be expected to have a Material Adverse Effect or prevent the consummation of the transactions contemplated by this Agreement and the other Facility Documents.

(f) Compliance with Laws. The Servicer has complied in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards applicable to it or its property, except where such compliance is being contested in good faith through appropriate proceedings or except where the failure, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(g) Accuracy of Information. The information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of the Servicer to the Program Agent, any Managing Agent or any Lender in connection with the negotiation, preparation or delivery of this Agreement and the other Facility Documents or included herein or therein or delivered pursuant hereto or thereto, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of the Servicer to the Program Agent, any Managing Agent or any Lender in connection with this Agreement and the other Facility Documents and the transactions contemplated hereby and thereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. There is no fact known to a Responsible Officer that, after due inquiry, could reasonably be expected to have a Material Adverse Effect that has not been disclosed herein, in the other Facility Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to the Program Agent, any Managing Agent or any Lender for use in connection with the transactions contemplated hereby or thereby.

(h) Collection Information; Master Agency Agreement. The names and addresses of all the Approved Sub-servicers, Depository Account Banks and Lock-Box Processors, together with the addresses of the Lock-Boxes and the account numbers of the Depository Accounts are as specified in Exhibit F. The Lock-Boxes set forth on Exhibit F are the only addresses to which Contract Debtors and Approved Sub-servicers of Pledged Contracts are directed to make payment. The Depository Accounts set forth on Exhibit F are the only accounts (other zero-balance accounts) to which Contract Debtors, Approved Sub-servicers or Lock-Box Processors remit Collections of Pledged Contracts by wire transfer or electronic funds transfer. Exhibit K hereto is a full, complete and correct copy of the Master Agency

Agreement and such agreement has not been modified and is in full force and effect. There are no agreements or understandings relating to the Master Agency Agreement that are not fully and accurately described in Exhibit K. No DT Entity has granted any Person, other than Wells Fargo Bank, National Association under the Master Agency Agreement, “control” (within the meaning of Section 9-102 of any applicable enactment of the UCC) of any Depository Account or the right to take control of any Depository Account at a future time or upon the occurrence of a future event.

(i) Software. The Servicer has the right (whether by license, sublicense or assignment) to use all of the computer software used to account for the Pledged Contracts to the extent necessary to administer the Pledged Contracts.

(j) Eligibility. Each Pledged Contract included as an Eligible Contract represented by the Borrower to be an “Eligible Contract” on any date hereunder, or included in the calculation of the Borrowing Base on any date, satisfies the requirements of eligibility contained in the definition of “Eligible Contract” as of such date. Each Pledged Contract included as a Wet Contract represented by the Borrower to be a “Wet Contract” on any date hereunder, or included in the calculation of the Borrowing Base (Wet Contracts) on any date, satisfies the requirements of eligibility contained in the definition of “Wet Contract” as of such date.

(k) Material Adverse Effect. Since December 31, 2010, no event has occurred which would have a Material Adverse Effect.

(l) Compliance with Credit and Collection Policy. The Servicer has complied in all material respects with the Credit and Collection Policy with regard to its servicing of each Pledged Contract.

(m) Event of Termination. No Event of Termination or Incipient Termination Event has occurred or is continuing.

(n) Financial Statements. The Servicer has heretofore furnished to each Managing Agent a copy of the audited financial statements of the DT Entities On A Consolidated Basis for the fiscal year ended December 31, 2010. All such financial statements are and, upon delivery, all financial statements described in Section 5.02(b) hereof will be, materially complete and correct and fairly present the consolidated financial condition and results of operations of the DT Entities On A Consolidated Basis in accordance with GAAP applied on a consistent basis. Since December 31, 2010 there has been no development or event nor any prospective development or event which has had or should reasonably be expected to have a Material Adverse Effect.

(o) ERISA. Each Plan to which the Servicer makes direct contributions, and, to the knowledge of the Servicer, each other Plan and each Multiemployer Plan, is in compliance in all material respects with, and has been administered in all material respects in compliance with, the applicable provisions of ERISA, the Code and any other Federal or State law. No event or condition has occurred and is continuing as to which the Borrower or the Servicer on its behalf would be under an obligation to furnish a report to the Program Agent and Managing Agents under Section 5.02(d) hereof.

(p) Taxes. The Servicer has filed all Federal income Tax returns and all other material tax returns that are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by it, except for any such Taxes, if any, that are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided. The charges, accruals and reserves on the books of the Servicer in respect of Taxes and other governmental charges are adequate.

(q) Principal Offices. The chief executive office of the Servicer on the Closing Date is located at 4020 East Indian School Road, Suite A, Phoenix, AZ 85018, and the chief operating office is located at the same address.

(r) Licenses. None of the Program Agent, any Managing Agent or any Lender will not be required as a result of financing or taking a pledge of the Contracts to be licensed, registered or approved or to obtain permits or otherwise qualify (i) to do business in any state in which it currently so required or (ii) under any state consumer lending, fair debt collection or other applicable state statute or regulation.

(s) No Burdensome Restrictions. No Requirement of Law or Contractual Obligation of the Servicer or any of its Subsidiaries has, or could reasonably be expected to have, a Material Adverse Effect.

(t) Selection of Contracts. Each Pledged Contract was selected in accordance with the Contract Selection Methodology, and was not selected in a manner intended to, or that could reasonably be expected to, adversely affect the interests of the Program Agent or any Secured Party.

ARTICLE V GENERAL COVENANTS

SECTION 5.01. Affirmative Covenants of the Borrower. Except as otherwise provided herein, from the Closing Date until the later of the Termination Date and the Final Collection Date, the Borrower will, unless the Program Agent and the Majority Managing Agents shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, ordinances, orders, rules, regulations and requirements of Governmental Authorities.

(b) Preservation of Existence. (i) Observe all procedures required by its certificate of formation and the limited liability company agreement and preserve and maintain its limited liability company existence, rights, franchises and privileges in the jurisdiction of its organization, and (ii) qualify and remain qualified in good standing as a foreign limited liability company in each other jurisdiction where the nature of its business requires such qualification and where, in the case of clause (ii), the failure to be so qualified could reasonably be expected to have a Material Adverse Effect.

(c) Audits. At any time and from time to time during regular business hours and upon reasonable prior notice, permit the Program Agent, the Managing Agents or their agents or representatives; (i) to conduct periodic audits of the Pledged Contracts and the other Collateral and collection systems of the Borrower; (ii) to examine and make copies of and abstracts from the Records in its possession or control relating to the Pledged Contracts and other Collateral, including, without limitation, the related Pledged Contracts; (iii) to visit the offices and properties of the Borrower for the purpose of examining the materials described in clause (ii) above; and (iv) to discuss matters relating to the Pledged Contracts, the other Collateral or the Borrower's performance hereunder with any of the officers or employees of the Borrower having knowledge of such matters; *provided, that* if no Event of Termination shall have occurred and be continuing, the Program Agents, the Managing Agents or their agents or representatives shall only be entitled to conduct two audits of the Borrower during any twelve (12) month period beginning on the date hereof and on each anniversary of the date hereof; and *provided, further, that* if an Event of Termination shall have occurred and be continuing, the Program Agents, the Managing Agents or their agents or representatives shall be entitled to conduct three audits of the Borrower during such period and if a Foreclosure Event shall have occurred and be continuing, there shall

be no limit on the number of such audits the Program Agents, the Managing Agents or their agents or representatives shall be entitled to conduct. It is anticipated that each audit will be a full operational, legal, compliance and collateral audit and will verify among other items, the existence of Collateral, cash application, aging and eligibility, and Borrowing Base computation, will include a litigation and regulatory review, and will confirm that internal ratings actually applied conform to underwriting standards. Each audit will also include a sample review of the files relating to no less than one hundred (100) Contracts to check the accuracy of information provided by the Borrower or the Servicer.

(d) Keeping of Records and Books of Account. Maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Pledged Contracts in the event of the destruction of the originals thereof) and keep and maintain (or cause the Servicer to keep and maintain) all documents, books, records and other information reasonably necessary for the collection of all Pledged Contracts, and in which timely entries are made in accordance with GAAP. Such books and records shall include, without limitation, records adequate to permit the daily identification of each new Pledged Contract and all Collections of and adjustments to each existing Pledged Contract. The Borrower shall promptly notify the Program Agent and each Managing Agent of any material conversion or substitution (excluding, in each case, version upgrades) of the computer software used by the Borrower (or the Servicer, as applicable) in its collection of Pledged Contracts.

(e) Performance and Compliance with Pledged Contracts. At its expense, timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it with respect to the Pledged Contracts.

(f) Credit and Collection Policy. Comply in all material respects with the Credit and Collection Policy in regard to the Pledged Contracts.

(g) Collections.

(i) Instruct all Contract Debtors to remit all payments made in respect of the Pledged Contract to a Lock-Box or a Depository Account;

(ii) Instruct all Lock-Box Processors to deposit all Collections received thereby or remitted to any Lock-Box into a Depository Account within three (3) Business Days following receipt thereof;

(iii) Instruct all Depository Account Banks to deposit all Collections received thereby to a Depository Account within three (3) Business Days following receipt;

(iv) Cause all Collections to be remitted from the Depository Accounts to the Collection Account within three (3) Business Days following identification thereof;

(v) Cause all Collections received by the Borrower or the Servicer directly to be remitted to a Depository Account or the Collection Account within one (1) Business Day of receipt; and

(vi) On and after the Closing Date, cause each Depository Account and Lock-Box to be subject at all times to the Master Agency Agreement.

(h) Posting of Collections and Pledged Contracts. Apply all Collections to the Pledged Contracts owed by the applicable Contract Debtor in a timely manner in accordance with its business practices in existence as of the Closing Date.

(i) Separate Existence. Take all reasonable steps (including, without limitation, all steps that the Program Agent or any Managing Agent may from time to time reasonably request) to maintain the Borrower's identity as a separate legal entity from each DT Entity and their Affiliates and to make it manifest to third parties that the Borrower is an entity with assets and liabilities distinct from those of the DT Entities and each other Affiliate thereof. Without limiting the generality of the foregoing, the Borrower shall operate in such a manner and be constituted so that it would not be substantively consolidated in the bankruptcy trust estate of any DT Entity or Affiliate thereof, the separate existence of the Borrower and any DT Entity or Affiliate thereof would not be disregarded, and each of the following statements will be true and correct at all relevant times:

(i) the Borrower maintains and shall maintain separate records, books of account and financial statements from those of DTAC and its Affiliates;

(ii) except to the extent permitted pursuant to the Facility Documents and the Master Agency Agreement, the Borrower does not and shall not commingle any of its assets or funds with those of DTAC and its Affiliates;

(iii) the Borrower maintains and shall maintain an office separate from that of any other entity and a separate board of directors with at least two (2) Independent Directors and observes all separate limited liability company formalities, and all decisions with respect to the Borrower's business and daily operations have been and shall be independently made by the officers of the Borrower pursuant to resolutions of its board of directors;

(iv) other than contributions of capital, payment of dividends and return of capital, no transactions have been or will be entered into between the Borrower and DTAC or between the Borrower and any of Affiliates of DTAC except such transactions as are contemplated by this Agreement and the Facility Documents, or as permitted by the Borrower's organizational documents, and the Borrower shall not enter into or permit to exist any transaction (including, without limitation, any purchase, lease or exchange of property or the rendering of any service) with any DT Entity or Affiliate thereof which is on terms that are less favorable to the Borrower than those that might be obtained in an arm's length transaction at the time from Persons who are not Affiliates and which is not evidenced by or pursuant to a written agreement;

(v) except for such administration and collection and functions as the Servicer may perform on behalf of the Borrower, the Borrower acts solely in its own name and through its own authorized officers and agents and the Borrower does not and will not act as agent of DTAC or any other Person in any capacity;

(vi) except for any funds received from DTAC or its members as a capital contribution or as otherwise permitted in this Agreement or any other Facility Document, the Borrower shall not accept for its own account funds from DTAC or its Affiliates; and the Borrower shall not allow DTAC or its Affiliates otherwise to supply funds to, or guarantee any obligation of, the Borrower;

(vii) the Borrower shall not guarantee, or otherwise become liable with respect to, any obligation of DTAC or its Affiliates;

(viii) the Borrower shall at all times hold itself out to the public under the Borrower's own name as a legal entity separate and distinct from DTAC and its Affiliates, and not hold itself out as a "division" of DTAC or its Affiliates;

(ix) the Borrower shall at all times maintain all of its liabilities and tangible and intangible assets, separate and readily identifiable, from those of DTAC and each and every Affiliate of DTAC or any Affiliate of such Affiliate;

(x) the Borrower is a special purpose company and has not engaged, and does not presently engage and shall not engage, in any activity other than the activities undertaken pursuant to this Agreement and the Facility Documents and activities ancillary or incident thereto and transactions permitted pursuant to its organizational documents, and has no indebtedness other than as created by, or set forth in, this Agreement or the Facility Documents;

(xi) the Borrower does not have any subsidiaries;

(xii) the Borrower has complied in all material respects with all applicable laws, rules, regulations, and orders with respect to it, its business and properties;

(xiii) all of the issued and outstanding membership interests of the Borrower are owned by DTAC, and all distributions by Borrower to DTAC shall be properly reflected as distributions on the books and records of DTAC;

(xiv) the execution and delivery of this Agreement and the Facility Documents and the consummation of the transactions contemplated hereby and thereby were not made in contemplation of the insolvency of the Borrower or after the commission of any act of insolvency by the Borrower. The Borrower does not believe, nor does it have any reasonable cause to believe, that it cannot perform its covenants contained in this Agreement and the Facility Documents. The transactions contemplated by this Agreement and the Facility Documents are being consummated by the Borrower in furtherance of its ordinary business purposes, with no intent to hinder, delay or defraud any of its present or future creditors and with no view to preferring one creditor over another or to preventing the application of the Borrower's assets in the manner required by applicable law or regulations. The consideration received by the Borrower as set forth herein is fair consideration having value reasonably equivalent to or in excess of the value of the Pledged Contracts and the performance of the Borrower's obligations hereunder;

(xv) neither on the date of the transactions contemplated by this Agreement and the Facility Documents nor immediately before or after such transactions, nor as a result of the transactions, will the Borrower:

(A) be insolvent such that the sum of its debts is greater than all of its respective property, at a fair valuation in the normal course of its business operations;

(B) be engaged in or about to engage in business or a transaction for which any property remaining with the Borrower will be an unreasonably small capital or the remaining assets of the Borrower will be unreasonably small in relation to its respective business or the transaction; or

(C) have intended to incur, or believed it would incur, debts that would be beyond its respective ability to pay as such debts mature or become due. The

Borrower's assets and cash flow enable it to meet its present obligations in the ordinary course of business as they become due.

(xvi) both immediately before and after the transactions contemplated by this Agreement and the Facility Documents (y) the present fair salable value of the Borrower's assets in the normal course of its business operations was or will be in excess of the amount that will be required to pay its probable liabilities as they then exist and as they become absolute and matured; and (z) the sum of the Borrower's assets was and will be greater than the sum of its debts, valuing its assets at a fair salable value. This Agreement and the Facility Documents reflect bona fide transactions for legitimate business purposes;

(xvii) the Borrower (x) is not in violation of any laws, ordinances, governmental rules or regulations to which it is subject; (y) has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its property or to the conduct of its business; and (z) is not in violation in any material respect of any term of any agreement, charter, bylaw or instrument to which it is a party or by which it may be bound and, in each case, such violation or failure to obtain would have a material adverse effect on the business or condition (financial or otherwise) of the Borrower;

(xviii) all Tax returns or extensions required to have been filed by the Borrower in any jurisdiction have been filed, and all Taxes, assessments, fees and other governmental charges upon the Borrower, or upon any of the respective properties, income or franchises of the Borrower, shown to be due and payable on such returns have been, or will be, paid when due. All such Tax returns are true and correct and the Borrower has no knowledge of any proposed additional Tax assessment against it in any material amount nor of any basis therefor;

(xix) the Borrower has no employees or "employee pension benefit plans" as such term is defined in Section 3 of ERISA; and

(xx) the Borrower shall take all other actions reasonably necessary on its part to operate its business and perform its obligations under the Facility Documents in a manner consistent with the factual assumptions described in the legal opinions with respect to nonconsolidation and true sale matters of Snell & Wilmer L.L.P. delivered to the Program Agent and the Managing Agents in connection with the Purchase Agreement on or about the date hereto.

(j) Rights under the Purchase Agreement. From and after the Termination Date, direct, instruct, or request any lawful action under the Purchase Agreement, including without limitation, in connection with enforcement of its rights thereunder, as instructed by the Program Agent; provided, however, that both before and after the Termination Date, the Borrower shall deliver any lawful notice as directed by the Program Agent, the delivery of which is a condition precedent to any "Purchase Termination Event" under (and as defined in) the Purchase Agreement.

(k) Location of Records. Keep its chief place of business and chief executive office and the offices where it keeps the Records at (i) the address(es) of the Borrower referred to on Exhibit E or (ii) upon 30 days' prior written notice to the Program Agent, at any other location in the United States where all actions reasonably requested by the Program Agent or any Managing Agent to protect and perfect the interests of the Program Agent and the Lenders in the Collateral have been taken and completed.

(l) Taxes. File, cause to be filed or obtain an extension of the time to file, all material Tax returns and reports required by law to be filed by it and will promptly pay or cause to be

paid all Taxes and governmental charges at any time owing, *provided that* the Borrower may contest in good faith any such Taxes, assessments and other charges and, in such event, may permit the Taxes, assessments or other charges so contested to remain unpaid during any period, including appeals, when the Borrower is in good faith contesting the same so long as (i) adequate reserves have been established in accordance with GAAP, (ii) enforcement of the contested Tax, assessment or other charge is effectively stayed for the entire duration of such contest if such enforcement could reasonably be expected to have a Material Adverse Effect, and (iii) any Tax, assessment or other charge determined to be due, together with any interest or penalties thereon, is promptly paid as required after final resolution of such contest, and pay when due any Taxes payable in connection with the Pledged Contracts, exclusive of Taxes on or measured by income or gross receipts of the Program Agent, the Managing Agents or the Lenders.

(m) Performance and Enforcement of Purchase Agreement. (i) Perform and require the Originator to, perform each of their respective obligations and undertakings under and pursuant to the Purchase Agreement; purchase Contracts thereunder in compliance with the terms thereof; (ii) enforce the rights and remedies accorded to the Borrower under the Purchase Agreement and (iii) take all actions to perfect and enforce its rights and interests (and the rights and interests of the Program Agent and the Lenders as assignees of the Borrower) under the Purchase Agreement as the Program Agent or any Managing Agent may from time to time reasonably request, including, without limitation, making claims to which it may be entitled under any indemnity, reimbursement or similar provision contained in the Purchase Agreement.

(n) Ownership. Take all necessary action to (i) vest legal and equitable title to the Pledged Contracts, the other Collateral and the Collections purchased under the Purchase Agreement irrevocably in the Borrower, free and clear of any Adverse Claims other than Permitted Liens (including, without limitation, the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Borrower's interest in such Pledged Contracts, the other Collateral and Collections and such other action to perfect, protect or more fully evidence the interest of Borrower therein as the Program Agent or any Managing Agent may reasonably request), and (ii) establish and maintain, in favor of the Program Agent, for the benefit of the Secured Parties, a valid and perfected first priority perfected security interest in all Pledged Contracts, the other Collateral and Collections to the full extent contemplated herein, free and clear of any Adverse Claims other than Permitted Liens (including, without limitation, the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Program Agent's (for the benefit of the Secured Parties) security interest in such Pledged Contracts, the other Collateral and Collections and such other action to perfect, protect or more fully evidence the interest of the Program Agent for the benefit of the Secured Parties as the Program Agent or any Managing Agent may reasonably request).

(o) [Reserved].

(p) Hedging. If, as of any Monthly Reporting Date, the average of the Excess Spread Ratios for the three preceding Accounting Periods is less than 7.00%, the Borrower shall purchase, or cause the Servicer to purchase, an Interest Rate Hedge Agreement which shall provide suitable protection (in the Program Agent's reasonable judgment) against an adverse change in interest rates. If the Borrower fails to purchase an Interest Rate Hedge Agreement that adequately protects the Lenders, the Program Agent may reduce the Advance Rate to compensate for the potential reduction in the Excess Spread Ratio and continued exposure to additional interest rate risk.

(q) Independent Directors. The Borrower will at all times have two Independent Directors and ensure that all actions relating to (x) the selection, maintenance or replacement of the Independent Directors, (y) the dissolution or liquidation of the Borrower or (z) the initiation of,

participation in, acquiescence in or consent to any bankruptcy, insolvency, reorganization or similar proceeding involving the Borrower, are duly authorized by unanimous consent of the Borrower's directors, including the Independent Directors; and (i) at least two members or the board of directors of Borrower shall at all times be Independent Directors reasonably acceptable to the Program Agent (such acceptability of any Independent Director appointed after the date hereof must be evidenced in writing signed by the Program Agent) and (ii) none of the Borrower or the Originator, any of Borrower's members or directors or any of their respective Affiliates shall remove any Independent Director or replace any Independent Director, in each case without the prior written consent of the Program Agent, which consent shall not be unreasonably withheld. The Borrower shall compensate each Independent Director in accordance with its agreement with such Independent Director (or the company employing such Independent Director as a part of its business of supplying director services to special purpose entities). No Independent Director shall at any time serve as a trustee in bankruptcy for the Borrower or the Originator or any of their respective Affiliates. The limited liability company agreement of the Borrower shall provide that the directors of the Borrower shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Borrower unless each Independent Director shall approve the taking of such action in writing prior to the taking of such action. Without limiting the foregoing, the Borrower will promptly notify the Program Agent in writing of the resignation or removal of any Independent Director or its receipt of any notice of intended resignation by any Independent Director.

SECTION 5.02. Reporting Requirements of the Borrower. From the Closing Date until the later of the Termination Date and the Final Collection Date, the Borrower will, unless the Program Agent and the Majority Managing Agents shall otherwise consent in writing, furnish or cause to be furnished to the Program Agent and each Managing Agent:

(a) Event of Termination. As soon as reasonably practicable and in any event within two (2) Business Days after any Responsible Officer of the Borrower obtains knowledge of the occurrence of each Event of Termination or Incipient Event of Termination (if such Incipient Event of Termination is continuing on the date of such notice), the statement of a Responsible Officer of the Borrower setting forth the details of such Event of Termination or Incipient Event of Termination and the action which the Borrower is taking or proposes to take with respect thereto.

(b) Financial Statements.

(i) within one hundred twenty (120) days after the end of each fiscal year of the Borrower, a balance sheet of the Borrower as of the end of such fiscal year and a statement of income and retained earnings of the Borrower for such fiscal year, certified by the Borrower's chief financial officer, chief accounting officer or other manager of the Borrower;

(ii) within fifteen (15) days after the end of each month, the unaudited consolidated balance sheets of the DT Entities as at the end of such month and the related unaudited consolidated statements of income and, upon the request of the Program Agent or any Managing Agent, retained earnings and of cash flows for the DT Entities for such month and the portion of the fiscal year through the end of such month, setting forth in each case in comparative form the figures for the previous year, accompanied by a certificate of a Responsible Officer of the Borrower, which certificate shall state that such consolidated financial statements fairly present the consolidated financial condition and results of operations of the DT Entities On A Consolidated Basis in accordance with GAAP, consistently applied, as at the end of, and for, such month (subject to normal year end audit adjustments);

(iii) within sixty (60) days after the end of each of the first three quarterly fiscal periods of each fiscal year of DTAC, the unaudited consolidated balance sheets of the DT Entities as at the end of such period and the related unaudited consolidated statements of income and retained earnings and of cash flows for the DT Entities for such period and the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous year, accompanied by a certificate of a Responsible Officer of the Borrower, which certificate shall state that each such consolidated financial statement fairly presents the financial condition and results of operations of the DT Entities On A Consolidated Basis in accordance with GAAP, consistently applied, as at the end of, and for, such period (subject to normal year end audit adjustments); and

(iv) within one hundred and five (105) days after the end of each fiscal year of DTAC, the audited consolidated balance sheets of the DT Entities as at the end of such fiscal year and the related audited consolidated statements of income and retained earnings and of cash flows for the DT Entities On A Consolidated Basis for such year, setting forth in each case in comparative form the figures for the previous year, accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall not be qualified as to scope of audit or going concern (other than a qualification as to going concern based solely on the tenor of the Commitments hereunder) and shall state that each consolidated financial statement fairly presents the financial condition and results of operations of the DT Entities On A Consolidated Basis at the end of, and for, such fiscal year in accordance with GAAP, containing a footnote stating that there is no Event of Termination.

(c) Compliance Certificates. Concurrently with any delivery of information under clause (b) above, a certificate of a Responsible Officer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether any Event of Termination set forth in Sections 7.01(k) through (n) has occurred and (ii) certifying that no Event of Termination or Incipient Event of Termination exists on the date of such certificate and, if an Event of Termination or Incipient Event of Termination then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto.

(d) ERISA Events. As soon as reasonably possible, and in any event within thirty (30) days after a Responsible Officer knows, or with respect to any Plan or Multiemployer Plan to which any DT Entity or any of its Subsidiaries makes direct contributions, has reason to believe, that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan has occurred or exists, a statement signed by a senior financial officer of such DT Entity setting forth details respecting such event or condition and the action, if any, that any DT Entity or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by such DT Entity or an ERISA Affiliate with respect to such event or condition):

(i) any Reportable Event with respect to a Plan, as to which PBGC has not by regulation or otherwise waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event (provided that a failure to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA, including, without limitation, the failure to make on or before its due date a required installment under Section 412(m) of the Code or Section 302 (e) of ERISA, shall be a Reportable Event regardless of the issuance of any waivers in accordance with Section 412(d) of the Code); and any request for a waiver under Section 412(d) of the Code for any Plan;

(ii) the distribution under Section 4041(c) of ERISA of a notice of intent to terminate any Plan or any action taken by such DT Entity or an ERISA Affiliate to terminate any Plan;

(iii) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by such DT Entity or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal from a Multiemployer Plan by such DT Entity or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by such DT Entity or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against such DT Entity or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days; and

(vi) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, would result in the loss of tax exempt status of the trust of which such Plan is a part if such DT Entity or an ERISA Affiliate fails to timely provide security to such Plan in accordance with the provisions of said Sections.

(e) Reporting on Adverse Effects. Promptly and in no event more than two (2) Business Days after any Responsible Officer of the Borrower obtains knowledge of any matter or the occurrence of any event concerning the Borrower, the Servicer, the Originator or the Performance Guarantor which would reasonably be expected to have a Material Adverse Effect, notice thereof.

(f) Defaults. Promptly and in no event more than two (2) Business Days after any Responsible Officer of the Borrower obtains knowledge of any default by the Borrower under any agreement other than the Facility Documents to which the Borrower is a party which could reasonably be expected to have a Material Adverse Effect, the statement of a Responsible Officer of the Borrower setting forth the details of such default and the action which the Borrower is taking or proposes to take with respect thereto.

(g) Ratings. Promptly and in no event more than one Business Day after any Responsible Officer of the Borrower obtains knowledge of any downgrade or withdrawal of the Debt Rating of any DT Entity, notice of such downgrade or withdrawal of such Debt Rating.

(h) Copies of Notices. Promptly after receipt thereof, copies of any notice, request for consent, or certification delivered to it by the Originator, the Custodian, the Backup Servicer or any Performance Guarantor under any Facility Document, or any Person under the Master Agency Agreement.

(i) Credit and Collection Policy. Promptly and in no event more than two (2) Business Days after any Responsible Officer of the Borrower obtains knowledge of any amendment, modification, supplement or other change to the Credit and Collection Policy that could have a material adverse effect on the collectibility of the Pledged Contracts, the statement of a Responsible Officer of the Borrower setting forth the details of such amendment, modification or supplement.

(j) Other Facilities. Promptly and in no event more than ten (10) days after the effectiveness thereof, copies of (i) any documents, agreements or instruments evidencing indebtedness for borrowed money of any DT Entity and (ii) any amendment, restatement, supplement or other modification any documents, agreements or instruments evidencing indebtedness for borrowed money of any DT Entity, including, without limitation, any fee letter, waiver, consent and any other document, agreement or instrument executed in connection with any of the foregoing.

(k) Prepayments of Indebtedness. At least five (5) Business Days prior to any prepayment or redemption of all or any part of any Indebtedness issued pursuant to, or governed by, the Indenture, the statement of a Responsible Officer of the Borrower setting forth (i) the Indebtedness to be so prepaid or redeemed, (ii) the amount of such prepayment or redemption and (iii) the date of such prepayment or redemption.

(l) Notice of Default or Acceleration. Promptly and in no event more than two (2) Business Days after receipt by any DT Entity, copies of any notice of breach, default, acceleration or, mandatory prepayment or taking of action with respect to collateral (or similar notice) received by any DT Entity from any holder of any Indebtedness (or agent on behalf of one or more such holders) under any Warehouse Facility, the Inventory Facility or any other agreement governing indebtedness for borrowed money of any DT Entity and promptly and in no event more than two (2) Business Days after delivery by any DT Entity, copies of any notice of breach or default delivered by any DT Entity thereunder.

(m) Appointment of Independent Director. Promptly and in no event less than (10) days prior to the effective date of the appointment of any Person as a new or replacement Independent Director of the Borrower, notice of such appointment and a certification of a Responsible Officer of the Borrower that such Person satisfies the criteria set forth in the definition herein of "Independent Director."

(n) Other Information. As soon as reasonably practicable, from time to time, such other information, documents, records or reports respecting the Pledged Contracts or the conditions or operations, financial or otherwise, of the Borrower as the Program Agent or any Managing Agent may from time to time reasonably request.

SECTION 5.03. Negative Covenants of the Borrower. From the Closing Date until the Final Collection Date, the Borrower will not, without the written consent of the Program Agent and the Majority Managing Agents:

(a) Sales, Liens, Etc. Against Collateral. Sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to, any Collateral or assign any right to receive income in respect thereof except in each case as contemplated or provided hereunder.

(b) Extension or Amendment of Pledged Contracts. Extend, amend, waive or otherwise modify, the terms of any Pledged Contract, except (i) in accordance with the Credit and Collection Policy or (ii) as otherwise permitted hereunder (including, without limitation, any such action permitted to be taken by the Servicer).

(c) Change in Business or Credit and Collection Policy. Make any change in the Credit and Collection Policy which could be reasonably expected to have a Material Adverse Effect, or make any change in the character of its business.

(d) Change in Payment Instructions to Contract Debtors. Make any change in its instructions to Contract Debtors regarding the making of payments in respect of the Pledged Contracts to any Lock-Box or Depository Account, other than instructing Contract Debtors to remit payments to another Lock-Box or Depository Account.

(e) Changes to Lock-Boxes, Depository Accounts or Master Agency Agreement. Add any account as a Depository Account, any bank as a Depository Account Bank, any Person as a Lock-Box Processor or any lock-box as a Lock-Box with respect to any Collateral, in each case other than those then listed in Exhibit F, unless the Program Agent shall have received (i) thirty (30) days' prior written notice of such addition and (ii) prior to the effective date of such addition, (x) executed copies of a Control Agreement (in the case of each new Depository Account), executed by each Account Bank, the Borrower, the Servicer, and the Program Agent, (y) copies of all material agreements signed by the Borrower, the Originator or the respective Account Bank or Lock-Box Processor, as applicable, with respect to any new Depository Account, Account Bank, Lock-Box or Lock-Box Processor, and (z) a revised Exhibit F hereto. The Borrower shall provide the Program Agent and each Managing Agent with prompt written notice of any termination of any bank as a Depository Account Bank or any Person as a Lock-Box Processor, together with a revised Exhibit F hereto.

(f) Merger, Consolidation, Etc. Sell any equity interest to any Person (other than DTAC) or consolidate with or merge into or with any Person, or purchase or otherwise acquire all or substantially all of the assets or capital stock, or other ownership interest of, any Person or from any Subsidiary, or sell, transfer, lease or otherwise dispose of all or substantially all of its assets to any Person, except as expressly provided or permitted under the terms of this Agreement or as consented to by the Program Agent.

(g) Change in Name; Jurisdiction of Organization. (i) Make any change to its name (within the meaning of Section 9-507(c) of any applicable enactment of the UCC) indicated on its certificate of organization (or equivalent organizational document), or (ii) change its form of organization or its jurisdiction of organization, unless, in either case, prior to the effective date of such change, it delivers to the Program Agent such financing statements or amendments to financing statements (Form UCC-1 or Form UCC-3, respectively) authorized by it which the Program Agent may request to reflect such name change or change in form or jurisdiction of organization, together with such other documents, legal opinions and instruments that the Program Agent may reasonably request in connection with the transaction giving rise thereto.

(h) ERISA Matters. Establish or be a party to any Plan or Multiemployer Plan other than any such plan established by an Affiliate of the Borrower.

(i) Indebtedness. Create, incur, assume or suffer to exist any Indebtedness except for (i) Indebtedness to the Program Agent, any Lender, any Affected Party or the Servicer expressly contemplated hereunder or (ii) Indebtedness to the Originator pursuant to the Purchase Agreement.

(j) Guarantees. Guarantee, endorse or otherwise be or become contingently liable (including by agreement to maintain balance sheet tests) in connection with the obligations of any other Person, except endorsements of negotiable instruments for collection in the ordinary course of business and reimbursement and indemnification obligations in favor of the Program Agent, any Managing Agent, any Lender or any Affected Party as provided for under this Agreement.

(k) Limitation on Transactions with Affiliates. Enter into, or be a party to any transaction with any Affiliate of the Borrower, except for: (i) the transactions contemplated hereby, by the Purchase Agreement and by the other Facility Documents; (ii) capital contributions by DTAC to the

Borrower which are in compliance with Section 5.01(i); (iii) Restricted Junior Payments which are in compliance with Section 5.03 (o); and (iv) to the extent not otherwise prohibited under this Agreement, other transactions in the nature of employment contracts and directors' or manager's fees, upon fair and reasonable terms materially no less favorable to the Borrower than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate.

(l) Facility Documents. Terminate, amend or otherwise modify any Facility Document or the Master Agency Agreement, or grant any waiver or consent thereunder, except in accordance with the terms thereof.

(m) Limitation on Investments. Make or suffer to exist any loans or advances to, or extend any credit to, or make any investments (by way of transfer of property, contributions to capital, purchase of stock or securities or evidences of indebtedness, acquisition of the business or assets, or otherwise) in, any Affiliate or any other Person except for Permitted Investments and the purchase and receipt of capital contributions of Contracts and related assets pursuant to the terms of the Purchase Agreement.

(n) Organizational Documents. (i) Change, amend, alter or otherwise modify its limited liability company agreement in any fashion that could reasonably be expected to have a Material Adverse Effect or (ii) change, amend, alter or otherwise modify its certificate of formation in any fashion that would cause the Borrower to cease to be a Financing SPC.

(o) Restricted Junior Payments. Make any Restricted Junior Payment; *provided, that* prior to the Termination Date, the Borrower may make Restricted Junior Payments so long as (i) no Event of Termination or Incipient Event of Termination shall then exist or would result therefrom and (ii) such Restricted Junior Payments have been approved by all necessary action on the part of the Borrower and in compliance with all applicable laws.

(p) Treatment as Sales. Other than for Tax and accounting purposes under GAAP, not account for or treat (whether in financial statements or otherwise) the transactions contemplated by the Purchase Agreement in any manner other than as the sale and/or absolute conveyance of Contracts and related assets by the Originator to the Borrower.

(q) Acquisition of Contracts. Acquire any Contracts directly or indirectly from any Person other than the Originator pursuant to the terms of the Purchase Agreement.

(r) Outstanding Loan Amount. Permit, for a period greater than ten (10) Business Days, the Outstanding Loan Amount to be less than an amount equal to the lesser of (x) the product of (a) 90.0% and (b) the maximum utilization percentage with respect to all Warehouse Facilities (other than the Warehouse Facility described under clause (ii) of the definition thereof), determined for such Warehouse Facilities, by dividing an amount equal to the aggregate outstanding principal amount of indebtedness thereunder by the aggregate facility limit thereof multiplied by the sum of all Commitments under this Facility (such amount, the "Target Amount") and (y) the excess of (a) the Target Amount over (b) \$5,000,000.

SECTION 5.04. Affirmative Covenants of the Servicer. From the Closing Date until the Final Collection Date, the Servicer will, unless the Program Agent and the Majority Managing Agents shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Comply in all respects with all applicable laws, rules, ordinances, regulations, requirements and orders of Governmental Authorities with respect to the

Pledged Contracts, the servicing thereof and the agreements and documents related thereto, except where such compliance is being contested in good faith through appropriate proceedings or except where the failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Preservation of Existence. (i) Observe all procedures required by its certificate or articles of organization and operating agreement and preserve and maintain its limited liability company existence, rights, franchises and privileges in the jurisdiction of its organization, and (ii) qualify and remain qualified in good standing as a foreign corporation in each other jurisdiction where the nature of its business requires such qualification and where, in the case of clause (ii), failure to be so qualified could reasonably be expected to have a Material Adverse Effect.

(c) Audits. At any time and from time to time during regular business hours and upon reasonable prior notice, permit the Program Agent, the Managing Agents or their agents or representatives: (i) to conduct periodic audits of the Pledged Contracts and the related Records and collection systems of the Servicer; (ii) to examine and make copies of and abstracts from the Records in its possession or control relating to the Pledged Contracts; (iii) to visit the offices and properties of the Servicer for the purpose of examining the materials described in clause (ii) above; and (iv) to discuss matters relating to the Pledged Contracts or the Servicer's performance hereunder with any of the officers or employees of the Servicer having knowledge of such matters *provided, that* if no Event of Termination shall have occurred and be continuing, the Program Agents, the Managing Agents or their agents or representatives shall only be entitled to conduct two audits of the Servicer during any twelve (12) month period beginning on the date hereof and on each anniversary of the date hereof; and *provided, further, that* if an Event of Termination shall have occurred and be continuing, the Program Agents, the Managing Agents or their agents or representatives shall be entitled to conduct three audits of the Servicer during such period and if a Foreclosure Event shall have occurred and be continuing, there shall be no limit on the number of such audits the Program Agents, the Managing Agents or their agents or representatives shall be entitled to conduct. It is anticipated that each audit will be a full operational, legal, compliance and collateral audit and will verify among other items, the existence of Collateral, cash application, aging and eligibility, and Borrowing Base computation, will include a litigation and regulatory review, and will confirm that internal ratings actually applied conform to underwriting standards. Each audit will also include a sample review of the files relating to no less than one hundred (100) Contracts to check the accuracy of information provided by the Borrower or the Servicer.

(d) Keeping of Records and Books of Account. Maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Pledged Contracts in the event of the destruction of the originals thereof) and keep and maintain (or cause the Originator to keep and maintain) all documents, books, records and other information reasonably necessary for the collection of all Pledged Contracts, and in which timely entries are made in accordance with GAAP. Such books and records shall include, without limitation, records adequate to permit the daily identification of each new Pledged Contracts and all Collections of and adjustments to each existing Pledged Contracts. The Servicer shall promptly notify the Program Agent and each Managing Agent of any material conversion or substitution (excluding in each case, version upgrades) of the computer software used by the Servicer in its collection of the Pledged Contracts.

(e) Performance and Compliance with Pledged Contracts. At its expense timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it with respect to the Pledged Contracts.

(f) Credit and Collection Policy. Comply in all material respects with the Credit and Collection Policy in regard to the Pledged Contracts.

(g) Collections. Comply with the provisions of Section 5.01(g) as if the obligations of the Borrower pursuant to Section 5.01(g) were the obligations of the Servicer.

(h) Posting of Collections. Apply all Collections to the Pledged Contracts owed by the applicable Contract Debtor in a timely manner in accordance with the servicing practices of the Originator in existence as of the date of this Agreement.

(i) Amendment to Facility Documents. Execute any amendment to this Agreement required pursuant to Section 5.01 (o) hereof.

SECTION 5.05. Reporting Requirements of the Servicer. From the Closing Date until the Final Collection Date, the Servicer will, unless the Program Agent and the Majority Managing Agents shall otherwise consent in writing, furnish to the Program Agent and each Managing Agent (and, in the case of Section 5.05(g), the Backup Servicer):

(a) Financial Statements. If DTCC or any Affiliate thereof is the Servicer,

(i) within one hundred twenty (120) days after the end of each fiscal year of the Borrower, a balance sheet of the Borrower as of the end of such fiscal year and a statement of income and retained earnings of the Borrower for such fiscal year, certified by the Borrower's chief financial officer, chief accounting officer or other manager of the Borrower;

(ii) within fifteen (15) days after the end of each month, the unaudited consolidated balance sheets of the DT Entities as at the end of such month and the related unaudited consolidated statements of income and, upon the request of the Program Agent or any Managing Agent, retained earnings and of cash flows for the DT Entities for such month and the portion of the fiscal year through the end of such month, setting forth in each case in comparative form the figures for the previous year, accompanied by a certificate of a Responsible Officer of the Borrower, which certificate shall state that such consolidated financial statements fairly present the consolidated financial condition and results of operations of the DT Entities On A Consolidated Basis in accordance with GAAP, consistently applied, as at the end of, and for, such month (subject to normal year end audit adjustments);

(iii) within sixty (60) days after the end of each of the first three quarterly fiscal periods of each fiscal year of DTAC, the unaudited consolidated balance sheets of the DT Entities as at the end of such period and the related unaudited consolidated statements of income and retained earnings and of cash flows for the DT Entities for such period and the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous year, accompanied by a certificate of a Responsible Officer of the Borrower, which certificate shall state that each such consolidated financial statement fairly presents the financial condition and results of operations of the DT Entities On A Consolidated Basis in accordance with GAAP, consistently applied, as at the end of, and for, such period (subject to normal year end audit adjustments); and

(iv) within one hundred and five (105) days after the end of each fiscal year of DTAC, the audited consolidated balance sheets of the DT Entities as at the end of such fiscal year and the related audited consolidated statements of income and retained earnings and of cash flows for the DT Entities On A Consolidated Basis for such year, setting forth in each case in comparative form the figures for the previous year, accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall not be qualified as to scope of audit or going concern (other than a qualification as to going concern

based solely on the tenor of the Commitments hereunder) and shall state that each consolidated financial statement fairly presents the financial condition and results of operations of the DT Entities On A Consolidated Basis at the end of, and for, such fiscal year in accordance with GAAP, containing a footnote stating that there is no Event of Termination.

(b) if DTCC or any Affiliate thereof is the Servicer, as soon as reasonably possible, and in any event within thirty (30) days after a Responsible Officer knows, or with respect to any Plan or Multiemployer Plan to which any DT Entity or any of its Subsidiaries makes direct contributions, has reason to believe, that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan has occurred or exists, a statement signed by a senior financial officer of such DT Entity setting forth details respecting such event or condition and the action, if any, that any DT Entity or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by such DT Entity or an ERISA Affiliate with respect to such event or condition):

(i) any Reportable Event with respect to a Plan, as to which PBGC has not by regulation or otherwise waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event (provided that a failure to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA, including, without limitation, the failure to make on or before its due date a required installment under Section 412(m) of the Code or Section 302 (e) of ERISA, shall be a Reportable Event regardless of the issuance of any waivers in accordance with Section 412(d) of the Code); and any request for a waiver under Section 412(d) of the Code for any Plan;

(ii) the distribution under Section 4041(c) of ERISA of a notice of intent to terminate any Plan or any action taken by such DT Entity or an ERISA Affiliate to terminate any Plan;

(iii) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by such DT Entity or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal from a Multiemployer Plan by such DT Entity or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by such DT Entity or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against such DT Entity or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days; or

(vi) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, would result in the loss of tax exempt status of the trust of which such Plan is a part if such DT Entity or an ERISA Affiliate fails to timely provide security to such Plan in accordance with the provisions of said Sections.

(c) as soon as reasonably practicable and in any event within two (2) Business Days after any Responsible Officer of the Servicer obtains knowledge of the occurrence of each Event of

Termination or Incipient Event of Termination (if such Incipient Event of Termination is continuing on the date of such notice), the statement of a Responsible Officer of the Servicer setting forth the details of such Event of Termination or Incipient Event of Termination;

(d) as soon as reasonably practicable and in any event within two (2) Business Days after any Responsible Officer of the Servicer obtains knowledge of the occurrence of each event described in the definition of "Servicer Default" or each event which, with the giving of notice or lapse of time or both, would constitute a Servicer Default (if such event is continuing on the date of such notice), the statement of a Responsible Officer of the Servicer setting forth the details of such Servicer Default or event and the action which the Servicer proposes to take with respect thereto;

(e) not later than 105 days after the end of each fiscal year of the Servicer, beginning with the fiscal year ending in 2009, the Servicer (if DTCC or an Affiliate thereof is the Servicer) shall cause a firm of nationally recognized provider of accounting and/or due diligence services (who may also render other services to the Servicer) to furnish a report with respect to the prior fiscal year to the Program Agent and the Managing Agents, to the effect that such firm has applied certain procedures agreed upon by the Servicer and the Program Agent, including performance of certain accounting procedures performed by the Servicer and examination of certain documents and records related to the Contracts and this Agreement and that, on the basis of such agreed-upon procedures, such accountants are of the opinion that the servicing (including the allocation of Collections) has been conducted in compliance with the terms and conditions set forth in this Agreement, except for such exceptions as they believe to be immaterial and such other exceptions as shall be set forth in such statement;

(f) as soon as reasonably practicable, from time to time, such other information, documents, records or reports within its possession respecting the Pledged Contracts or the conditions or operations, financial or otherwise, of the Servicer as the Program Agent or any Managing Agent may from time to time reasonably request;

(g) on each Monthly Reporting Date, (x) a Monthly Report, (y) a Monthly Serviced Portfolio Report and (z) the Monthly Loan Tape as of the last day of the related Accounting Period;

(h) on each Business Day, through a secured website that can be accessed by the DT Entities, the Program Agent, the Custodian and the Backup Servicer, or their respective agents, a list that separately identifies, by loan number or other distinctively identifying notation, each Pledged Contract; *provided, that* each Person requesting or requiring access to the secured website referred to in this Section 5.05(h) shall provide notice of its name, telephone number and electronic mail address to a designated representative of the Servicer;

(i) on each LTV Adjusted Advance Rate Reporting Date, a certificate in substantially the form of Exhibit L hereto executed by a Responsible Officer of the Servicer certifying the accuracy and completeness of its calculation of the LTV Adjusted Advance Rate and the components of such calculation, in each case, attached thereto; and

(j) upon request of Program Agent and on the date that is ten (10) days prior to each Quarterly Determination Date, the Quarterly Data, a copy of which the Program Agent will provide to any Secured Party upon request.

SECTION 5.06. Negative Covenants of the Servicer. From the Closing Date until the Final Collection Date, the Servicer will not, without the written consent of the Program Agent and the Majority Managing Agents:

(a) Extension or Amendment of Pledged Contracts. Extend, amend, waive or otherwise modify, the terms of any Pledged Contract related thereto, except (i) in accordance with the Credit and Collection Policy as it deems appropriate to maximize collections thereof or (ii) as otherwise permitted hereunder.

(b) Change in Business or Credit and Collection Policy. Make any change in the character of its servicing practices or in the Credit and Collection Policy, which change would, in either case, be reasonably expected to have a Material Adverse Effect.

(c) Change in Payment Instructions to Contract Debtors. Make any change in its instructions to Contract Debtors regarding the making of payments in respect of the Pledged Contracts to any Lock-Box or Depository Account, other than instructing Contract Debtors to remit payments to another Lock-Box or Depository Account.

(d) Changes to Lock-Boxes, Depository Accounts or Master Agency Agreement. Add any account as a Depository Account, any bank as a Depository Account Bank, any Person as a Lock-Box Processor or any lock-box as a Lock-Box with respect to any Collateral, in each case other than those then listed in Exhibit F, unless the Program Agent shall have received (i) thirty (30) days' prior written notice of such addition and (ii) prior to the effective date of such addition, (x) executed copies of a Control Agreement (in the case of each new Depository Account), executed by each Account Bank, the Borrower, the Servicer, and the Program Agent, (y) copies of all material agreements signed by the Borrower, the Originator or the respective Account Bank or Lock-Box Processor, as applicable, with respect to any new Depository Account, Account Bank, Lock-Box or Lock-Box Processor, and (z) a revised Exhibit F hereto. The Servicer shall provide the Program Agent and each Managing Agent with prompt written notice of any termination of any bank as a Depository Account Bank or any Person as a Lock-Box Processor, together with a revised Exhibit F hereto.

SECTION 5.07. Representations and Covenants of DTAC; CRD Compliance. From the Closing Date until the Final Collection Date, DTAC, in its capacity as Originator and as sole member of the Borrower, shall for the benefit of each Lender and each Managing Agent and each holding company of any Lender or any Managing Agent that is required to comply with the requirements of Article 122a, unless each Lender, each Managing Agent and each such holding company affected thereby shall otherwise consent in writing:

(i) hold and maintain, or cause another entity within the same consolidated group as DTAC to hold and maintain, the Retained Interest on an ongoing basis until the Commitment Termination Date;

(ii) not sell or subject the Retained Interest to any hedge, credit risk mitigation or any short positions;

(iii) for the purpose of each Monthly Report, confirm to the Servicer that it continues to comply with subsections (i) and (ii) above;

(iv) provide notice promptly to such Lender in the event it has breached subsections (i) or (ii) above;

(v) notify such Lender of any change to the form of retention of the Retained Interest; and

(vi) provide all information which such Lender would reasonably request in order for such Lender to comply with its obligations under Article 122a.

DTAC, as Originator and as sole member of the Borrower, represents that, on the Closing Date, the Retained Interest takes the form of a first loss position represented by its membership interest in the Borrower.

ARTICLE VI ADMINISTRATION OF CONTRACTS

SECTION 6.01. Designation of Servicer.

(a) The servicing, administering and collection of the Pledged Contracts shall be conducted by the Person so designated from time to time in accordance with this Section 6.01. Until the Program Agent, with the consent or at the direction of the Managing Agents, gives notice to the Borrower and the Servicer of the designation of a new Servicer as provided in Section 6.01(c) below, DTCC is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms hereof. The Borrower hereby grants to Servicer an irrevocable power of attorney, with full power of substitution, coupled with an interest, to take in the name of the Borrower any and all steps which are necessary or advisable to endorse, negotiate or otherwise realize on any writing or other right of any kind in connection with any Pledged Contract or other Collateral.

(b) The Servicer shall not resign from the obligations and duties hereby imposed on it except upon the reasonable determination by the Servicer that (x) the performance of its duties hereunder is no longer permissible under applicable law and (y) there is no reasonable action which the Servicer could take to make the performance of its duties hereunder permissible under applicable law. Any determination permitting the resignation of the Servicer shall be evidenced by an opinion of counsel to such effect delivered to the Program Agent.

(c) If a Servicer Default has occurred and is continuing the Program Agent shall, if requested by the Majority Managing Agents, by notice in writing to the Servicer (a copy of which shall also be delivered to the Backup Servicer), terminate the Servicer's management, administrative, servicing, custodial and collection functions (such termination being herein called a "Servicing Transfer"). On receipt of such notice (a "Termination Notice") (or, if later, on a date designated therein), all authority and power of the Servicer under this Agreement, whether with respect to the Pledged Contracts, the other Collateral or otherwise shall pass to and be vested in the Program Agent or its designee pursuant to and under this Section 6.01(c); and, without limitation, the Program Agent is authorized and empowered to execute and deliver on behalf of the Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do any and all acts or things necessary or appropriate to effect the purpose of such Termination Notice. The Servicer agrees to cooperate with the Program Agent in effecting the termination of the responsibilities and rights of the Servicer hereunder, including, without limitation, the transfer to the Program Agent or its designee on behalf of the Lenders for administration by it of all Collections which shall at the time be held by the Servicer for deposit, or have been deposited by the Servicer in the Collection Account, or for its own account in connection with its services hereafter or thereafter received with respect to the Pledged Contracts and to assist the successor Servicer in enforcing all rights under the Pledged Contracts. All reasonable costs and expenses (including attorneys' fees) incurred in connection with transferring the Contract Debtor Documents to the successor Servicer, to reflect such succession as the Servicer pursuant to this Section 6.01, shall be paid by the replaced Servicer upon presentation of reasonable documentation of such costs and expenses; *provided, however*, that if the replaced Servicer fails to pay such costs and expenses promptly, the successor Servicer shall be entitled to recover such amounts in accordance with Section 2.06 or 2.07, as applicable. Upon such termination, any

servicing compensation relating to periods prior to the date of termination of the replaced Servicer (including all amounts expended by the replaced Servicer that would otherwise have been reimbursable to it hereunder) shall be paid to the replaced Servicer.

(d) In the event of the Servicer's termination hereunder, the Program Agent, with the consent of the Majority Managing Agents, shall appoint the Backup Servicer as successor Servicer, and the successor Servicer shall accept its appointment by a written assumption in form acceptable to the Program Agent. In the event that a successor Servicer has not been appointed at the time when the predecessor Servicer has ceased to act as Servicer in accordance with Section 6.01(c), the Program Agent may petition a court of competent jurisdiction to appoint any established institution as the successor to the Servicer under this Agreement. Upon appointment, the successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter relating thereto placed on the predecessor Servicer, and shall be entitled to all of the rights granted to the predecessor Servicer, by the terms and provisions of this Agreement; *provided, however*, that the successor Servicer shall have (i) no liability with respect to any obligation which was required to be performed by the predecessor Servicer prior to the date that the successor Servicer becomes the Servicer or any claim of a third party based on any alleged action or inaction of the predecessor Servicer, (ii) no obligation to pay any taxes required to be paid by the Servicer, (iii) no obligation to pay any of the fees and expenses of any other party involved in this transaction and (iv) no liability or obligation with respect to any Servicer indemnification obligations of any prior servicer including the original servicer. The indemnification obligations of the Backup Servicer, upon becoming a successor Servicer are expressly limited to those instances of negligence or willful misconduct of the Backup Servicer in its role as successor Servicer. In connection with such appointment, subject to the limitations set forth in the definition of "Servicer Fee," the Program Agent may, with the consent of the Majority Managing Agents, make such arrangements for the reasonable compensation of such successor Servicer as it and such successor Servicer shall agree. The Program Agent and such successor Servicer shall take such action, consistent with this Agreement, as shall be necessary to effectuate any such succession.

(e) After a Servicing Transfer, the successor Servicer may, at the direction of the Program Agent (at the direction of the Majority Managing Agents) notify the Contract Debtors with respect to the Pledged Contracts of the interests of the Secured Parties in the Pledged Contracts and other Collateral and instruct such Contract Debtors to make payments that are due under the Pledged Contracts to the successor Servicer (or to the Program Agent or such other Person or account as the Program Agent shall designate) after the effective date of a Servicing Transfer. After a Servicing Transfer, the replaced Servicer shall have no future obligations with respect to the management, administration, servicing, custody or collection of the Pledged Contracts and the successor Servicer shall have all of such obligations, *except that* the replaced Servicer will transmit or cause to be transmitted directly to the successor Servicer for its own account, promptly upon receipt (but no later than two (2) Business Days thereafter), any amounts for which it has good funds (properly endorsed where required for the successor Servicer to collect them) received as payments upon or otherwise in connection with the Pledged Contracts and the replaced Servicer shall continue to do any and all things necessary to transfer the Contract Debtor Documents and all books and records with respect to the Pledged Contracts hereunder. A Servicing Transfer shall not affect the rights and duties of the parties hereunder, other than those relating to the management, administration, servicing, custody or collection of the Pledged Contracts.

(f) DTCC and any other Servicer agrees that, upon its resignation or replacement as Servicer pursuant to Section 6.01(b) or (c) above, it will cooperate with the Borrower, the Program Agent and the successor Servicer in effecting the termination of its responsibilities and rights as Servicer hereunder, including, without limitation, (i) assisting the successor Servicer in enforcing all rights under the Pledged Contracts and other Collateral, (ii) transferring, promptly upon receipt, to the successor Servicer, any Collections or other amounts related to the Pledged Contracts or other Collateral received

by such Servicer, (iii) transferring to the successor Servicer all Records held by or under the control of such Servicer and (iv) permitting the successor Servicer to have access to all tapes, discs, diskettes and related property containing information concerning the Pledged Contracts and other Collateral and the Records and taking all actions necessary in its control to permit the successor Servicer to use all computer software that may facilitate the Servicer's access to and use of such information and acting as data processing agent for such successor Servicer if requested. Upon the resignation or replacement of DTCC as Servicer, DTCC shall no longer be entitled to the Servicer Fee accruing from and after the effective date of such resignation or replacement.

(g) Without the consent of each Managing Agent, the Servicer shall not be permitted to delegate any of its duties or responsibilities as Servicer to any Person other than (x) an Approved Sub-servicer and (y) except with respect to certain Charged-Off Contracts, to outside collection agencies in accordance with its customary practices. Notwithstanding the delegation by the Servicer of any of its duties or responsibilities as Servicer to any Person or the appointment of any Approved Sub-servicer pursuant to this Section 6.01(g), (i) the Servicer shall remain liable for the timely and complete performance of its duties and obligations pursuant to the terms hereof, (ii) the Servicer shall retain management information systems and sufficient servicing capability, in the reasonable judgment of the Program Agent and each Managing Agent, to perform the servicing functions described herein, and (iii) any sub-servicing agreement that may be entered into and any other transactions or services relating to the Pledged Contracts involving an Approved Sub-servicer shall be deemed to be between such sub-servicer and the Servicer alone, and none of the Lenders, the Program Agent, the Managing Agents and the Liquidity Providers shall be deemed parties thereto or shall have any obligations, duties or liabilities with respect to any Approved Sub-servicer.

SECTION 6.02. Duties of the Servicer.

(a) The Servicer shall take or cause to be taken all such actions as it deems necessary or advisable to collect each Pledged Contract from time to time, all in accordance, in all material respects, with applicable laws, rules, regulations and the Credit and Collection Policy. Each of the Borrower, each Lender, each Liquidity Provider, each Managing Agent and the Program Agent hereby appoints as its agent the Servicer, from time to time designated pursuant to Section 6.01, to enforce its respective rights and interests in and under the Pledged Contracts and the other Collateral.

(b) Without limiting the foregoing, the Servicer shall perform all aspects of servicing, administering, collecting, liquidating, accounting for and managing (collectively, "administering", "administer", or "administration") the Pledged Contracts it customarily performs in accordance with the Accepted Servicing Practices, which practices are in accordance with applicable law and have been disclosed to the Program Agent, the Lenders and the Managing Agents prior to the date hereof. The administration provided by the Servicer shall include but not be limited to all servicing currently provided by the Servicer, Financed Vehicle titling and lien perfection, customer service, insurance claim tracking and collection, insurance maintenance, Contract enforcement, Contract billing, payment processing, portfolio and Contract accounting, portfolio management, delinquency collection, repossession, foreclosure, resale, and maintaining current Contract Debtor and Financed Vehicle location information (name, address and phone number). The Servicer shall maintain current, accurate, and complete records of activity and comments regarding collection, insurance, payments, and other material events. The records regarding collection history, payments, Contract accounting, customer service notes, Contract Debtor names and addresses and Principal Balance shall be computerized. The Servicer shall administer and otherwise deal with the Contracts in compliance with all applicable laws. The Servicer shall conduct foreclosure sales in a commercially reasonable manner and take the steps necessary to preserve the deficiency liability of the Contract Debtors.

(c) The Servicer (so long as it is DTCC) will at all times apply the same standards and follow the same procedures with respect to the decision to commence litigation with respect to the Pledged Contracts, and in prosecuting and litigating with respect to Pledged Contracts, as it applies and follows with respect to retail installment or conditional sales contracts for the purchase of new or used Motor Vehicles serviced by it which are not Pledged Contracts; provided, however, that after the occurrence and during the continuance of an Event of Termination, the Servicer shall commence or settle any legal action to enforce collection of any Charged-Off Contract or to foreclose upon or repossess any Financed Vehicle with respect thereto as directed by the Program Agent. In no event shall the Servicer be entitled to make the Program Agent, any Managing Agent, any Lender or any Liquidity Provider a party to any litigation without the such Person's express prior written consent.

(d) The Servicer shall make reasonable efforts to collect all payments called for under the terms and provisions of the Pledged Contracts as and when the same shall become due and shall follow such collection procedures as it follows with respect to all comparable automotive receivables that it services for itself or others. The Servicer shall allocate Collections between principal and interest in accordance with its customary servicing procedures. The Servicer shall apply all Collections to the Pledged Contracts owed by the applicable Contract Debtors in a timely manner in accordance with the business practices of DTCC in existence as of the date hereof. In the event the Servicer receives any Collections or other proceeds of the Collateral, it shall hold such Collections and other proceeds on behalf of the Borrower for application and remittance in accordance with Section 2.06 or 2.07, as applicable, and it shall remit the same to the Collection Account to the extent required hereunder. To the extent the Servicer receives a payment from a Contract Debtor with respect to a Pledged Contract with respect to which such Contract Debtor has not identified the Pledged Contract to which such payment should be applied (a payment in the exact amount of an outstanding invoice being sufficient identification), the Servicer shall use its best efforts to contact such Contract Debtor to confirm the Pledged Contract to which such Contract Debtor intended that such payment be applied in accordance with the Servicer's customary practices and procedures.

(e) The Servicer shall, as soon as practicable following receipt, turn over to the Person entitled thereto collections in respect of any Contract which is not a Pledged Contract less, to the extent the Servicer performed any collection or enforcement actions which it was authorized by such Person to perform, all reasonable and appropriate out of pocket costs and expenses of such Servicer incurred in collecting and enforcing such receivable.

(f) The Servicer may, in accordance with its Credit and Collection Policy grant extensions, rebates or adjustments on a Pledged Contract. The Servicer may in its discretion waive any late payment charge or any other fees that may be collected in the ordinary course of servicing a Pledged Contract. The Servicer shall not voluntarily agree to any alteration of the interest rate on any Pledged Contract.

(g) On behalf of the Borrower and the Program Agent for the benefit of the Lenders, the Servicer shall use its best efforts, consistent with its customary servicing procedures, to repossess or otherwise convert the ownership of the Financed Vehicle securing any Pledged Contract as to which the Servicer shall have determined eventual payment in full is unlikely. From time to time, as appropriate for servicing or foreclosing upon any Pledged Contract, the Borrower shall, upon written request of the Servicer, execute such documents as shall be reasonably necessary to prosecute any such proceedings. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of Contracts, which may include reasonable efforts to realize proceeds from the repossession of the related Financed Vehicle. The foregoing shall be subject to the provision that, in any case in which the Financed Vehicle shall have suffered damage, the Servicer shall not expend funds in connection with the repair or the repossession of such Financed Vehicle unless it shall determine in its

reasonable discretion that such repair and/or repossession will increase the Net Liquidation Proceeds by an amount greater than the amount of such expenses.

(h) In the event of a loss or claim under a physical damages insurance policy or comprehensive and collision insurance policy, the Servicer shall, in accordance with its customary servicing procedures take all necessary action to enforce all available rights and claims under such insurance policy.

(i) The Servicer shall, in accordance with its customary servicing procedures, take such steps as are necessary to maintain perfection of the security interest created by each Pledged Contract in the related Financed Vehicle in favor of the Borrower. The Servicer is hereby authorized to take such steps as are necessary to reperfect such security interest on behalf of the Borrower in the event of the relocation of a Financed Vehicle or for any other reason.

(j) Upon the occurrence of Servicer Default or a Event of Termination, and subject to the other provisions of this Agreement, the Program Agent may instruct the Servicer to take or cause to be taken, such action as may, in the opinion of counsel to the Program Agent, be necessary to perfect or reperfect the security interests in the Financed Vehicles securing the Pledged Contracts in the name of the Program Agent by such reasonable means as may, in the opinion of counsel to the Program Agent, be reasonably necessary or prudent. The Servicer hereby agrees to pay all expenses related to such perfection or reperfecting and to take all action reasonably necessary therefor.

(k) The Borrower shall deliver to the Servicer, and the Servicer shall hold in trust for the Borrower, the Lenders and the Liquidity Providers in accordance with their respective interests, all Records.

SECTION 6.03. Servicing Fee; Servicer Expenses. On each Settlement Date, the Servicer shall be entitled to receive the Servicing Fee as set forth in Section 2.06 or Section 2.07 of this Agreement. The Servicer shall be required to pay all expenses incurred by it in connection with its activities hereunder, including fees and disbursements of independent accountants, taxes imposed on the Servicer and expenses incurred in connection with distributions and reports to the Program Agent, the Managing Agents and the Lenders.

SECTION 6.04. Rights of the Program Agent

(a) Upon the occurrence and during the continuation of a Servicer Default or an Event of Termination, the Program Agent (with the prior consent of the Majority Managing Agents) shall have the right at any time to assume exclusive control over the Collection Account by delivering a Notice of Exclusive Control to the Securities Intermediary, and the Securities Intermediary, upon receipt of such Notice of Exclusive Control, will take all Entitlement Orders, instructions or other directions it receives from the Program Agent, on behalf of the Secured Parties, with respect to the Collection Account, without further consent by the Borrower, the Servicer or any other Person, and shall cease complying with Entitlement Orders, instructions or other directions concerning the Collection Account originated by the Borrower, the Servicer or any other Person.

(b) At any time and from time to time following a Servicer Default, the Borrower (or the Servicer) shall, upon the Program Agent's request, upon no less than five (5) days' notice, (i) make available all Records (other than any data processing software licensed to the Servicer, the sale, assignment or other disposition of which is prohibited by the terms of the license relating thereto) which the Program Agent reasonably believes are necessary or appropriate for the administration and enforcement of the Pledged Contracts, and shall make the same available to the Program Agent at the location(s) where the Records are ordinarily kept or a place convenient to the Servicer, and (ii) promptly,

and in any event not later than two Business Days after identification thereof, remit all Collections for which it has good funds to the Program Agent or its designee.

SECTION 6.05. Responsibilities of the Borrower. Anything herein to the contrary notwithstanding, the Borrower shall (i) perform all of its obligations with respect to the Pledged Contracts to the same extent as if a security interest in the Pledged Contracts had not been granted hereunder and the exercise by the Program Agent of its rights hereunder shall not relieve Borrower from such obligations and (ii) pay when due any Taxes, including without limitation, sales, excise and personal property taxes payable by it in connection with the Pledged Contracts. None of the Program Agent, the Managing Agents, the Lenders or the Liquidity Providers shall have any obligation or liability with respect to any Pledged Contracts or other Collateral, nor shall any of them be obligated to perform any of the obligations of the Borrower thereunder.

SECTION 6.06. Further Action Evidencing Program Agent's Interest. Each of the Borrower and the Servicer agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action that the Program Agent may reasonably request in order to perfect, protect or more fully evidence the interest of the Program Agent or the Secured Parties granted hereunder or to enable the Program Agent to exercise or enforce any of its or the Secured Parties' rights hereunder. Without limiting the generality of the foregoing, each of the Borrower and the Servicer will (i) code its master data processing records evidencing such Pledged Contracts to evidence that a security interest therein has been granted to the Program Agent under this Agreement, and (ii) upon the request of the Program Agent, file such financing statements, continuation statements or amendments thereto or assignments thereof, and execute and file such other instruments or notices, as may be necessary or appropriate or as the Program Agent may reasonably request. If after the occurrence and during the continuation of any Event of Termination, either the Borrower or the Servicer fails to perform any of its respective agreements or obligations under this Agreement, the Program Agent may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the reasonable out-of-pocket expenses of the Program Agent incurred in connection therewith shall be payable by the Borrower or the Servicer, as applicable, upon the Program Agent's demand therefor.

SECTION 6.07. Duties of Backup Servicer.

(a) Duties Prior to Servicing Turnover Date. Prior to the Servicing Turnover Date, the Backup Servicer shall perform the procedures set forth below:

(i) confirm whether the calculations set forth in each Borrowing Base Certificate delivered by the Borrower pursuant to this Agreement are mathematically accurate by recalculating all mathematical fields described therein;

(ii) confirm whether the calculations set forth in each Monthly Report with respect to the following are mathematically accurate by recalculating (based solely upon the information contained in such Monthly Report) all mathematical fields necessary to calculation thereof: (A) each Level One Trigger Event; (B) each Level Two Trigger Event; (C) each Level Three Trigger Event and (D) the occurrence of an Event of Termination pursuant to (x) Section 7.01(j) of this Agreement (*Rolling Average Extension Rate*); (y) Section 7.01(l) of this Agreement (*three month average Excess Spread Ratio*) and (z) Section 7.01(n) of this Agreement (*Average Gross Margin*);

(iii) confirm whether the Pledged Contracts identified in each Servicing Report are in the physical custody of the Custodian and deliver a report to the Program Agent detailing any exceptions with respect thereto; and

(iv) confirm whether the data set forth in each Servicing Report with respect to each of (A) the aggregate Principal Balance of all Pledged Contracts; (B) aggregate Principal Balance of all Pledged Contracts that are Wet Contracts; (C) aggregate Principal Balance of all Pledged Contracts as to which all or part in excess of 10.00% of any Scheduled Payment is (I) 1 or more but less than 31 days delinquent; (II) 31 or more but less than 61 days delinquent; (III) 61 or more but less than 91 days delinquent; (IV) 91 or more but less than 121 days delinquent; and (V) 121 or more days delinquent and (D) the aggregate Principal Balances of all Eligible Contracts as to which the related Contract Debtor is rated “D+”, “D” or “D-” pursuant to the Credit and Collection Policy, is identical to the data set forth in each Monthly Report.

The Backup Servicer shall report to the Borrower, the Servicer and each Managing Agent exceptions, if any, with respect to, or confirm the accuracy of the information described in the foregoing clauses (i), (ii) and (iv), as applicable, contained in, any Borrowing Base Certificate or any Monthly Report on the Business Day following the receipt thereof. If the Backup Servicer reports any exceptions to any Borrowing Base Certificate or Monthly Report, the Backup Servicer shall provide the Borrower, the Servicer and each Managing Agent with written notice describing such exceptions, and the Borrower, the Servicer and the Backup Servicer shall attempt to reconcile such exceptions. If the Borrower, the Servicer and the Backup Servicer are unable to reconcile exceptions with respect to a Borrowing Base Certificate or Monthly Report, the Managing Agents, may, through their designated representatives, including without limitation any independent certified public accountants they select, examine the Servicer’s or the Borrower’s books and records and conduct other reasonable procedures as described in Sections 5.01(c) or 5.04(c), as applicable, at the Servicer’s or the Borrower’s expense, to reconcile such exceptions or correct errors associated with them and the applicable Borrowing Base Certificate or Monthly Report, as the case may be, shall be amended and redistributed to reflect the effect, if any, of such reconciliation or corrections, as soon as reasonably practicable. If the Backup Servicer, the Borrower and the Servicer are unable to reconcile exceptions with respect to a Borrowing Base Certificate or Monthly Report, the report prepared by the Backup Servicer and all calculations set forth therein shall control for all purposes hereunder absent manifest error.

(b) Servicing Turnover. Effective as of the Servicing Turnover Date (as used herein, “Servicing Turnover Date” means the date on which Program Agent delivers a Termination Notice to the Servicer and the Backup Servicer pursuant to Section 6.01(c) hereof), the Backup Servicer shall, pursuant to Section 6.01(d), be appointed as the successor Servicer and, except as otherwise expressly set forth herein, be the successor in all respects to the predecessor Servicer. The Backup Servicer, as successor Servicer, shall perform the duties and obligations of the Servicer set forth in Section 6.02 in accordance with all applicable federal, state or local laws and regulations and with the degree of skill, care and diligence as is customary and usual in the industry for third party servicers who service comparable assets (the “Required Standard of Care”).

SECTION 6.08. Collection and Allocation of Contract Payments; Modifications of Pledged Contracts.

(a) From and after the Servicing Turnover Date, the successor Servicer shall make its best efforts to collect all Scheduled Payments as and when the same shall become due consistent with the standards, policies and procedures required by this Agreement and in accordance with the Required Standard of Care.

(b) From and after the Servicing Turnover Date, the successor Servicer is authorized in its discretion to waive any prepayment charge, late payment charge or any other similar fees that may be collected in the ordinary course of servicing any Pledged Contract. The successor Servicer shall

allocate Collections relating to principal and interest in accordance with the terms of the related Pledged Contracts and the Agreement.

(c) From and after the Servicing Turnover Date, the successor Servicer may grant payment extensions on, or other modifications or amendments to, a Pledged Contract in accordance with the Required Standard of Care if the successor Servicer believes in its best business judgment that such extension, modification or amendment will maximize the amount to be received with respect to such Pledged Contract. In doing so, the successor Servicer may at any time agree to (i) a modification or amendment of a Pledged Contract in order to change the Contract Debtor's regular due date to a date within thirty (30) days in which such due date occurs, or (ii) a modification or amendment of a Pledged Contract in order to re-amortize the Scheduled Payments on the Pledged Contract. Notwithstanding anything in the foregoing to the contrary, the successor Servicer shall not agree to any extension, amendment or deferral with respect to any Pledged Contract in respect of which payments are scheduled to be made on other than a monthly (or more frequent payment schedule, as applicable) basis.

SECTION 6.09. Realization upon Pledged Contracts. From and after the Servicing Turnover Date, consistent with the Required Standard of Care, the successor Servicer shall use its best efforts to repossess (or otherwise comparably convert the ownership of) and liquidate any Financed Vehicle securing a Pledged Contract with respect to which the successor Servicer has determined that payments thereunder are not likely to be resumed, as soon as is practicable after default on such Pledged Contract (other than in the case of Financed Vehicles where neither the Financed Vehicle nor the Contract Debtor can be physically located by the successor Servicer using procedures consistent with the Required Standard of Care) and other than in the case of a Contract Debtor who is subject to a bankruptcy proceeding. All amounts received upon liquidation of a Financed Vehicle shall be remitted by the successor Servicer to the Collection Account as soon as practicable. The successor Servicer shall be entitled to recover all reasonable expenses incurred by it in the course of repossessing and liquidating a Financed Vehicle.

SECTION 6.10. Backup Servicing Fee; Backup Servicing Expenses.

(a) On the Closing Date, the Borrower shall pay to the Backup Servicer a one-time acceptance fee equal to \$2,000. Prior to the Servicing Turnover Date, Borrower shall pay to the Backup Servicer (i) on each Settlement Date pursuant to Section 2.06 or 2.07, as applicable, a fee (not less than \$5,000) equal to the product of (x) two basis points (0.02%) and (y) the aggregate Principal Balance of all Pledged Contracts at the beginning of the preceding calendar month and (ii) each time that Backup Servicer test loads its system file and simulates a conversion of data, as provided in Section 6.15(a) hereof, a fee of \$4,850.00 plus an additional \$0.25 per account; *provided that* so long as no Incipient Servicer Default, Incipient Event of Termination, Servicer Default or Event of Termination has occurred and is continuing, Backup Servicer will not be required to test load its system file more than once in each 12 month period

(b) From and after the Servicing Turnover Date and in lieu of the other fees provided in this Section 6.10, the successor Servicer will be entitled to receive the Servicer Fee at such times and in the manner described in Sections 2.06 and 2.07 hereof.

SECTION 6.11. Access to Certain Documentation and Information Regarding Pledged Contracts. The Backup Servicer shall provide to representatives of the Borrower and the Program Agent reasonable access to the documentation (including any computer tapes or files) regarding the Pledged Contracts. Such access shall be afforded without charge, but only upon reasonable and prior written request and during normal business hours at the offices of the Backup Servicer where it has notified the Borrower and the Program Agent it is administering its obligations hereunder.

SECTION 6.12. Disposition of Financed Vehicle. In the event that any Financed Vehicle is repossessed by the successor Servicer, the disposition of any such Financed Vehicle shall be carried out by the successor Servicer at such price and upon such terms and conditions as the successor Servicer shall determine in accordance with the Required Standard of Care and with a view to maximizing the net proceeds from such disposition. The successor Servicer shall post the proceeds of any such disposition to the customer's account and remit such amount into the Collection Account as part of Collections.

SECTION 6.13. Application of Collections. The successor Servicer shall apply all Collections with respect to each Pledged Contract for each Accounting Period to interest and principal in accordance with the terms of such Pledged Contract and this Agreement.

SECTION 6.14. Predecessor Work Product. Notwithstanding anything contained in this Agreement to the contrary, the successor Servicer, is authorized to accept and rely on all of the accounting records (including computer records) and work of the prior servicer relating to the Pledged Contracts (collectively, the "Predecessor Servicer Work Product") without any audit or other examination thereof, and the successor Servicer, shall have no duty, responsibility, obligation or liability for the acts and omissions of the prior servicer. If any error, inaccuracy, omission or incorrect or non-standard practice or procedure (collectively, "Errors") exist in any Predecessor Servicer Work Product and such Errors make it materially more difficult to service or should cause or materially contribute to the successor Servicer, making or continuing any Errors (collectively, "Continued Errors"), the successor Servicer shall have no duty, responsibility, obligation or liability for such Continued Errors; *provided, however*, that the successor Servicer agrees to use its best efforts to prevent further Continued Errors. In the event that the successor Servicer becomes aware of Errors or Continued Errors, it shall, with the prior consent of the Program Agent use its best efforts to reconstruct and reconcile such data as is commercially reasonable to correct such Errors and Continued Errors and to prevent future Continued Errors. The successor Servicer shall be entitled to recover its reasonable costs thereby expended from the Borrower.

SECTION 6.15. Duties of Backup Servicer Prior to Servicing Turnover Date.

(a) The Servicer and the Borrower agree to deliver to Backup Servicer on or before the 10th day of each month a computer tape or disk (the "Servicing Report") with respect to all Pledged Contracts and containing the information fields set forth on Exhibit C-1 hereto and in a format acceptable to the Backup Servicer (in the event as of the close of business on the last Business Day of the preceding month before the month of such delivery) and such other information as the Backup Servicer may reasonably request as necessary to permit the Backup Servicer to assume the substitute servicing functions. In addition, on or about July 1 of each year or at such other date as the Program Agent may request during a calendar year upon at least ten (10) days notice to the Servicer and the Backup Servicer, based on the most recent Servicing Report, the Backup Servicer will determine whether it has received the information adequate to assume all servicing functions and perform a test conversion by loading the electronic information provided by the Borrower and the Servicer, in order to ensure the information is compatible with the Backup Servicer's computer systems and adequate for fulfilling the Backup Servicer's obligations under the Facility Documents.

(b) In addition to the information and materials provided by the Servicer and the Borrower pursuant to Section 6.15 (a), promptly and in no event more than five (5) Business Days after the Servicing Turnover Date, the Servicer and the Borrower will provide the documents and information reasonably necessary for the Backup Servicer to carry out the servicing functions. The Servicer and the Borrower will make arrangements with the Backup Servicer for the prompt and safe transfer of, and the Servicer and the Borrower will provide to the Backup Servicer, all necessary servicing files and records,

including (as deemed necessary by the Backup Servicer at such time): (i) documentation relating to the Pledged Contracts (to the extent in the possession of the Borrower or the Servicer); (ii) servicing systems tapes and diskettes relating to the Pledged Contracts (in a format acceptable to the Backup Servicer); (iii) payments and collections histories relating to the Pledged Contracts; (iv) reconciliations of amounts on deposit from time to time in the Depository Accounts and the Collection Account, including, without limitation, amounts constituting Collections; and (v) all other servicing related information and materials as may be necessary to allow the Backup Servicer to perform the backup servicing functions.

(c) It is expressly understood that the Backup Servicer (i) will not be responsible for delays attributable to the Servicer or the Borrower's failure to deliver information (in a format acceptable to the Backup Servicer), defects in the information supplied by the Servicer or the Borrower, or other circumstances beyond the control of the Backup Servicer; and (ii) will not be in default hereunder nor incur any liability for any failure, error, malfunction or any delay in carrying out any of its duties under this Agreement if any such failure or delay results from the Backup Servicer acting in accordance with information prepared or supplied by a Person other than the Backup Servicer or the failure of any such Person to prepare or provide such information. The Backup Servicer shall have no responsibility, shall not be in default, and shall incur no liability (x) for any act or failure to act by any third party, including, without limitation, the Servicer or the Borrower, or for any inaccuracy or omission in a notice or communication received by the Backup Servicer from any Person; or (y) which is due to or results from the invalidity or unenforceability of any Contract under applicable law or the breach or the inaccuracy of any representation or warranty made with respect to any Contract, *provided, however*, that this provision shall not protect the Backup Servicer against any liability that would otherwise be imposed by reason of a breach of this Agreement or willful misfeasance, bad faith or gross negligence in the performance of duties under this Agreement. The Backup Servicer shall only be liable for direct damages caused by its failure to comply with this Agreement or willful misfeasance, bad faith or gross negligence in the performance of duties under this Agreement and shall not be liable for indirect or consequential damages.

(d) The Borrower will be responsible for providing complete and accurate information and documentation to the Backup Servicer as provided herein, but the Borrower shall not otherwise be responsible or directly or indirectly liable for the performance of the Backup Servicer's obligations pursuant to this Agreement.

(e) Other than the duties specifically set forth in this Agreement, the Backup Servicer shall have no obligations, including without limitation to supervise, verify, monitor or administer the performance of the Servicer. The Backup Servicer shall have no liability for any actions taken or omitted by the Servicer.

(f) The Backup Servicer shall be permitted to delegate any of its duties or responsibilities as Backup Servicer to any Person; provided, that notwithstanding any such delegation by the Backup Servicer, (i) the Backup Servicer shall remain liable for the timely and complete performance of its duties and obligations pursuant to the terms hereof, (ii) the Backup Servicer shall retain management information systems and sufficient servicing capability, in the reasonable judgment of the Program Agent and each Managing Agent, to perform its duties and obligations described herein, and (iii) any sub-servicing agreement that may be entered into by the Backup Servicer pursuant to this Section 6.15(f) shall be deemed to be between such sub-servicer and the Backup Servicer alone, and none of the Lenders, the Program Agent, the Managing Agents and the Liquidity Providers shall be deemed parties thereto or shall have any obligations, duties or liabilities with respect to any sub-servicer engaged by the Backup Servicer. The Backup Servicer shall give the Program Agent prior written notice of any such delegation.

SECTION 6.16. Remittances to the Collection Account. From and after the Servicing Turnover Date, on a weekly basis, the successor Servicer shall identify Collections received by the successor Servicer and remit the amounts, to the Collection Account as provided for herein and pending such remittance, such funds shall be held by the successor Servicer in trust for the benefit of the Program Agent.

SECTION 6.17. Reports. On each Monthly Reporting Date from and after the Servicing Turnover Date, the successor Servicer shall provide Program Agent with a Monthly Report.

SECTION 6.18. Representations and Warranties of Backup Servicer. The Backup Servicer, represents and warrants to each party hereto that:

(a) The Backup Servicer is a national banking association duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) The Backup Servicer has all requisite corporate or other power and has all governmental licenses, authorizations, consents, and approvals necessary to own its assets, carry on its business as now being or as proposed to be conducted and to perform the servicing obligations required pursuant to this Agreement.

(c) The Backup Servicer is qualified to do business and is in good standing in all other jurisdictions in which the nature of the business conducted by it make such qualification necessary.

(d) The Backup Servicer is in compliance in all material respects with all Requirements of Law.

(e) There are no actions, suits, arbitrations, investigations or proceedings pending or to its knowledge threatened against the Backup Servicer which would materially and adversely affect its business and operations or the ability of the Backup Servicer to perform the obligations hereunder.

(f) No authorizations, approvals or consents of, and no filings or registrations with, any Governmental Authority, or any other Person are necessary for the execution, delivery and performance by the Backup Servicer of this Agreement or for the legality, validity, or enforceability thereof against the Backup Servicer.

(g) The execution and delivery of this Agreement will not conflict with or result in a breach of the charter or bylaws of the Backup Servicer, or any applicable law, rule or regulation, or any order, writ, injunction, or decree of any governmental authority, or any other material agreement or instrument to which the Backup Servicer is a party or by which it or its property is bound or affected.

(h) The Backup Servicer is experienced in servicing subprime automobile retail installment contracts and has the ability to handle biweekly and/or irregular payments.

SECTION 6.19. Backup Servicer Resignation/Replacement. The Backup Servicer may not resign from the obligations and duties hereby imposed on it as Backup Servicer under this Agreement except (a) upon determination that by reason of a change in legal requirements the performance of its duties under this Agreement would cause it to be in violation of such legal requirements in a manner which would result in a material adverse effect on the Backup Servicer; (b) the fees set forth in Section 6.10 are not paid in a timely manner; or (c) upon the prior written consent of the Program Agent and the Borrower (provided that such consent of Borrower shall not be required during the continuance of an Incipient Event of Termination or Event of Termination). Notice of any such determination referred to in

clause (a) permitting the resignation of the Backup Servicer shall be communicated to the Program Agent at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time). Unless required by applicable law, the resignation of the Backup Servicer shall not be effective unless and until a substitute Backup Servicer shall have been approved by the Program Agent. If (i) the Backup Servicer fails to perform any of its obligations hereunder within thirty (30) days after written notice by the Program Agent or the Borrower, (ii) the Backup Servicer shall apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator of itself or of all or a substantial part of its property, (iii) the Backup Servicer makes a general assignment for the benefit of its creditors, (iv) the Backup Servicer files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement or winding up, or composition or readjustment of debts, (v) Backup Servicer takes any corporate or other action for the purpose of effecting any of the foregoing or (vi) the Program Agent, in its reasonable discretion, determines that Backup Servicer is no longer able to perform the services required hereunder (including by reason of changes in the nature of Backup Servicer's business), then and in any such event, Program Agent or Borrower (so long as no Event of Termination or Incipient Event of Termination has occurred and is continuing) may terminate all rights of Backup Servicer hereunder in which case Borrower shall obtain a substitute backup servicer within sixty (60) days of such termination, which backup servicer shall be satisfactory to Program Agent in Program Agent's reasonable discretion. In all other events, the obligations of Backup Servicer hereunder shall continue until all of the obligations have been paid and performed in full.

SECTION 6.20. Backup Servicer Successor. Any person (a) into which the Backup Servicer may be merged or consolidated, (b) which may result from any merger or consolidation to which the Backup Servicer is a party or (c) which may succeed to the property and assets of the Backup Servicer substantially as a whole, shall be the successor to the Backup Servicer hereunder without any further act; provided, however, that if the Backup Servicer is not the surviving entity, the surviving entity shall execute an agreement of assumption to perform the obligations of the Backup Servicer hereunder.

ARTICLE VII EVENTS OF TERMINATION

SECTION 7.01. Events of Termination. If any of the following events (each, an "Event of Termination") shall occur:

(a) The Borrower shall fail to make any payment (x) of principal in respect of the Loans when due (whether at stated maturity, upon acceleration or at mandatory prepayment (pursuant to Section 2.05(b) or otherwise) and without giving effect to availability of funds) or (y) of Interest on the Loans or Liquidity Fees when due;

(b) The Borrower, the Originator, the Servicer or any Performance Guarantor shall fail to make any payment or deposit required to be made by it hereunder (other than as described in clause (a) above) or under any other Facility Document when due and such failure shall continue unremedied for three (3) Business Days;

(c) The Borrower, the Originator, the Servicer or any Performance Guarantor shall fail to perform or observe any term, covenant or agreement contained in this Agreement or any other Facility Document on its part to be performed or observed and any such failure shall remain unremedied for five (5) Business Days after any Affected Party gives notice thereof to a Responsible Officer of the Borrower, the Originator, the Servicer or any Performance Guarantor, as applicable, or the Borrower, the Originator, the Servicer or any Performance Guarantor, as applicable, otherwise obtains knowledge thereof;

(d) Any representation or warranty made or deemed to be made by the Borrower, the Originator, the Servicer or any Performance Guarantor under or in connection with this Agreement or any other Facility Document (including any Monthly Report, any Monthly Serviced Portfolio Report, any Borrowing Base Certificate, any Borrowing Request or other information or report delivered pursuant hereto) shall prove to have been materially false or incorrect (except that the materiality standard in this clause (d) shall not apply to any such representation or warranty that is qualified by a materiality standard by its terms) when made or deemed made or delivered;

(e) The Program Agent, on behalf of the Secured Parties, shall cease to have a valid and perfected first priority security interest in the Pledged Contracts and Collections with respect thereto or any other Collateral;

(f) An Event of Bankruptcy shall occur with respect to any Transaction Party;

(g) A Servicer Default shall occur;

(h) A "Purchase Termination Event" shall occur under (and as defined in) the Purchase Agreement;

(i) A Level Two Trigger Event shall occur;

(j) At any time, the Rolling Average Extension Rate shall exceed 5.00%;

(k) At any time,

(A) the Net Worth of the DT Entities On A Consolidated Basis shall be less than \$360,000,000, plus 50% of positive net income earned after December 31, 2010; or

(B) Available Liquidity shall be less than \$20,000,000;

(l) As of any date of determination,

(A) the average of the Excess Spread Ratios for the three Accounting Periods immediately preceding such date shall be less than 5.00%; or

(B) the Walk-In Payment Ratio for such date of determination exceeds 2.0%;

(m) As of any Quarterly Measurement Date, either (x) the Leverage Ratio shall be greater than 5.0:1.0 or (y) the Coverage Ratio shall be less than 1.15:1.0;

(n) The Average Gross Margin achieved on all vehicle sales during any Accounting Period shall be less than \$3,700;

(o) As of the close of business on any date and after giving effect to any increases or reductions to the Outstanding Loan Amount on such date, (i) any Borrowing Base Deficiency (other than a Borrowing Base Deficiency caused solely as a result of the effect of clause (b) or (c) of the definition of "Advance Rate Reduction") shall exist and such Borrowing Base Deficiency shall continue unremedied for two (2) Business Days or (ii) the Outstanding Loan Amount exceeds the Facility Limit and such excess shall continue unremedied for two (2) Business Days;

(p) (i) (A) The Borrower shall fail to make any payment in respect of any Indebtedness in an aggregate principal amount exceeding \$25,000 when and as the same shall become due and payable or (B) an event of default shall have occurred and be continuing under an agreement, or related agreements, under which the Borrower has outstanding Indebtedness; or (ii) (A) any DT Entity (other than the Borrower) shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Indebtedness with a principal amount in excess of \$1,000,000, when and as the same shall become due and payable (subject to any applicable grace period), (B) any event or condition occurs and, while continuing, results in any Indebtedness of a DT Entity (other than the Borrower) with a principal amount in excess of \$1,000,000 becoming due prior to its scheduled maturity or that enables or permits (subject to any applicable grace period) the holder or holders of any such Indebtedness or any trustee or agent on its or their behalf to cause any such Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity or (C) any creditor of any DT Entity takes any action against the collateral pledged to such creditor by or on behalf of such DT Entity;

(q) (i) One or more final judgments, decrees or orders for the payment of money shall be rendered against the Borrower in the aggregate amount of \$25,000 or more (other than (x) a judgment which is fully discharged within 30 days after its entry, or (y) a judgment, the execution of which is effectively stayed within 30 days after its entry but only for 30 days after the date on which such stay is terminated or expires) or (ii) one or more judgments for the payment of money in an aggregate amount in excess of \$1,000,000 and not covered by insurance shall be rendered against any DT Entity, any Subsidiary of any DT Entity (other than the Borrower) or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, vacated or bonded pending appeal, or any action shall be legally taken by a judgment creditor to attach or levy upon material assets of any DT Entity or any Subsidiary of any DT Entity (other than the Borrower) to enforce one or more judgments for the payment of money in an aggregate amount in excess of \$1,000,000;

(r) (i) Any of this Agreement, the Purchase Agreement or any other Facility Document shall cease to be in full force and effect (other than in accordance with its terms) or any of the Borrower, the Originator, the Servicer or any Performance Guarantor shall so assert in writing or otherwise seek to terminate or disaffirm its obligations under any such Facility Document at any time following the execution thereof;

(s) Either (A) a Change of Control shall have occurred or (B) Raymond C. Fidel ceases to be employed by DTAG in his current capacity (or a more senior capacity) for any reason or Ernest C. Garcia II ceases to be Chairman of the Board of DTAC, unless a satisfactory replacement for Raymond C. Fidel and/or Ernest C. Garcia II is approved by the Program Agent in its reasonable discretion; or

(t) Any Person shall engage in any Prohibited Transaction involving any Plan, (ii) any material "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of any DT Entity or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Program Agent, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) any DT Entity or any Commonly Controlled Entity shall, or in the reasonable opinion of the Managing Agents is likely to, incur any liability in connection with a withdrawal from, or the insolvency or reorganization of, a Multiemployer Plan or (vi) any other

event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to have a Material Adverse Effect;

(u) Any Transaction Party receives notice or becomes aware that a notice of federal tax lien has been filed against any Transaction Party;

(v) The DT Entities do not engage in a Securitization Transaction which includes 95% or more of the aggregate principal balance of Pledged Contracts at the time such Securitization Transaction closes within 365 days after the date hereof;

(w) A Material Adverse Effect shall occur;

(x) As of the last day of any Accounting Period, the DT Entities On A Consolidated Basis shall cease for any reason to have cash and Cash Equivalents equal to or greater than \$15,000,000;

(y) Any DT Entity shall pay any bonus or make any Restricted Payment (other than a Permitted Distribution) to Ernest C. Garcia II without the Program Agent's prior approval in its sole discretion;

(z) The Servicer shall cease to be licensed or authorized to do business in any state and such condition shall continue unremedied for two weeks;

(aa) Any Person shall be appointed as an Independent Director of the Borrower without prior notice thereof having been given to the Program Agent in accordance with Section 5.02(m) or without the written acknowledgment by the Program Agent that such Person conforms, to the satisfaction of the Program Agent, with the criteria set forth in the definition herein of "Independent Director"; or

(bb) A determination in good faith by the Program Agent that any DT Entity, the Borrower or Ernest C. Garcia II has engaged in fraud, malfeasance or intentional or willful misconduct in connection with the transactions contemplated by the Facility Documents.

SECTION 7.02. Remedies.

(a) If an Event of Termination shall occur and be continuing, the Program Agent shall, at the request, or may with the consent, of the Majority Committed Lenders by notice to the Borrower, declare the Termination Date to have occurred; *provided, however,* that, in the case of any event described in subsection (f) above, the Termination Date shall be deemed to have occurred automatically upon the occurrence of such event. Upon any such declaration or automatic occurrence, the Program Agent and the Secured Parties shall have, in addition to all other rights and remedies under this Agreement or otherwise, but subject to the following sentence, the limitations set forth in this Article VII and Section 10.09 hereof, all other rights and remedies provided under the UCC of the applicable jurisdiction and other applicable laws, which rights shall be cumulative. Upon the declaration or automatic occurrence of the Termination Date in accordance with this Section 7.02, all obligations hereunder shall be immediately due and payable and all Loans shall be immediately due and payable. The Program Agent is also irrevocably authorized to, at any time, following the Termination Date which arises by virtue of clause (ii) of the definition thereof, demand payment of the full unpaid principal amount of the Demand Note.

(b) Without limiting the generality of the foregoing, during the continuation of a Foreclosure Event, the Program Agent on behalf of the Secured Parties without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Borrower, the Servicer or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), at public or private sale or sales, at any exchange, auction or office of the Program Agent or elsewhere upon such terms and conditions and at prices that are consistent with the prevailing market for similar collateral as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Program Agent shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Borrower, which right or equity is hereby waived or released. The Program Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Program Agent hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Borrower Obligations, in such order as the Program Agent may elect, and only after such application and after the payment by the Program Agent of any other amount required or permitted by any provision of law, including, without limitation, Section 9 504(1)(c) of the UCC, need the Program Agent account for the surplus, if any, to the Borrower.

(c) During the continuation of a Foreclosure Event, each of the Borrower and the Servicer further agrees, at the Program Agent's request, to assemble the Collateral and make it available to the Program Agent at places which the Program Agent shall reasonably select, whether at the Borrower's or the Servicer's premises or elsewhere.

(d) To the extent permitted by applicable law, the Borrower and the Servicer waive all claims, damages and demands it may acquire against the Secured Parties arising out of the exercise by any of the Secured Parties of any of its rights hereunder, other than those claims, damages and demands arising from the gross negligence or willful misconduct of such Secured Party. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 Business Days before such sale or other disposition. The Borrower shall remain liable for any deficiency (plus accrued interest thereon) if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Borrower Obligations and the reasonable fees and disbursements of any attorneys employed by any of the Secured Parties to collect such deficiency.

SECTION 7.03. Appointment as Attorney in Fact.

(a) Each of the Borrower and the Servicer hereby irrevocably constitutes and appoints the Program Agent and any officer or agent thereof, with full power of substitution, effective during the continuation of any Event of Termination, as its true and lawful attorney in fact with full irrevocable power and authority in the place and stead of the Borrower and the Servicer and in the name of the Borrower and the Servicer or in its own name, from time to time in the Program Agent's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each of the Borrower and the Servicer hereby gives the Program Agent the power and right, on behalf of the Borrower and the

Servicer, without assent by, but with notice to, the Borrower, if an Event of Termination shall have occurred and be continuing, to do the following:

(i) in the name of the Borrower and the Servicer or its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Optional Contract Debtor Insurance or with respect to any other Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Program Agent for the purpose of collecting any and all such moneys due under any such Optional Contract Debtor Insurance or with respect to any other Collateral whenever payable;

(ii) to pay or Discharge taxes and Liens levied or placed on or threatened against the Collateral; and

(iii) (A) to direct any party liable for any payment under any Collateral to make payment of any and all moneys due or to become due thereunder directly to the Program Agent or as the Program Agent shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, assignments, verifications, notices and other documents in connection with any of the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against the Borrower with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described in clause (E) above and, in connection therewith, to give such discharges or releases as the Program Agent may deem appropriate; and (G) following a Foreclosure Event, generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Program Agent were the absolute owner thereof for all purposes, and to do, at the Program Agent's option and the Borrower's and the Servicer's expense, at any time, or from time to time, all acts and things which the Program Agent deems necessary to protect, preserve or realize upon the Collateral and the Lien of the Program Agent for the benefit of the Secured Parties thereon and to effect the intent of this Agreement, all as fully and effectively as the Borrower or the Servicer might do.

Each of the Borrower and the Servicer hereby ratifies all that such attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable until payment in full of all Borrower Obligations.

(b) Each of the Borrower and the Servicer also authorizes the Program Agent, at any time and from time to time, to execute, in connection with the sale provided for in Section 7.02 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) The powers conferred on the Program Agent are solely to protect the Program Agent's (for the benefit of the Secured Parties) interests in the Collateral and shall not impose any duty upon the Program Agent to exercise any such powers. The Program Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither the Program Agent nor any of its officers, directors, or employees shall be responsible to the Borrower or the Servicer for any act or failure to act hereunder, except for its own gross negligence or willful misconduct.

SECTION 7.04. Performance of Borrower's or Servicer's Obligations. If the Borrower or the Servicer fails to perform or comply with any of its material agreements contained in the Facility Documents and the Program Agent, any Managing Agent or any Lender may itself perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable out of pocket expenses of the Program Agent, such Managing Agent or such Lender incurred in connection with such performance or compliance, together with interest thereon at a rate per annum equal to the Alternative Rate, shall be payable by the Borrower to the Program Agent, such Managing Agent or such Lender on demand and shall constitute Borrower Obligations.

SECTION 7.05. Proceeds. If an Event of Termination shall occur and be continuing, subject to the Master Agency Agreement, all proceeds of Collateral received by the Borrower or the Servicer consisting of cash, checks and other near cash items shall be held by the Borrower or the Servicer in trust for the Secured Parties, segregated from other funds of the Borrower or the Servicer, and shall forthwith upon receipt by the Borrower or the Servicer be deposited to the Collection Account in accordance with this Agreement and applied against the Borrower Obligations pursuant to Section 2.07 hereof. For purposes hereof, proceeds shall include, but not be limited to, all principal and interest payments, all prepayments and payoffs, insurance claims, sale proceeds, and any other income and all other amounts received with respect to the Collateral.

SECTION 7.06. Powers Coupled with an Interest. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

ARTICLE VIII INDEMNIFICATION

SECTION 8.01. Indemnities by the Borrower. Without limiting any other rights which any Affected Party may have hereunder or under applicable law (including, without limitation, the right to recover damages for breach of contract), the Borrower hereby agrees to indemnify each Lender, the Program Agent, each Managing Agent, the Servicer (if not an Affiliate of the Borrower), the Backup Servicer, the Paying Agent and each Liquidity Provider, and their respective directors, officers and employees (the "Indemnified Parties"), from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable external attorneys' fees and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts"), awarded against or incurred by such Indemnified Party to the extent relating to or arising from or as a result of this Agreement or the funding or maintenance of Loans made by a Lender hereunder subject to the proviso set forth below. Without limiting the generality of the foregoing indemnification, the Borrower shall indemnify the Indemnified Parties for Indemnified Amounts to the extent relating to or resulting from any of the following:

- (i) the failure of any Pledged Contract represented by the Borrower to be an Eligible Contract hereunder to be an "Eligible Contract" at the time of such representation;
- (ii) reliance on any representation or warranty made or deemed made by the Borrower under this Agreement or any other Facility Document to which it is a party which shall have been false or incorrect when made or deemed made;
- (iii) the failure by the Borrower to comply with any term, provision or covenant contained in this Agreement, the Purchase Agreement or any other Facility Document to which it is party or with any applicable law, rule or regulation with respect to any Pledged Contract or other Collateral, or the nonconformity of any Pledged Contract or other Collateral with any such applicable law, rule or regulation;

(iv) any products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort arising out of or in connection with any Financed Vehicle or other goods or services, the sale or provision of which gave rise to or are the subject of any Pledged Contract;

(v) the failure to pay when due any Taxes, including, without limitation, sales, excise or personal property Taxes payable by the Borrower in connection with the Collateral;

(vi) the payment by such Indemnified Party of Indemnified Taxes, including, without limitation, any Indemnified Taxes imposed by any jurisdiction on amounts payable and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, to the extent caused by the Borrower's actions or failure to act in breach of this Agreement;

(vii) the failure to vest and maintain vested in the Program Agent, on behalf of the Secured Parties, a first priority perfected security interest in the Collateral, free and clear of any Lien except a Lien in favor of the Program Agent, whether existing at the time such Collateral arose or at any time thereafter;

(viii) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the applicable UCC or other applicable laws naming the Borrower as "Debtor" with respect to any Collateral;

(ix) any dispute, claim, offset or defense (other than as a result of the bankruptcy or insolvency of the related Contract Debtor) of a Contract Debtor to the payment of any Pledged Contract (including, without limitation, a defense based on such Pledged Contract not being a legal, valid and binding obligation of such Contract Debtor enforceable against it in accordance with its terms), or any other claim resulting from the sale or financing of the Financed Vehicle related to such Pledged Contract (other than as a result of the bankruptcy or insolvency of the related Contract Debtor);

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

(xi) 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 any Pledged Contract, or any attempt by any Person to void any such transfer under any statutory provision or common law or equitable action, including, without limitation, any provision or the Bankruptcy Code;

(xii) the failure of any Depository Account Bank to remit any amounts or items of payment held in a Depository Account or in a Lock-Box pursuant to the instructions of the Program Agent given in accordance with this Agreement, the Master Agency Agreement or the other Facility Documents, whether by reason of the exercise of setoff rights or otherwise;

(xiii) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of Loans made pursuant to this Agreement or any other Facility Document delivered hereunder or in respect of any of the Collateral;

(xiv) any claim brought by any Person arising from any activity by the Borrower in servicing, administering or collecting any Pledged Contract; or

(xv) the grant by the Borrower of a security interest in any Pledged Contract in violation of any applicable law, rule or regulation;

provided, however, that the Borrower shall not be required to indemnify any Indemnified Party to the extent of any amounts (x) resulting from the gross negligence or willful misconduct of such Indemnified Party, or (y) constituting credit recourse for the failure of a Contract Debtor to pay a Pledged Contract, or (z) constituting Excluded Taxes. Any amounts subject to the indemnification provisions of this Section 8.01 shall be paid by the Borrower to the related Indemnified Party within 10 Business Days following written demand therefor.

SECTION 8.02. Indemnities by the Servicer. The Servicer agrees to indemnify each Indemnified Party for Indemnified Amounts to the extent arising out of or resulting from any of the following:

(i) the failure of any Pledged Contract represented by the Servicer to be an Eligible Contract hereunder to be an “Eligible Contract” at the time of such representation;

(ii) reliance on any representation or warranty made or deemed made by the Servicer under this Agreement or any other Facility Document to which it is a party, which shall have been false or incorrect when made or deemed made;

(iii) the failure by the Servicer to comply with any term, provision or covenant contained in this Agreement, the Purchase Agreement or any Facility Document to which it is party or with any applicable law, rule or regulation with respect to any Pledged Contract or other Collateral;

(iv) any action or omission by the Servicer which reduces or impairs the rights or interests of the Program Agent, the Managing Agents or any Lender with respect to any Collateral or the value of any Collateral;

(v) any claim brought by any Person arising from any activity by the Servicer in servicing, administering or collecting any Pledged Contract;

(vi) the failure of the Servicer to furnish accurate and complete documentation (including, without limitation, a Contract or invoice) to any Contract Debtor;

(vii) the commingling of Collections with other funds; or

(viii) any Material Adverse Effect with respect to the Servicer which causes any Pledged Contract to cease to be an Eligible Contract or hinders the Servicer’s ability to carry out its obligations under this Agreement;

provided, however, that the Servicer shall not be required to indemnify any Indemnified Party to the extent of any amounts (x) resulting from the gross negligence or willful misconduct of such Indemnified Party, or (y) constituting credit recourse for the failure of a Contract Debtor to pay a Pledged Contract, or (z) constituting net income or franchise taxes that are imposed by the United States or franchise taxes or net income taxes that are imposed on such Indemnified Party by the state or foreign jurisdiction under the laws of which such Indemnified Party is organized or any political subdivision thereof. Any amounts subject to the indemnification provisions of this Section 8.02 shall be paid by the Servicer to the related Indemnified Party within 10 Business Days, following written demand therefor.

SECTION 8.03. Limited Liability of Parties. No Indemnified Party shall have any liability (whether in contract, tort or otherwise) to the Borrower, the Originator or the Servicer or any of their security holders or creditors for or in connection with the transactions contemplated hereby, except to the extent such liability is determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct or breach of its obligations under this Agreement or any Facility Document.

ARTICLE IX THE AGENTS

SECTION 9.01. Authorization and Action. Each Lender hereby appoints and authorizes its related Managing Agent and the Program Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to such Managing Agent or the Program Agent by the terms hereof, together with such powers as are reasonably incidental thereto. The provisions of this Article IX are solely for the benefit of the Managing Agents, the Program Agent and the Lenders. The Borrower shall not have any rights as a third-party beneficiary or otherwise under any of the provisions hereof. In performing their functions and duties hereunder, the Managing Agents shall act solely as the agent for the respective Conduit Lenders and the Committed Lenders in the related Lender Group and do not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the other Lenders, the Borrower, the Servicer, the Originator, any Affiliate thereof or any of their respective successors and assigns.

SECTION 9.02. Agents' Reliance, Etc. Neither the Program Agent nor any Managing Agent nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or such Managing Agent or the Program Agent under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, each of the Program Agent and the Managing Agents: (i) may consult with legal counsel (including counsel for the Borrower, the Servicer or any other Affiliate of DTAC), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with this Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrower, the Servicer or any other Affiliate of DTAC or to inspect the property (including the books and records) of the Borrower, the Servicer or any other Affiliate of DTAC; (iv) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (v) shall incur no liability under or in respect of this Agreement by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 9.03. Agents and Affiliates. Each Managing Agent and the Program Agent and their respective Affiliates may engage in any kind of business with the Borrower, any DT Entity or any Contract Debtor, any of their respective Affiliates and any Person who may do business with or own securities of Borrower, any DT Entity or any Contract Debtor or any of their respective Affiliates, all as if such Persons were not Managing Agents and/or Program Agent and without any duty to account therefor to any Lender.

SECTION 9.04. Lender's Loan Decision. Each Lender acknowledges that it has, independently and without reliance upon the Program Agent, any Managing Agent, any of their respective

Affiliates or any other Lender, and based on such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement and, if it so determines, to make Loans hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Program Agent, any Managing Agent, any of their respective Affiliates, or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement.

SECTION 9.05. Delegation of Duties. The Program Agent and each Managing Agent may each 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. Neither the Program Agent nor any Managing Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

SECTION 9.06. Indemnification. Each Managing Agent severally agrees to indemnify the Program Agent (to the extent not reimbursed by the Borrower, the Servicer, the Originator or DTAC), ratably according to its related Lender Group Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Program Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Program Agent under this Agreement; *provided, that* (i) no Managing Agent shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting or arising from the Program Agent's gross negligence or willful misconduct and (ii) no Managing Agent shall be liable for any amount in respect of any compromise or settlement of any of the foregoing unless such compromise or settlement is approved by the Majority Managing Agents. Without limitation of the generality of the foregoing, each Managing Agent agrees to reimburse the Program Agent, ratably according to its related Lender Group Percentage, promptly upon demand, for any reasonable out-of-pocket expenses (including reasonable counsel fees) incurred by the Program Agent in connection with the administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement; *provided, that* no Managing Agent shall be responsible for the costs and expenses of the Program Agent in defending itself against any claim alleging the gross negligence or willful misconduct of the Program Agent to the extent such gross negligence or willful misconduct is determined by a court of competent jurisdiction in a final and non-appealable decision.

SECTION 9.07. Successor Agents. The Program Agent and each Managing Agent may, upon thirty (30) days' notice to the Borrower, each Lender and each other party hereto, resign as Program Agent or Managing Agent, as applicable. If any such party shall resign as Program Agent or Managing Agent under this Agreement, then, in the case of the Program Agent, the Majority Committed Lenders and the Borrower, and in the case of any Managing Agent, its related Conduit Lenders, during such thirty-day period shall appoint a successor agent, whereupon such successor agent shall succeed to the rights, powers and duties of the Program Agent or applicable Managing Agent and references herein to the Program Agent or such Managing Agent shall mean such successor agent, effective upon its appointment; and such former Program Agent's or Managing Agent's rights, powers and duties in such capacity shall be terminated, without any other or further act or deed on the part of such former Program Agent or Managing Agent or any of the parties to this Agreement. After any retiring Program Agent's or Managing Agent's resignation hereunder as such agent, the provisions of Article VIII, this Article IX and Section 10.09 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Program Agent or a Managing Agent under this Agreement.

ARTICLE X MISCELLANEOUS

SECTION 10.01. Amendments, Etc.

(a) No waiver of any provision of this Agreement nor consent to any departure by the Borrower or the Servicer therefrom shall in any event be effective unless the same shall be in writing and signed by the Program Agent and the Managing Agents and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) No amendment to this Agreement shall be effective unless the same shall be in writing and signed by each of the Borrower, the Servicer, the Program Agent, the Managing Agents and the Majority Committed Lenders, *provided, however*, that, without the written consent of all the Committed Lenders, no such amendment shall (i) extend the Termination Date, (ii) extend the date of any payment or deposit of Collections by the Borrower or by the Servicer or the time of payment of Interest, (iii) release the security interest in or transfer all or any material portion of the Collateral, (iv) change the outstanding principal amount of any of the Loans made by any Committed Lender hereunder other than as provided herein, (v) change the amount of any Lender Group Limit other than as provided herein or increase the Facility Limit hereunder, (vi) amend, modify or waive any provision of the definitions of "Eligible Contract", "Majority Committed Lenders", "Borrowing Base", "Advance Rate", "Level One Trigger Event", "Level Two Trigger Event", "Level Three Trigger Event" or any of the defined terms used in such definitions or this Section 10.01, (vii) consent to or permit the assignment or transfer by the Borrower or any of its rights and obligations under this Agreement or of any of its right, title or interest in or to the Pledged Contracts, (viii) amend or modify any provision of Section 7.01 or Section 10.03, or (ix) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (i) through (viii) above in a manner which would circumvent the intention of the restrictions set forth in such clauses; *provided, that* without the written consent of the Paying Agent, the Backup Servicer and/or the Custodian, as applicable, no such amendment shall adversely affect the Paying Agent, the Backup Servicer or the Custodian; *provided, further, that* if this Agreement is amended without the consent of the Paying Agent, the Backup Servicer or the Custodian, the Borrower shall provide the Paying Agent, the Backup Servicer and the Custodian with a copy of the related amendment promptly following execution thereof.

SECTION 10.02. Notices, Etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including communication by facsimile copy) and shall be personally delivered or sent by registered mail, return receipt requested, or by courier or by facsimile, to each party hereto, at its address set forth on Schedule II hereof 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 overnight courier, two (2) days after being deposited with such courier, or, in the case of notice by facsimile, when electronic confirmation of receipt is obtained, in each case addressed as aforesaid.

SECTION 10.03. Assignability.

(a) Any Conduit Lender may, (i) with notice to the Borrower and the Servicer, and with the consent of the Managing Agent for the Lender Group of which it is a member, assign at any time all or any portion of its rights and obligations hereunder and interests herein to (A) any other Lender, (B) any commercial paper conduit managed by such Conduit Lender's sponsor or administrator bank if the Commercial Paper of such commercial paper conduit have short-term ratings from S&P and Moody's that are equivalent to or higher than the short-term ratings by S&P and Moody's of the Commercial Paper of such Conduit Lender, (C) any Affiliate of such Conduit Lender's sponsor bank or (D) any Liquidity Provider with respect to such Conduit Lender and (ii) with the consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned) and the Managing Agent for the Lender Group of which it is a member, assign at any time all or any portion of its rights and obligations hereunder and

interests herein to any other Person not listed in clause (i) above. Any Managing Agent may, with notice to the Borrower and the Servicer, and with the consent of the Lenders in its Lender Group, assign at any time all or any portion of its rights and obligations hereunder and interests herein to any Affiliate of such Managing Agent.

(b) Any Committed Lender may, with the consent of the Program Agent assign at any time all or any portion of its rights and obligations hereunder and interests herein to any Person.

(c) With respect to any assignment hereunder

(i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement,

(ii) the amount 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 \$10,000,000, and

(iii) the parties to each such assignment shall execute and deliver to the Program Agent, for its acceptance and recording in the Register (as defined below), an Assignment and Acceptance, together with a processing and recordation fee of \$2,500.

(d) Upon such execution, delivery, acceptance and recording from and after the effective date specified in such Assignment and Acceptance, (x) the assignee thereunder shall be a party to this Agreement and, to the extent that rights and obligations under this Agreement have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (y) the assigning Lender shall, to the extent that rights and obligations have been assigned by it pursuant to such Assignment and Acceptance, relinquish such rights and be released from such obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto). At all times during which any Loan is outstanding, the Program Agent shall maintain at its address referred to in Section 10.02 of this Agreement (or such other address of the Program Agent notified by the Program Agent to the other parties hereto) a register as provided herein (the "Register"). The Outstanding Loan Amount and any interests therein, and any Assignments and Acceptances of the Outstanding Loan Amount or any interest therein delivered to and accepted by the Program Agent, shall be registered in the Register, and the Register shall serve as a record of ownership that identifies the owner of the Outstanding Loan Amounts and any interest therein. Notwithstanding any other provision of this Agreement, no transfer of the Outstanding Loan Amounts or any interest therein shall be effective unless and until such transfer has been recorded in the Register. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Servicer, the Program Agent, the Managing Agents and the Lenders may treat each Person whose name is recorded in the Register as a Lender, as the case may be, under this Agreement for all purposes of this Agreement. This Section 10.03(d) shall be construed so that the Outstanding Loan Amount and any interest therein is maintained at all times in "registered form" within the meaning of Sections 163(f), 871(h) and 881(c) of the IRC, solely for the purposes of this Section 10.03, the Program Agent will act as an agent of the Borrower. The Register shall be available for inspection by the Borrower or any Managing Agent at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance, the Program Agent shall, if such Assignment and Acceptance has been duly completed, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(f) Any Lender may, without the consent of the Borrower, sell participations to one or more banks or other entities (each, a “Participant”) in all or a portion of its rights and obligations hereunder (including the outstanding Loan); *provided that* following the sale of a participation under this Agreement (i) the obligations of such Lender shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Program Agent, the Servicer and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which such Lender sells such a participation shall provide that the Participant shall not have any right to direct the enforcement of this Agreement or the other Facility Documents or to approve any amendment, modification or waiver of any provision of this Agreement or the other Facility Documents; *provided that* such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (i) reduces the amount of principal or Interest that is payable on account of any Loan or delays any scheduled date for payment thereof or (ii) reduces any fees payable by the Borrower to the Program Agent (to the extent relating to payments to the Participant) or delays any scheduled date for payment of such fees. The Borrower acknowledges and agrees that any Lender’s source of funds may derive in part from its Participants. Accordingly, references in Sections 2.12 or 2.14 and the other terms and provisions of this Agreement and the other Facility Documents to determinations, reserve and capital adequacy requirements, expenses, increased costs, reduced receipts and the like as they pertain to the Lenders shall be deemed also to include those of its Participants; *provided, however*, that in no event shall the Borrower be liable to any Participant under Sections 2.12 or 2.14 for an amount in excess of that which would be payable to the applicable Lender under such sections.

(g) Neither the Borrower nor the Servicer may assign any of its rights or obligations hereunder or any interest herein without the prior written consent of the Program Agent and the Majority Managing Agents.

(h) Notwithstanding any other provision of this Agreement to the contrary, any Lender may at any time pledge or grant a security interest in all or any portion of its rights (including, without limitation, rights to payment of the principal balance of the Loans and Interest with respect thereto) hereunder to secure obligations of such Lender to a Federal Reserve Bank, without notice to or consent of the Borrower or the Program Agent; provided, that no such pledge or grant of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or grantee for such Lender as a party hereto.

SECTION 10.04. Additional Lender Groups. Upon the Borrower’s request, an additional Lender Group may be added to this Agreement at any time by the execution and delivery of a Joinder Agreement by the members of such proposed additional Lender Group, the Borrower, the Servicer, the Program Agent and each of the Managing Agents, which execution and delivery shall not be unreasonably refused by such parties. Upon the effective date of such Joinder Agreement, (i) each Person specified therein as a “Conduit Lender” shall become a party hereto as a Conduit Lender, entitled to the rights and subject to the obligations of a Conduit Lender hereunder, (ii) each Person specified therein as a “Committed Lender” shall become a party hereto as a Committed Lender, entitled to the rights and subject to the obligations of a Committed Lender hereunder, (iii) each Person specified therein as a “Managing Agent” shall become a party hereto as a Managing Agent, entitled to the rights and subject to the obligations of a Managing Agent hereunder and (iv) the Facility Limit shall be increased by an amount equal to the aggregate Commitments of the Committed Lenders party to such Joinder Agreement. On or prior to the effective date of such Joinder Agreement, the Borrower and the new Managing Agent shall enter into a fee letter for purposes of setting forth the fees payable to the members of such Lender Group in connection with this Agreement, which fee letter shall be considered a “Fee Letter” for all purposes of this Agreement.

SECTION 10.05. Consent to Jurisdiction.

(a) Each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in New York City in any action or proceeding arising out of or relating to this Agreement, and each party hereto hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. The parties hereto hereby irrevocably waive, to the fullest extent they may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the Borrower and the Servicer consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to it at its address specified in Section 10.02. Nothing in this Section 10.05 shall affect the right of any Lender or the Program Agent to serve legal process in any other manner permitted by law.

SECTION 10.06. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR ANY OTHER FACILITY DOCUMENT.

SECTION 10.07. Right of Setoff. Each Lender is hereby authorized (in addition to any other rights it may have) at any time after the occurrence of the Termination Date due to the occurrence of an Event of Termination, or at any time that any Borrower Obligation hereunder is due and payable, to set off, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by such Lender to, or for the account of, the Borrower against the amount of the Borrower Obligations owing by the Borrower to such Person. Each Lender is hereby authorized (in addition to any other rights it may have) at any time after the occurrence of the Termination Date due to the occurrence of an Event of Termination, or at any time that any payment obligation of the Servicer hereunder is due and payable, to set off, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by such Lender to, or for the account of, the Servicer against the amount of such obligations owing by the Servicer to such Person.

SECTION 10.08. Ratable Payments. If any Lender, whether by setoff or otherwise, has payment made to it with respect to any Borrower Obligations or obligation of the Servicer in a greater proportion than that received by any other Lender entitled to receive a ratable share of such amount, such Lender agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of such Borrower Obligations or Servicer obligation held by the other Lenders so that after such purchase each Lender will hold its ratable proportion of such Borrower Obligations or Servicer obligations, as applicable; *provided that* if all or any portion of such excess amount is thereafter recovered from such Lender, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

SECTION 10.09. Limitation of Liability.

(a) No claim may be made by any Transaction Party or any other party hereto against any other party hereto or their respective Affiliates, directors, officers, employees, attorneys or

agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any other Facility Document, or any act, omission or event occurring in connection herewith or therewith; and each party hereto hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(b) Notwithstanding anything to the contrary contained herein, the obligations of the Conduit Lenders under this Agreement are solely the corporate obligations of each such Conduit Lender and shall be payable only at such time as funds are actually received by, or are available to, such Conduit Lender in excess of funds necessary to pay in full all outstanding Commercial Paper issued by such Conduit Lender and, to the extent funds are not available to pay such obligations, the claims relating thereto shall not constitute a claim against such Conduit Lender. Each party hereto agrees that the payment of any claim (as defined in Section 101 of Title 11 of the Bankruptcy Code) of any such party shall be subordinated to the payment in full of all Commercial Paper.

(c) No recourse under any obligation, covenant or agreement of any Conduit Lender contained in this Agreement shall be had against any incorporator, stockholder, officer, director, member, manager, employee or agent of such Conduit Lender or any of its Affiliates (solely by virtue of such capacity) 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 this Agreement is solely a corporate obligation of such Conduit Lender, and that no personal liability whatever shall attach to or be incurred by any incorporator, stockholder, officer, director, member, manager, employee or agent of any Conduit Lender or any of its Affiliates (solely by virtue of such capacity) or any of them under or by reason of any of the obligations, covenants or agreements of such Conduit Lender contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by any Conduit Lender of any of such obligations, covenants or agreements, either at common law or at equity, or by statute, rule or regulation, of every such incorporator, stockholder, officer, director, member, manager, employee or agent is hereby expressly waived as a condition of and in consideration for the execution of this Agreement; *provided that* the foregoing shall not relieve any such Person from any liability it might otherwise have as a result of fraudulent actions taken or fraudulent omissions made by them.

SECTION 10.10. Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification under Article VIII hereof, the Borrower agrees to pay to the Program Agent and each Managing Agent promptly after written demand thereof (i) all reasonable costs and expenses incurred in connection with the periodic auditing of the Borrower and the Servicer pursuant to Section 5.01(c) or 5.04(c) of this Agreement and the agreed upon procedures reports contemplated by Section 5.05(e) of this Agreement, including, without limitation, any such report performed during 2008; *provided, that* the Borrower shall only be responsible for the reasonable costs and expenses incurred in connection with one audit of the Borrower, the Originator, and the Servicer, in each case during any twelve (12) month period beginning on the date hereof and on each anniversary of the date hereof, and in each case, so long as (x) no Event of Termination shall have occurred and be continuing and (y) the results of the previous audits were complete and reasonably acceptable to the Program Agent, *provided that* if an Event of Termination shall have occurred and be continuing or the results of the previous audits were not complete and reasonably acceptable to the Program Agent, then the Borrower shall be responsible for a second audit during such period, and (ii) all reasonable costs and expenses of the Program Agent and each Managing Agent in connection with the preparation, execution and delivery (including any requested amendments, waivers or consents) of this Agreement and the other documents to be delivered hereunder, including, without limitation, all pre-closing due diligence expenses and the reasonable fees and out-of-pocket expenses of special counsel for

the Program Agent and each Managing Agent with respect thereto and with respect to advising the Program Agent and each Managing Agent and the related Lenders as to their respective rights and remedies under this Agreement, and the other agreements executed pursuant hereto and (iii) all costs and out-of-pocket expenses (including fees and expenses of outside counsel), incurred by the Program Agent and each Managing Agent in connection with any amendment to any of the Facility Documents after the Closing Date and the enforcement of this Agreement and the other agreements and documents to be delivered hereunder after the occurrence of an Event of Termination.

(b) In addition, the Borrower shall pay any and all stamp, sales, transfer and other taxes and fees (including, without limitation, UCC filing fees and any penalties associated with the late payment of any UCC filing fees) payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement or the other agreements and documents to be delivered hereunder (including any UCC financing statements) and agrees to indemnify the Program Agent, the Managing Agents, the Lenders and the Liquidity Providers against any liabilities with respect to or resulting from any delay by the Borrower in paying or omission to pay such taxes and fees.

SECTION 10.11. No Proceedings. The Borrower, the Servicer, each Lender, each Managing Agent and the Program Agent each hereby agrees that it will not institute against any Conduit Lender any proceeding of the type referred to in Section 7.01(f) so long as any Commercial Paper shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such Commercial Paper shall have been outstanding.

SECTION 10.12. Confidentiality.

(a) By accepting delivery of this Agreement, the Borrower agrees not to disclose to any person or entity the existence of this Agreement or the Facility Documents or the terms hereof or thereof (including, without limitation, any specific pricing information provided by the Program Agent, the Managing Agents or the Lenders or the amount or terms of any fees payable to the Program Agent, the Managing Agents or the Lenders in connection with the transaction contemplated by this Agreement, the “Transaction”), the proposal or structure of the Transaction, any related structures developed by the Program Agent for the Borrower, the existence or status of any ongoing negotiations between the Borrower, the Program Agent, the Managing Agents and the Lenders concerning the Transaction (collectively, the “Product Information”), except (i) to its and its affiliates’ officers, directors, employees, agents, accountants, legal counsel and other representatives (collectively, the “Borrower Representatives”) who have a need to know the Product Information for the purpose of assisting in the negotiation and completion of the Transaction and who agree to be bound by the provisions of this section applicable to the Borrower, (ii) in connection with any legal or regulatory action or proceeding relating to this Agreement or the transactions contemplated hereby or the exercise of any remedies hereunder, (iii) to extent required by applicable law, regulation, subpoena or other legal process, (iv) to the extent requested by any governmental or regulatory authority having jurisdiction over the Borrower, the Originator or any Borrower Representative or (v) to existing or prospective lenders to, or investors in, any DT Entity or any Affiliate thereof, any monoline insurance company that has issued or may issue a financial guaranty insurance policy or surety bond in connection with a Securitization Transaction, or any Rating Agency in connection with a Securitization Transaction; *provided*, in each case, such recipients agree to be bound by the provisions of this section applicable to the Borrower. The Borrower will be responsible for any failure of any Borrower Representative to comply with the provisions of this clause (a).

(b) The Program Agent, the Managing Agents and the Lenders will not disclose to any person or entity the confidential or proprietary information of the Borrower or the Originator furnished to the Program Agent, the Managing Agents and the Lenders in connection with the Transaction (the “Borrower Information”), except (i) to their respective and their Affiliates’ officers, directors,

employees, agents, accountants, legal counsel and other representatives (collectively, the “Lender Representatives”) who have a need to know the Borrower Information for the purpose of assisting in the negotiation and completion of the Transaction and who agree to be bound by the provisions in this section applicable to the Program Agent, the Managing Agents and the Lenders, (ii) to the extent required by applicable law, regulation, subpoena or other legal process, (iii) to the extent requested by any governmental or regulatory authority having jurisdiction over the Program Agent, the Managing Agents, the Lenders or any Lender Representative, (iv) to any Rating Agency, (v) to any actual or potential subordinated investor in any Conduit Lender that has signed a confidentiality agreement containing restrictions on disclosure substantially similar to this Section or (vi) to credit enhancers and dealers and investors in respect of Commercial Paper of any Conduit Lender in accordance with the customary practices of such Lender for disclosures to credit enhancers, dealers or investors, as the case may be, it being understood that any such disclosure to dealers or investors will not identify the Borrower or any of their respective Affiliates by name. The Program Agent, the Managing Agents and each Lender, as the case may be, will be responsible for any failure of any related Lender Representative to comply with the provisions of this clause (b).

(c) The Program Agent, the Managing Agents and the Lenders will (i) not disclose to any person or entity the confidential or proprietary information of Contract Debtors relating to the Pledged Contracts (if any) obtained pursuant to this Agreement (the “Contract Debtor Information”), and (ii) comply with all applicable laws (including Graham-Leach-Bliley Act) with respect to Contract Debtor Information.

SECTION 10.13. No Waiver; Remedies. No failure on the part of the Program Agent, any Managing Agent, any Lender or any Liquidity Provider to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 10.14. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 10.15. Execution in Counterparts. This Agreement may be executed in any number of 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. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by electronic mail in a “.pdf” file shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.16. Integration; Binding Effect; Survival of Termination. This Agreement and the other Facility Documents executed by the parties hereto on the date hereof contain 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. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns (including any trustee in bankruptcy). 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. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until the Final Collection

Date; *provided, however*, that the provisions of 2.11, 2.12, 2.13, 2.14 and Article VIII, and the provisions of Sections 10.06, 10.09, 10.10, 10.11 and 10.12 shall survive any termination of this Agreement.

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.

DT WAREHOUSE, LLC,
as Borrower

By: /s/ Jon Ehlinger
Name: Jon Ehlinger
Title: Secretary

DT CREDIT COMPANY, LLC,
as Servicer

By: /s/ Jon Ehlinger
Name: Jon Ehlinger
Title: Secretary

Signature Page to Loan and Servicing Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Backup Servicer, Paying Agent and Securities Intermediary

By: /s/ Jeanine C. Casey
Name: Jeanine C. Casey
Title: Vice President

Signature Page to Loan and Servicing Agreement

DEUTSCHE BANK AG, NEW YORK BRANCH
as a Managing Agent and as
Program Agent

By: /s/ Daniel Gerber

Name: Daniel Gerber

Title: Director

By: /s/ Ozan Kaya

Name: Ozan Kaya

Title: Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as a Committed Lender

By: /s/ Daniel Gerber

Name: Daniel Gerber

Title: Director

By: /s/ Ozan Kaya

Name: Ozan Kaya

Title: Vice President

Signature Page to Loan and Servicing Agreement

Solely with respect to Section 5.07:

DT ACCEPTANCE CORPORATION,
as Originator

By: /s/ Steven P. Johnson

Name: Steven P. Johnson

Title: President

Signature Page to Loan and Servicing Agreement

FORM OF CREDIT AND COLLECTION POLICY

Attached

FORM OF BORROWING REQUEST

[DATE]

To: Deutsche Bank AG, New York Branch (“DBNY”), as Program Agent

From: DT Warehouse, LLC (the “Borrower”)

Re: Loan and Servicing Agreement, dated as of December 28, 2011 among the Borrower, DT Credit Company, LLC, as Servicer, Wells Fargo Bank, National Association, as Backup Servicer, Paying Agent and Securities Intermediary, the Persons from time to time party thereto as Conduit Lenders, the financial institutions from time to time party thereto as Committed Lenders, the Persons from time to time party thereto as Managing Agents and DBNY, as Program Agent for the Conduit Lenders and the Committed Lenders (as amended, restated, supplemented or otherwise modified from time to time, the “Agreement”). Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

- A. (i) Pursuant to Sections 2.01 and 2.02(a) of the Agreement, the undersigned hereby requests a Borrowing from each Lender Group in an aggregate amount equal to the following:

\$ _____

Lender Group (identified by related Managing Agent)	Dollar Amount of Borrowing
[Name]	\$[•]
[Name]	\$[•]
Total	\$[•]

- (ii) The requested Borrowing Date is:

- (iii) The Outstanding Loan Amount under the Agreement after giving effect to the requested Borrowing under (i) above will equal:

\$ _____

- (iv) The proceeds of the requested Borrowing are requested to be remitted to the following account of the Borrower:

- B. As of the date hereof and the Borrowing Date of such Borrowing:

- (i) The representations and warranties contained in Article IV of the Agreement are true and correct in all material respects on and as of such Borrowing Date unless such representation and warranties by their terms refer to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date;
- (ii) No event has occurred and is continuing, or would result from the Borrowing requested hereunder, that constitutes an Event of Termination or an Incipient

Event of Termination; and

- (iii) After giving effect to the requested Borrowing, no Borrowing Base Deficiency shall exist.
- (iv) All other conditions precedent set forth in Section 3.02 of the Agreement have been satisfied.

In accordance with Section 2.02(a) of the Agreement, the Borrower hereby certifies that the Contracts that are subject to this Borrowing Request are set forth on Schedule I attached hereto and such Contracts are Eligible Contracts or Wet Contracts. The undersigned further represents and warrants that (1) the documents constituting the Contract Delivery Documents with respect to the Contracts that are the subject of the Borrowing requested herein and more specifically identified on the Contract Delivery Schedule delivered to the Managing Agents and the Custodian in connection herewith have been delivered to Custodian and such Contract Delivery Documents are to be held by the Custodian subject to the Program Agent's (for the benefit of the Secured Parties) first priority security interest thereon, and (2) all other documents related to such Contracts (including, but not limited to, insurance policies, loan applications and appraisals) have been or will be created and held by the Borrower in trust for the Secured Parties.

The undersigned certifies that this Borrowing Request is correct in all material respects as of the date furnished.

DT WAREHOUSE, LLC, as Borrower

By: _____
Name:
Title:

SCHEDULE I

LIST OF CONTRACTS

FORM OF MONTHLY REPORT

Attached

FORM OF MONTHLY SERVICED PORTFOLIO REPORT

Attached

FORM OF CONTRACT

Attached

LIST OF OFFICES OF BORROWER WHERE RECORDS ARE KEPT

4020 East Indian School Road, Phoenix, Arizona 85018

7300 East Hampton Boulevard, Mesa, Arizona 85029

**LIST OF LOCK-BOXES, LOCK-BOX PROCESSORS; DEPOSITORY ACCOUNTS;
AND DEPOSITORY ACCOUNT BANKS**

HOME OFFICE

4020 East Indian School Road, Phoenix, AZ 85018

MESA OFFICE

7300 East Hampton Boulevard, Mesa, AZ 85029

DEALERSHIPS

Attached

P.O. BOXES

DT Credit Company, LLC, P.O. Box 53087, Phoenix, AZ 85072

DEPOSITORY ACCOUNTS

Wells Fargo Bank, 100 West Washington Street, Phoenix, AZ 85003

Attn: Mr. John Helms, (602) 378-6633

Acct: [*] (Concentration)

Acct: [*] (Collection)

* Confidential information on this page has been omitted and filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request.

LIST OF CLOSING DOCUMENTS

Borrower	DT Warehouse, LLC
Originator	DT Acceptance Corp. ("DTAC")
DTAG	DriveTime Automotive Group, Inc.
Servicer	DT Credit Company, LLC ("DTCC")
Performance Guarantors	DTAC and DTAG
Program Agent & Managing Agent	Deutsche Bank AG, New York Branch ("DBNY")
Committed Lender	Deutsche Bank Trust Company, Americas
Backup Servicer, Paying Agent, Custodian and Securities Intermediary	Wells Fargo Bank, National Association ("Wells Fargo")
Counsel for the Program Agent	Sidley Austin LLP ("Sidley")
Counsel to Borrower, Originator and Servicer	Snell & Wilmer L.L.P. ("Snell")

		Responsible Party
	PRINCIPAL DOCUMENTS	
1	Amended and Restated Purchase and Contribution Agreement, between Originator, as transferor, and Borrower, as purchaser	Sidley
2	Loan and Servicing Agreement, among Borrower, Servicer, the Backup Servicer, Paying Agent and Securities Intermediary, the Conduit Lenders from time to time party thereto, the Committed Lenders from time to time party thereto, the Managing Agents from time to time party thereto and the Program Agent	Sidley
3	Fee Letter among the Borrower and the Program Agent	Sidley
4	Fifth Amended and Restated Demand Note in the amount of \$15,000,000 of DTAC in favor of the Borrower	Sidley
5	Amended and Restated Custodial Agreement among the Custodian, the Servicer, the Borrower and the Program Agent	Sidley
6	Fourth Amended and Restated Performance Guaranty of the Performance Guarantors in favor of the Borrower and the Program Agent	Sidley
7	Residual Interest Conveyance Agreement among Borrower, Originator, DT Warehouse II, LLC, and Santander Consumer USA Inc.	Snell
8	Termination and Release Agreement among Borrower, Performance Guarantors, DBNY, Wells Fargo and Monterey Funding, LLC with respect to the Third Amended and Restated Loan and Servicing Agreement dated as of July 23, 2010	Snell
	INTERCREDITOR AND ACCOUNT-RELATED DOCUMENTS	
9	Amendment to Intercreditor Agreement among DTAG, DTCS, DTOC, DTAC, the Borrower, the Program Agent and Wells Fargo Bank, N.A., as agent under the Inventory Facility	Marcus Brody

		Responsible Party
10	Acknowledgment and Agreement to Master Agency Agreement	Snell
	ORGANIZATIONAL DOCUMENTS/GOOD STANDINGS	
11	Secretary's Certificate of the Originator (i) Certificate and Articles of Incorporation (ii) By-Laws (iii) Resolutions (iv) Incumbency	Snell
12	Good Standing Certificate of the Originator issued by the Arizona Secretary of State	Snell
13	Secretary's Certificate of Borrower (i) Certificate of Formation (ii) Limited Liability Company Agreement (iii) Resolutions (iv) Incumbency	Snell
14	Good Standing Certificate of Borrower issued by the Delaware Secretary of State	Snell
15	Secretary's Certificate of DTAG (i) Certificate of Formation (ii) Limited Liability Company Agreement (iii) Resolutions (iv) Incumbency	Snell
16	Good Standing Certificate of DTAG issued by the Delaware Secretary of State	Snell
17	Secretary's Certificate of the Servicer (i) Certificate of Formation (ii) Limited Liability Company Agreement (iii) Resolutions (iv) Incumbency	Snell
18	Good Standing Certificate of the Servicer issued by the Arizona Secretary of State	Snell
19	Secretary's Certificate of Wells Fargo re: corporate matters/incumbency	Wells Fargo
	UCC SEARCHES & FILINGS	
20	Pre-Filing UCC Search Report of UCC Financing Statements Filed against the Originator	Sidley
21	Tax Lien and Judgment Search Report against the Originator	Sidley
22	Pre-Filing UCC Search Report of UCC Financing Statements Filed against the Borrower	Sidley
23	Tax Lien and Judgment Search Report against the Borrower	Sidley

		Responsible Party
24	Pre-Filing UCC Search Report of UCC Financing Statements Filed against DTCS	Sidley
25	Tax Lien and Judgment Search Report against DTCS	Sidley
26	UCC-3 Assignment, with respect to Financing Statement naming the Originator as debtor/seller, Borrower as secured party/purchaser/assignor and Program Agent, as secured party/total assignee, in favor of Program Agent	Sidley
27	UCC-3 Amendment, with respect to Financing Statement naming the Originator as debtor/seller, Borrower as secured party/purchaser/assignor and Program Agent, as secured party/total assignee, restating the collateral description	Sidley
28	UCC-1 Financing Statement, naming Borrower, as debtor and Program Agent, as secured party	Sidley
29	UCC-3 Termination of Financing Statement #2007 4211883	Sidley
30	Post-Filing UCC Search Reports showing the immediately preceding UCC-1 financing statements of record	Sidley
	LEGAL OPINIONS	
31	Opinion of Snell regarding certain corporate matters with respect to the Originator, the Borrower, the Servicer and the Performance Guarantors, enforceability, no conflicts with law or agreements, Investment Company Act of 1940 and UCC matters and perfection issues	Snell

FORM OF ASSIGNMENT AND ACCEPTANCE

Dated as of [Date]

Reference is made to the Loan and Servicing Agreement, dated as of December 28, 2011, among DT Warehouse, LLC, as Borrower, DT Credit Company, LLC, as Servicer, Wells Fargo Bank, National Association, as Backup Servicer, Paying Agent and Securities Intermediary, the Persons from time to time party thereto as Conduit Lenders, the financial institutions from time to time party thereto as Committed Lenders, the Persons from time to time party thereto as Managing Agents and Deutsche Bank AG, New York Branch, as Program Agent for the Conduit Lenders and the Committed Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"). Terms defined in the Agreement are used herein with the same meaning.

[Assigning Lender] (the "Assignor"), [Assignee] (the "Assignee") and [Assignor's Managing Agent], in its capacity as Managing Agent for the Lender Group which includes the Assignor [and the Assignee] (in such capacity, the "Managing Agent"), hereby agree as follows:

1. Purchase and Sale of Interest. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to all of the Assignor's rights and obligations under the Agreement as of the date hereof (including, without limitation, its [Commitment] [Conduit Lending Limit] and all Loans, if any, or interests therein held by it) equal to the percentage (the "Percentage") interest specified on the signature page hereto. After giving effect to such sale and assignment, [the Assignee will be a [Committed] [Conduit] Lender in the Lender Group that includes [_____] as the Managing Agent and] the Assignee's [Commitment] [Conduit Lending Limit] will be as set forth in Section 2 of the signature page hereto. [As consideration for the sale and assignment contemplated in this Section 1, the Assignee shall pay to the Assignor on the Effective Date (as hereinafter defined) in immediately available funds an amount equal to \$[_____] , representing the purchase price payable by the Assignee for the interests in the transferred interest sold and assigned to the Assignee under this Section 1.]¹ *

2. Representations and Disclaimers of Assignor. The Assignor:

(a) 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;

(b) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Facility Document or any other instrument or document furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any Facility Document or any other instrument or document furnished pursuant thereto; and

(c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Originator, the Borrower or the Servicer, or the performance or observance by any such party of any of its respective obligations under the Facility Documents or any other instrument or document furnished pursuant thereto.

3. Representations and Agreements of Assignee. The Assignee:

¹ Include bracketed text if Assignor holds a portion of the Loans on the Effective Date.

(a) confirms that it has received a copy of the Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.02(b) of the Agreement 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;

(b) agrees that it will, independently and without reliance upon the Program Agent, any Managing Agent, the Assignor or any other Lender 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;

(c) [appoints and authorizes the Program Agent and [_____], as its Managing Agent, to take such action as agent on its behalf and to exercise such powers under the Agreement and the other Facility Documents as are delegated to the Program Agent and such Managing Agent, respectively, by the terms thereof, together with such powers as are reasonably incidental thereto;]

(d) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Agreement and this Assignment and Acceptance are required to be performed by it as a [Committed] [Conduit] Lender;

(e) specifies as its address for notices the office set forth beneath its name on the signature pages hereof; and

(f) represents that this Assignment and Acceptance has been duly authorized, executed and delivered by the Assignee pursuant to its [corporate] powers and constitutes the legal, valid and binding obligation of the Assignee.

4. Effectiveness of Assignment. Following the execution of this Assignment and Acceptance by the Assignor, the Managing Agent, [and] the Assignee, [the Borrower and the Servicer,] it will be delivered to the Program Agent for acceptance and recording by the Program Agent. The effective date of this Assignment and Acceptance shall be the date of acceptance thereof by the Program Agent, unless otherwise specified in Section 3 of the signature page hereto (the "Effective Date").

5. Rights of the Assignee. Upon such acceptance and recording by the Program Agent, as of the Effective 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 a [Committed] [Conduit] Lender thereunder and hereunder 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. Payments. Upon such acceptance and recording by the Program Agent, from and after the Effective Date, all payments under the Agreement in respect of the interest assigned hereby (including, without limitation, all payments of fees with respect thereto) shall be made to the Assignee or the Assignee's Managing Agent, for the benefit of the Assignee, in accordance with the Agreement. The Assignor and Assignee shall make all appropriate adjustments in payments under the Agreement for periods prior to the Effective Date directly between themselves.

7. GOVERNING LAW. THIS ASSIGNMENT AND ACCEPTANCE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAWS BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES).

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.

Signature Page to
Assignment and Acceptance
Dated as of *[Date]*

Section 1.

Percentage: _____%

Section 2.

Assignee's [Commitment] [Conduit Lending Limit] as of the Effective Date: \$_____

Principal Amount of Loans
held by Assignee as of the Effective Date: \$_____

Section 3.

Effective Date:² ** _____, 20__

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

Address for Notices:
[Insert]

Accepted this *[day]* of *[month]*, *[year]*

DEUTSCHE BANK AG, NEW YORK BRANCH, as
Program Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

² This date should be no earlier than the date of acceptance by the Program Agent.

AGREED TO THIS ____ DAY OF _____, 20__:

[NAME OF MANAGING AGENT],
as Managing Agent

By: _____
Name:
Title:

DT WAREHOUSE, LLC,
as Borrower

By: _____
Name:
Title:

DT CREDIT COMPANY, LLC,
as Servicer

By: _____
Name:
Title:]

FORM OF JOINDER AGREEMENT

Reference is made to the Loan and Servicing Agreement, dated as of December 28, 2011, among DT Warehouse, LLC, as Borrower, DT Credit Company, LLC, as Servicer, Wells Fargo Bank, National Association, as Backup Servicer, Paying Agent and Securities Intermediary, the Persons from time to time party thereto as Conduit Lenders, the financial institutions from time to time party thereto as Committed Lenders, the Persons from time to time party thereto as Managing Agents and Deutsche Bank AG, New York Branch, as Program Agent for the Conduit Lenders and the Committed Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"). To the extent not defined herein, capitalized terms used herein have the meanings assigned to such terms in the Agreement.

[*New Managing Agent*] (the "New Managing Agent"), [*New Conduit Lender(s)*] (the "New Conduit Lender(s)") and [*New Committed Lender(s)*] (the "New Committed Lender(s)"); and together with the New Managing Agent and New Conduit Lender(s), the "New Lender Group") agree as follows:

1. By execution and delivery of this Joinder Agreement and pursuant to Section 10.04 of the Agreement, the New Lender Group elects to become a "Lender Group" under the Agreement.

2. The effective date (the "Effective Date") of this Joinder Agreement shall be the later of (i) the date on which a fully executed copy of this Joinder Agreement is delivered to the Program Agent, (ii) the date of this Joinder Agreement [and (iii) the effective date of that certain assignment agreement of even date herewith between the [*New Committed Lender*] [*New Conduit Lender*] and [*Name of [Committed] [Conduit] Lender Assignor*].

3. By executing and delivering this Joinder Agreement, each of the New Managing Agent, the New Conduit Lender(s) and the New Committed Lender(s) confirms to and agrees with each other party to the Agreement that (i) it has received a copy of the Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Joinder Agreement; (ii) it will, independently and without reliance upon the Program Agent, any other Managing Agent, any other Lender or any of their respective Affiliates, 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 or any documents or agreements to be delivered thereunder; (iii) it appoints and authorizes the Program Agent to take such action as agent on its behalf and to exercise such powers pursuant to Article IX of the Agreement; (iv) it will perform in accordance with their terms all of the obligations which by the terms of the Agreement and the documents or agreements to be delivered thereunder are required to be performed by it as a Managing Agent, a Conduit Lender, or a Committed Lender, respectively; (v) its address for notices shall be the office set forth beneath its name on the signature pages of this Joinder Agreement; (vi) the Lender Group Limit for the New Lender Group shall be as set forth on the signature page hereto; and (vii) it is duly authorized to enter into this Joinder Agreement.

4. On the Effective Date of this Joinder Agreement, each of the New Managing Agent, the New Conduit Lender(s) and the New Committed Lender(s) shall join in and be a party to the Agreement and, to the extent provided in this Joinder Agreement, shall have the rights and obligations of a Managing Agent, a Conduit Lender and a Committed Lender, respectively, under the Agreement. Schedule II to the Agreement shall be amended to incorporate the information set forth on Schedule I to this Joinder Agreement and Schedule III shall be amended to incorporate the notice addresses set forth on

the signature pages to this Joinder Agreement. [In addition, the New Conduit Lender hereby specifies that it is a “Pre-Review Conduit Lender”.]

5. This Joinder Agreement may be executed by one or more of the parties on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

6. THIS JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAWS BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES).

7. Each of the parties hereto hereby waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise between or among the parties hereto, or any of them, arising out of, connected with, related to, or incidental to the relationship between them in connection with this Joinder Agreement. Instead, any dispute resolved in court will be resolved in a bench trial without a jury.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have caused this Joinder Agreement to be executed by their respective officers thereunto duly authorized, as of this [] day of [], [20].

The "Lender Group Limit" for the New Lender Group is \$[].

NEW CONDUIT LENDER(S):

[NAME(S)]

By: _____

Name:

Title:

Address for notices:

[Address]

NEW COMMITTED LENDER(S):

[NAME(S)]

By: _____

Name:

Title:

Address for notices:

[Address]

NEW MANAGING AGENT:

[NAME]

By: _____

Name:

Title:

Address for notices:

[Address]

AGREED TO THIS ____ DAY OF _____, 20__:

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Program Agent

By: _____

Name:

Title:

By: _____

Name:

Title:

[EACH MANAGING AGENT],
as a Managing Agent

By: _____

Name:

Title:

DT WAREHOUSE, LLC,
as Borrower

By: _____

Name:

Title:

DT CREDIT COMPANY, LLC,
as Servicer

By: _____

Name:

Title:

SCHEDULE I

Reference Bank for New Lender Group:

Conduit Lending Limit(s) for New Conduit Lender(s):

Commitment(s) of New Committed Lender(s):

FORM OF PREPAYMENT NOTICE

[Date]

To: Deutsche Bank AG, New York Branch ("DBNY"), as Program Agent,
 [Managing Agent], as a Managing Agent
 Wells Fargo Bank, National Association, as Paying Agent

From: DT Warehouse, LLC(the "Borrower")

Re: Loan and Servicing Agreement, dated as of December 28, 2011, among the Borrower, DT Credit Company, LLC, as Servicer, Wells Fargo Bank, National Association, as Backup Servicer, Paying Agent and Securities Intermediary, the Persons from time to time party thereto as Conduit Lenders, the financial institutions from time to time party thereto as Committed Lenders, the Persons from time to time party thereto as Managing Agents and DBNY, as Program Agent for the Conduit Lenders and the Committed Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"). Terms defined in the Agreement are used herein with the same meaning.

Pursuant to Section 2.05 of the Agreement, the undersigned hereby notifies each Managing Agent of its intent to make certain prepayments (which shall be made ratably among the Lenders based on the aggregate outstanding Principal Amount of the Loans held by each) as outlined below. This notice must be received no later than 12:00 p.m. (New York City time) two (2) Business Days prior to the date of such payment.

1. The aggregate amount (which shall be at least \$500,000, or integral multiples of \$100,000 in excess thereof) of the prepayment is: \$_____
2. The Business Day upon which the undersigned shall make such prepayment is: _____.

The undersigned hereby certifies that this prepayment notice is correct in all material respects as of the date so furnished.

DT WAREHOUSE, LLC, as Borrower

By: _____
 Name:
 Title:

FORM OF NOTICE OF EXCLUSIVE CONTROL

[to be placed on Program Agent letterhead]

NOTICE OF EXCLUSIVE CONTROL

[Date]

Wells Fargo Bank, National Association
MAC N9311-161
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479
Attention: Corporate Trust Services –
Asset-Backed Administration

Re: Loan and Servicing Agreement dated as of December 28, 2011 (the “Agreement”) by and among DT Warehouse, LLC, as borrower, DT Credit Company, LLC, as servicer, Wells Fargo Bank, National Association, as backup servicer, paying agent and securities intermediary, the persons from time to time parties thereto as conduit lenders, the financial institutions from time to time party thereto as committed lenders, the financial institutions from time to time party thereto as managing agents and Deutsche Bank AG, New York Branch, as program agent

Ladies and Gentlemen:

This constitutes a Notice of Exclusive Control as referred to in paragraph 2.20(c) of the Agreement, a copy of which is attached hereto. Pursuant to such paragraph 2.20(c), we hereby notify you that we are exercising our rights to assume and exercise exclusive control of account number [•] maintained with you. [Available funds deposited in such accounts should be sent at the end of each day to [_____]].

DEUTSCHE BANK AG, NEW YORK BRANCH,
as Program Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

FORM OF LTV ADJUSTED ADVANCE RATE CERTIFICATE

[To Be Provided By Deutsche Bank]

FORM OF BORROWING BASE CERTIFICATE

Attached

MASTER AGENCY AGREEMENT

Attached

INTERCREDITOR PROVISIONS

1. Upon the sale, purported sale, assignment or other transfer by DTAC to the Borrower of any Contract, the related Contract Rights, the related “supporting obligations” (as defined in Article 9 of the UCC) and proceeds of any of the foregoing, any Adverse Claim in favor of any creditor of DTAC or DTAG (a “Recourse Creditor”) that exists or would otherwise then exist or arise in respect of such Collateral shall immediately thereupon, automatically and without any further action on the part of any Person, cease to exist and be released, terminated and extinguished, with the effect that at no time shall any Recourse Creditor have any Adverse Claim in such Collateral, and each Recourse Creditor releases, waives and terminates any right, interest or Adverse Claim of any kind in the Collateral.
2. In the event that any payment or distribution to a Recourse Creditor is made from any of the Collateral upon or with respect to any of the claims of such Recourse Creditor, or any Recourse Creditor obtain possession of any of the Collateral prior to the Final Collection Date, each Recourse Creditor shall receive and hold the same in trust, for the benefit of the Program Agent and the Lenders and shall forthwith deliver the same to the Program Agent in the form received (except for the endorsement or assignment of such Recourse Creditor where necessary) for application against the Borrower Obligations, whether due or not due, and, until so delivered, the same shall be held in trust by such Recourse Creditor as the property of the Program Agent for itself and the Lenders.
3. If a Recourse Creditor shall come to hold or own any Equity Interests of the Borrower, it shall not, without the prior consent of the Program Agent (which consent shall not be unreasonably withheld or delayed), (i) except after a payment default and in accordance with its rights and remedies under the applicable agreement governing the indebtedness of such Recourse Creditor, transfer, assign, pledge or sell its interests in such Equity Interests and (ii) cause or consent to any amendment or other modification to the certificate of formation, limited liability company agreement or other constitutional documents of the Borrower, or any merger, consolidation or other combination of the Borrower with or into any other Person, or the commencement of any insolvency or liquidation proceeding in respect of the Borrower.
4. Each Recourse Creditor (i) will recognize the corporate separateness of the Borrower from DTAC, DTAG and the other subsidiaries and affiliates of DTAC and DTAG, (ii) will not seek to substantively consolidate the assets and liabilities of the Borrower with any other Person, (iii) will not challenge the sales, contributions or other transfers of property from DTAC to the Borrower or contest or support any other Person in contesting, in any proceeding, as not constituting “true sales” or “true contributions” from DTAC to the Borrower and (iv) will not assert that the assets and liabilities of any of DTAC, DTAG or any subsidiaries of DTAC or DTAG and the Borrower should be substantively consolidated.

LENDER GROUPS

Deutsche Bank Lender Group					
Managing Agent	Conduit Lender	Conduit Lending Limit	Committed Lender	Commitment	Reference Bank
Deutsche Bank AG, New York Branch	N/A	N/A	Deutsche Bank Trust Company Americas	\$150,000,000	Deutsche Bank AG, New York Branch

NOTICE ADDRESSES

DT Warehouse, LLC
4020 East Indian School Road, Suite 630
Phoenix, AZ 85018
Telephone: (602) 667-2430
Attention: Secretary

DT Credit Company, LLC
4020 East Indian School Road
Phoenix, AZ 85018
Telephone: (602) 852-6600
Attention: Secretary

Wells Fargo Bank, National Association
MAC N9311-161
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479
Telephone: (612) 667-3464
Facsimile: (612) 667-8058
Attention: Corporate Trust Services – Asset-Backed Administration

Deutsche Bank AG, New York Branch
60 Wall Street, 3rd Floor
New York, New York 10005
Telephone: (212) 250-4731
Facsimile: (212) 797-5150
Attention: Conduit Funding/Administration

Deutsche Bank Trust Company Americas
c/o Deutsche Bank AG, New York Branch
60 Wall Street, 3rd Floor
New York, New York 10005
Telephone: (212) 250-9390
Facsimile: (646) 719-0933
Attention: Diedre Hollywood

APPROVED SUB-SERVICERS

None

CONTRACT DEBTOR DOCUMENTS

Each of the following documents constitute the Contract Debtor Documents:

1. The Contract Delivery Documents;
2. The dealer invoice and invoices for any additional equipment included in the Contract, if applicable;
3. Each of the following: (a) the original signed completed credit application, (b) the credit bureau reports, (c) the completed credit investigation form, (d) the completed verification of employment and income forms, and (e) Contract Debtor references;
4. The Originator's funds disbursement listing, if applicable;
5. A certificate for each type of Optional Contract Debtor Insurance purchased by Contract Debtor;
6. The Originator's "deal structure" sheet;
7. The military pay allotment form if the Contract Debtor is in military service and if such allotment has been made; and
8. The payment history and accounting for the Contract.

EMPLOYEE PURCHASE PROGRAM TERMS

Attached

Confidential information in this Loan and Security Agreement has been omitted and filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request

DT WAREHOUSE V, LLC,
as the Borrower,

DT CREDIT COMPANY, LLC,
as the Servicer,

WELLS FARGO BANK, N.A.
as the Lender,

WELLS FARGO SECURITIES, LLC,
as the Administrative Agent,

and

WELLS FARGO BANK, N.A.,
as the Backup Servicer and as the Collateral Custodian

LOAN AND SECURITY AGREEMENT
Dated as of December 23, 2011

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LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement, dated as of December 23, 2011 (this “Agreement”), is among DT WAREHOUSE V, LLC, a Delaware limited liability company, as borrower (the “Borrower”), DT CREDIT COMPANY, LLC, an Arizona limited liability company (together with its permitted successors and assigns, “DTCC”), as servicer (the “Servicer”), Wells Fargo Bank, N.A., as lender (the “Lender”), Wells Fargo Securities, LLC, a Delaware limited liability company, as administrative agent for the Lender (the “Administrative Agent”), and Wells Fargo Bank, N.A., a national banking association, as the collateral custodian (in such capacity, the “Collateral Custodian”) and as the backup servicer (in such capacity, the “Backup Servicer”).

WITNESSETH:

WHEREAS, the Borrower was formed for the purpose of taking assignments of and holding various assets, including motor vehicle finance contracts, amounts received on or in respect of such motor vehicle finance contracts and proceeds of the foregoing;

WHEREAS, the Borrower has requested that the Lender make certain loans to the Borrower from time to time, the proceeds of which will be used to finance the purchase price of assets as described herein;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Article I

Definitions; Construction

Section 1.1. Definitions.

Whenever used herein, unless the context otherwise requires, the following words and phrases shall have the following meanings:

Accepted Servicing Practices: With respect to any Contract, those servicing practices (including collection procedures) of prudent subprime auto loan servicing institutions which service auto loans of the same type as such Contract in the jurisdiction where such Contract is located, and which are in accordance with Applicable Law, the provisions of this Agreement and the practices described in the Credit and Collection Policy.

Account Bank: Wells Fargo Bank, N.A., or any other bank approved by the Administrative Agent.

Account Collateral: With respect to each Account, such Account, together with all cash, securities, financial assets (as defined in Section 8-102(a)(9) of the UCC) and investments and other property from time to time deposited or credited to such Account and all proceeds thereof.

Accounting Period: A calendar month.

Accounts: The Collection Account and the Reserve Account.

Addition Date: Each date when Subsequent Contracts are added to the Collateral in connection with a Subsequent Loan.

Additional Amount: As defined in Section 2.13(a).

Adjusted Borrowing Base: On any day on or after the occurrence of an Overcollateralization Increase Event, the percentage equivalent of a fraction the numerator of which is the Note Balance on such day and the denominator of which is the Net Principal Balance on such day, in each case, determined after giving effect to any Subsequent Loan made on such day and the addition of any Subsequent Contracts made in connection with such Subsequent Loan.

Adjusted Eurodollar Rate: On any day, an interest rate per annum equal to the quotient, expressed as a percentage and rounded upwards, if necessary, to the nearest 1/100 of 1%, obtained by dividing (a) the LIBOR Rate by (b) 100% minus the Eurodollar Reserve Percentage.

Administrative Agent: As defined in the Preamble.

Administrative Agent's Account: That account held at the Account Bank (account number [*]) in the name of the Administrative Agent.

Advance Rate: On any date (i) other than a day during any Overcollateralization Increase Period, 57.6% and (ii) on any day during any Overcollateralization Increase Period, 47.6%.

Advisors: Accountants, attorneys, consultants, advisors, credit enhancers, liquidity providers and Persons similar to the foregoing and the respective directors, officers, employees and managers of each of the foregoing.

Affected Party: The Lender, the Administrative Agent and their respective successors and assigns.

Affiliate: With respect to a Person, any other Person controlling, controlled by or under common control with such Person. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" or "controlled" have meanings correlative to the foregoing.

Aggregate Unpaids: With respect to any date, an amount equal to the sum of (i) the Note Balance, (ii) all accrued but unpaid Interest, (iii) all Used Fees and Unused Fees, (iv) all amounts due and owing or accrued but unpaid as of such date of determination to the Collateral Custodian and to the Backup Servicer and, (v) without duplication, all other Obligations owed (whether due

* Confidential information on this page has been omitted and filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request.

and payable or accrued as of such date of determination) by the Borrower to the Secured Parties under this Agreement and the other Transaction Documents.

Agreement: As defined in the Preamble.

Alternative Rate: With respect to any Loan and an Interest Period, an interest rate per annum equal to the Adjusted Eurodollar Rate; provided, however, that the “Alternative Rate” shall be the Base Rate if at the time such rate is selected the Lender has notified the Administrative Agent that a Eurodollar Disruption Event has occurred.

Amortization Date: The earlier to occur of (i) the Commitment Termination Date and (ii) the Termination Date.

Annual Percentage Rate or APR: With respect to a Contract, the annual percentage rate of finance charges stated in such Contract as the “annual percentage rate” (within the meaning of the Federal Truth-in-Lending Act). If, after the applicable Funding Date, the rate per annum with respect to a Pledged Contract as of such Funding Date is reduced as a result of (i) an insolvency proceeding involving the related Obligor or (ii) pursuant to the Servicemembers Civil Relief Act, “Annual Percentage Rate” or “APR” shall refer to such reduced rate.

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 usury laws, the Federal Truth-in-Lending Act, Regulation Z and Regulation B of the Federal Reserve Board, the Securities Act and the Exchange Act), and applicable judgments, decrees, injunctions, writs, orders or line action of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction.

Approved Indebtedness: Any Indebtedness of DTAC and/or DTAG that is subordinated in right of payment and security (if such Indebtedness is secured) to all senior secured Indebtedness of each of DTAC and DTAG and such Indebtedness shall have a scheduled maturity date no earlier than 18 months following the Amortization Date. To be deemed “Approved Indebtedness”, DTAC and/or DTAG shall either place a legend indicating such subordination on every note, ledger page or other document evidencing any part of the Indebtedness or deliver such documents to the Administrative Agent, on behalf of the Lenders.

Assignment and Acceptance: An assignment and acceptance agreement between the Lender and an Eligible Assignee, in substantially the form of Exhibit C hereto.

Assumption Date: The date, if any, when the Backup Servicer becomes Successor Servicer hereunder.

Authorized Officer: Any officer, including any president, vice president, assistant vice president, treasurer, assistant treasurer, secretary or assistant secretary or any other officer performing functions similar to those performed by such officers.

Available Amount: With respect to any Loan advanced (A) on any day during any Overcollateralization Increase Period, the lesser of (i) an amount equal to the excess of (x) the

product of the Advance Rate on such date and the Net Principal Balance (determined solely with respect to the Contracts to be added to the Collateral on such day) over (y) the amount, if any, necessary to reduce the amount in clause (x) such that after giving effect to the Loan to be made on such day and the addition of the Eligible Contracts to the Collateral, none of the Concentration Limits are exceeded and (ii) the excess, if any, of the Commitment over the Note Balance on such date, prior to giving effect to the Loan to be made on such date or (B) on any other day, the positive amount, if any by which the Borrowing Base exceeds the Note Balance on such day.

Available Cash: With respect to the DT Entities On A Consolidated Basis, at any date, the sum of (i) all unrestricted cash and Cash Equivalents and (ii) the Borrowing Base Surplus, if any, on such date.

Available Funds: For any Payment Date and the related Collection Period, the sum of (i) Collections in respect of the Pledged Contracts and Collateral on deposit in the Collection Account, to the extent received during or in respect of the related Collection Period, (ii) any Reserve Account Excess Amounts relating to investment earnings described in Section 2.10(f)(ii) for the related Collection Period, and (iii) investment earnings on deposit in the Collection Account.

Available Funds Shortfall: For any Payment Date, the positive difference, if any, of (i) the amount necessary to make all distributions required to be made pursuant to clauses (i) through (vi) of Section 2.7 (and, solely to the extent that the Note Balance exceeds the Net Principal Balance on such Payment Date, clause (vii) of Section 2.7) over (ii) the Available Funds for such Payment Date.

Available Liquidity: With respect to the DT Entities On A Consolidated Basis at any date, the aggregate for such date of (i) all Available Cash, (ii) the unused portion of the amount available to be borrowed as of such date under the Inventory Facility (such amount being the positive amount, if any, by which, so long as all the conditions to making a borrowing under the applicable documents are satisfied on such date, the applicable borrowing base exceeds the outstanding principal amount of loans thereunder), (iii) the unused portion of the amount available to be borrowed as of such date (such amount being the positive amount, if any, by which, so long as all the conditions to making a borrowing under the applicable documents are satisfied on such date, the applicable borrowing base exceeds the outstanding principal amount of loans thereunder) under each Warehouse Facility reviewed and approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed), (iv) the unused portion of the amount available to be borrowed as of such date (such amount being the positive amount, if any, by which, so long as all the conditions to making a borrowing under the applicable documents are satisfied on such date, the applicable borrowing base exceeds the outstanding principal amount of loans thereunder) under any other asset-based credit facility (including, without limitation, a credit facility secured by residual interests in securitization transactions involving Contracts) reviewed and approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed), and (v) so long as all the conditions to making a borrowing under the applicable documents are satisfied on such date, an amount (without duplication) that would be the unused portion of borrowing availability as of such date under any committed asset-based credit facility (including, without limitation, a credit facility

secured by residual interests in securitization transactions involving Contracts) reviewed and approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) if all unencumbered Contracts or Contracts which would meet the eligibility criteria under any such facility and are available to be released and transferred to the applicable borrower as collateral thereunder (without causing an event of default under any applicable facility) were released and so transferred. For the avoidance of doubt, all calculations of amounts available under any of the facilities referred to in clauses (ii) through (v) above shall be determined without duplication, such that if any asset is eligible under more than one facility, it shall be deemed to be available only under one facility.

Backup Servicer: As defined in the Preamble.

Backup Servicer Termination Notice: As defined in Section 8.4.

Backup Servicing Fee: The fee payable to the Backup Servicer in accordance with Section 2.11(c).

Backup Servicing Fee Rate: As defined in the Collateral Custodian Fee Letter.

Bankruptcy Code: The United States Bankruptcy Code (Title 11 of the United States Code).

Base Rate: A rate per annum equal to the greatest of (i) the Prime Rate and (ii) the Federal Funds Rate plus 0.50% and (iii) the Adjusted Eurodollar Rate.

Benefit Plan: (i) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, (ii) plans described in Section 4975(e)(1) of the Code, including individual retirement accounts or Keogh Plans that are not exempt under Section 4975(g) of the Code and (iii) any entities whose underlying assets include plan assets by reason of a plan's investment in such entities.

Borrower: As defined in the Preamble.

Borrower's Account: The bank account of the Borrower, as notified to the Administrative Agent from time to time in writing by the Borrower, into which all Principal Amounts shall be deposited, which account, as of the Closing Date, is in the name of DT Warehouse V, LLC, at the Account Bank.

Borrowing Base: As of any day, an amount equal to the lesser of (i) the product of (a) the Advance Rate in effect for such day and (b) the Net Principal Balance on such day and (ii) the Commitment.

Borrowing Base Deficiency: Shall occur on any day on which (i) if such day occurs prior to the occurrence of an Overcollateralization Increase Event, the Note Balance shall exceed sum of (x) the Borrowing Base in effect on such day and (y) funds on deposit on such day in the Collection Account and (ii) if such day occurs on or after the occurrence of an Overcollateralization Increase Event, the Note Balance shall exceed sum of (x) the lesser of (I) the Borrowing Base (determined in accordance with clause (i) of the definition thereof) and (II) the Adjusted Borrowing Base on such day and (y) funds on deposit on such day in the Collection Account.

Borrowing Base Surplus: On any date of determination, so long as all the conditions to making a Loan under this Agreement are satisfied on such date, (i) the excess, if any, of (A) the Borrowing Base over (B) the Note Balance less (ii) Aggregate Unpaid due and payable on such date.

Breakage Costs: Such amount or amounts as shall compensate the Lender for any loss, cost or expense (but excluding lost profits) incurred by the Lender (as reasonably determined by the Lender) as a result of any prepayment of a Loan (and interest thereon).

Business Day: (i) any day other than a Saturday or a Sunday on which commercial banking institutions are not required or authorized to be closed in New York, New York, Minneapolis, Minnesota, Charlotte, North Carolina and Phoenix, Arizona and (ii) if the term "Business Day" is used in connection with the Adjusted Eurodollar Rate, such day must also be a LIBOR Business Day.

Cash Equivalents: On any day (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody's, (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than \$250,000,000, (e) "deposit accounts" (as defined in the UCC) maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than \$250,000,000, having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above.

Certificate of Title: With respect to a Financed Vehicle, (i) the original certificate of title relating thereto, or copies of correspondence to the applicable Registrar of Titles, and all enclosures thereto, for issuance of the original certificate of title or (ii) if the applicable Registrar of Titles issues a letter or other form of evidence of lien in lieu of a certificate of title (including electronic titling), the original lien entry letter or form or copies of correspondence to such applicable Registrar of Titles, and all enclosures thereto, for issuance of the original lien entry letter or form, which, in either case, shall name the related Obligor as the owner of such

Financed Vehicle and the Originator, the Borrower or the Administrative Agent, as secured party.

Change of Control: The occurrence of any of the following: (a) the acquisition by any Person, or two or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of outstanding shares of voting stock or membership interests of either DTAC or DTAG at any time, if after giving effect to such acquisition, Ernest C. Garcia II or an entity or trust affiliated with such individual, collectively, shall own less than 50% of the voting stock and membership interest of each of DTAC and DTAG or ceases to have the right to elect a majority of the board of directors of either DTAC or DTAG; (b) any transaction or series of transactions whereby any Person or Persons acting in concert (other than the Lender and/or its Affiliates) acquire the right, by contract or otherwise, to direct the management and activities of any DT Entity or its Subsidiaries; or (c) the Originator shall cease to own, directly or indirectly, 100% of the issued and outstanding membership interests of the Borrower.

Closing Date: The date hereof.

Code: The Internal Revenue Code of 1986.

Collateral: As defined in Section 3.1(a).

Collateral Custodian: Wells Fargo Bank, N.A., and its permitted successors and assigns.

Collateral Custodian Fee: The fees and expenses of the Collateral Custodian as described in the Collateral Custodian Fee Letter.

Collateral Custodian Fee Letter: The Collateral Custodian Fee Letter, dated as of the date hereof, among the Originator, the Administrative Agent and the Collateral Custodian, a copy of which is attached hereto as Exhibit M.

Collection Account: A segregated account established by the Servicer with the Account Bank, for the benefit of the Secured Parties, into which all Collections are deposited.

Collection Period: With respect to any Payment Date, the immediately preceding calendar month, except for the first Payment Date, in which case such term means the period beginning on the Initial Cut-off Date, to and including December 31, 2011.

Collections: All cash collections and other cash proceeds of the Pledged Contracts and Collateral, including all payments of principal, Interest Collections, investment earnings, Liquidation Proceeds, Insurance Proceeds, deemed collections, payments made to Borrower under Hedging Agreements, and any funds received by the Borrower, the Originator, the Backup Servicer or the Servicer from the Pledged Contracts and Collateral received during any Collection Period.

Commitment: \$150,000,000, as such amount may be modified in accordance with the terms hereof.

Commitment Termination Date: December 22, 2013 or such later date to which the Commitment Termination Date may be extended in accordance with Section 2.3.

Concentration Limits: As of any date of determination for purposes of determining the Borrowing Base, the following concentration limitations will apply:

- (i) not more than 7.5% of the Net Principal Balance of the Pledged Contracts included in the Borrowing Base constitute Contracts the Obligor of which have Obligor Ratings of D+, D or D-;
- (ii) not more than 15.00% of the Net Principal Balance of the Pledged Contracts included in the Borrowing Base constitute Contracts the Obligor of which have Obligor Ratings of C-, D+, D or D-;
- (iii) not more than 15.0% of the Net Principal Balance of the Pledged Contracts included in the Borrowing Base constitute Contracts that are evidenced by “electronic chattel paper” as defined in the UCC; and
- (iv) (1) not more than 15.00% of the Net Principal Balance of the Pledged Contracts included in the Borrowing Base relate to Obligor with addresses in any single state (other than Florida or Texas), (2) not more than 22.50% of the Net Principal Balance of the Pledged Contracts included in the Borrowing Base relate to Obligor with addresses in Florida, and (3) not more than 30.00% of the Net Principal Balance of the Contracts included in the Borrowing Base relate to Obligor with addresses in Texas.

Confidential Information: Includes (i) information transmitted in written, oral, magnetic or any other medium, (ii) all copies and reproductions, in whole or in part, of such information and (iii) all summaries, analyses, compilations, studies, notes or other records which contain, reflect or are generated from such information; provided, that Confidential Information does not include, with respect to a Person, information that (a) was already known to such Person and such knowledge was not obtained from any other entity who was known by such Person to be subject to an obligation of confidentiality or otherwise prohibited from transmitting such information to such Person, (b) is or has become part of the public domain through no act or omission of such Person, (c) is or was lawfully disclosed to such Person without restriction on disclosure by a third party, (d) is or was developed independently by such Person or (e) is or was lawfully and independently provided to such Person prior to disclosure hereunder, from a third party who is not known by such Person to be subject to an obligation of confidentiality or otherwise prohibited from transmitting such information.

Continued Errors: As defined in Section 7.10(e).

Contract: A retail installment or conditional sale contract, with any modifications made in accordance with the Credit and Collection Policy, provided, however, that no such modification has reduced the Principal Balance or reduced the APR of such Contract, originated by any of DTCS or the Originator at any time pursuant to which an Obligor has (i) purchased a new or used Motor Vehicle from a DT Entity or, with the consent of the Administrative Agent, a Dealer, (ii) granted a security interest in the Motor Vehicle to secure the Obligor’s payment obligations,

and (iii) agreed to pay the unpaid purchase price and a finance charge in periodic installments no less frequently than monthly.

Contract File: With respect to each Contract and the related Contract, the original fully executed Contract, the original Certificate of Title or evidence that such Certificate of Title has been applied for, and the original endorsements or assignments showing the chain of ownership of such Contract.

Contract Receipt: The Trust Receipt, as defined in the Custodial Agreement.

Contract Rights Payors: All Persons, other than Obligors, at any time obligated under any Contract, whether as co-signer, co-borrower, guarantor or otherwise.

Contractual Obligation: With respect to any Person, 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.

Credit and Collection Policy: With respect to the initial Servicer, the credit and collection policies of the Servicer, attached hereto as Exhibit D as amended, modified, restated, replaced or otherwise supplemented from time to time within the applicable limitations of this Agreement or, with respect to any Successor Servicer, the customary credit and collection policies of such Successor Servicer in accordance with Section 7.17(d).

Custodial Agreement: The Custodial Agreement, dated as of December 23, 2011, among the Collateral Custodian, the Borrower, the Originator, the Servicer and the Administrative Agent.

Cut-off Date: With respect to Contracts transferred to the Borrower on a Funding Date, such date as shall be identified as the Cut-off Date in the related Funding Request.

Dealer: Any Person approved by the Administrative Agent, other than a DT Entity, that is in the business of selling and financing Motor Vehicles to the public in the retail market who has entered into a Dealer Agreement with a DT Entity.

Dealer Agreement: An agreement between a DT Entity and the Originator or, with the prior consent of the Administrative Agent, a Dealer and a DT Entity, regarding the terms and conditions of the acquisition by the Originator from such Dealer of Contracts and the related Contracts, which agreement includes (i) certain representations, warranties and covenants of such Dealer acceptable to the Borrower with respect to the Contracts and related Contracts sold by such Dealer, (ii) the agreement of such Dealer to repurchase the Contract and any related Contract with respect to which one or more of such representations and warranties has been breached and (iii) the agreement by such Dealer to (x) maintain all licenses required by Applicable Law at the time of the sale by such Dealer of a Contract and (y) have had all licenses required by Applicable Law at the time of the origination by such Dealer of a Contract.

Defaulted Contract: Any Contract (i) with respect to which, as of the last day of any calendar month, more than 10%, of any Scheduled Payment is delinquent one hundred and twenty (120) days or more on the last day of a calendar month, (ii) with respect to which the related Financed

Vehicle has been repossessed and the Servicer has either liquidated such Financed Vehicle or held such Financed Vehicle in its inventory for more than sixty (60) days, or (iii) which has been or is required to be charged-off or is deemed uncollectible by the Servicer in accordance with the Credit and Collection Policy. For purposes of determining the Borrowing Base, the Principal Balance of a Defaulted Contract will be zero as of the last day of the Collection Period during which it became a Defaulted Contract.

Delinquency Ratio (Managed Contracts): As of any Measurement Date, the percentage equivalent of a fraction, (i) the numerator of which is equal to the aggregate Principal Balance of all Delinquent Contracts that are Managed Contracts as of such Measurement Date and (ii) the denominator of which is equal to the aggregate Principal Balance of all Contracts that are Managed Contracts as of such Measurement Date.

Delinquency Ratio (Pledged Contracts): As of any Measurement Date, the percentage equivalent of a fraction, (i) the numerator of which is equal to the aggregate Principal Balance of all Delinquent Contracts which constitute Pledged Contracts as of such Measurement Date and (ii) the denominator of which is equal to the aggregate Principal Balance of all Pledged Contracts as of the end of such Measurement Date.

Delinquent Contract: Any Contract other than a Defaulted Contract with respect to which ten percent (10%) or more of any Scheduled Payment thereon remains unpaid for more than sixty (60) days from the original due date for such payment.

Depository Account: Each depository account, concentration account or other similar account into which Collections are collected or deposited.

Derivatives: Any (i) exchange-traded or over-the-counter forward, future, option, swap, cap, collar, floor or foreign exchange contract or any combination of the foregoing, 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) similar transaction, contract, instrument, undertaking or security or (iii) transaction, contract, instrument, undertaking or security containing any of the foregoing.

Determination Date: With respect to any Payment Date and the related Collection Period, the last day of the related Collection Period.

Dollars or \$: The lawful currency of the United States.

DTAC: DT Acceptance Corporation or its successors or assigns.

DTAC Indenture: That certain Indenture, dated as of June 4, 2010, by and among DTAC and DTAG, as issuers, the guarantors party thereto, and Wells Fargo Bank, N.A., as trustee and collateral agent thereunder, as the same may be amended, restated, supplemented or otherwise modified from time to time.

DTAG: DriveTime Automotive Group, Inc. or its successors or assigns.

DTCC: As defined in the Preamble.

DTCS: DriveTime Car Sales Company, LLC, its successors or assigns and any wholly-owned Subsidiary formed for the purpose of obtaining a license in any Permitted State.

DTSFC: DriveTime Sales and Finance Company, LLC or its successors or assigns.

DT Entities On A Consolidated Basis: With respect to any applicable financial statement or measurement, the treatment of such financial information or measurement for DTAC and DTAG, together with their consolidated Subsidiaries as a single unit, after elimination of all intercompany transactions, determined in accordance with GAAP.

DT Entity: Any of the Borrower, the Servicer, DTAG, DTAC and each wholly-owned Subsidiary of any of them, including without limitation, DTCS.

Eligible Assignee: (i) Wells Fargo Bank, N.A. or any of its Affiliates, or (ii) a Person either (x) whose short-term rating is at least “A-1” from Standard & Poor’s and “P-1” from Moody’s, or whose obligations under this Agreement are guaranteed by a Person whose short-term rating is at least “A-1” from Standard & Poor’s and “P-1” from Moody’s or (y) who is satisfactory to the Administrative Agent, subject, in the case of any Person chosen pursuant to clause (ii), to the prior written consent of the Borrower (which consent shall not be unreasonably withheld or delayed).

Eligible Contract: On any date of determination, any Contract which satisfies each of the eligibility requirements set forth on Schedule A hereto.

ERISA: The Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

ERISA Affiliate: Any (i) 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, (ii) trade or business (whether or not incorporated) that is under common control (within the meaning of Section 414(c) of the Code) with the Borrower or (iii) 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 (i) above or any trade or business described in clause (ii) above.

Errors: As defined in Section 7.10(e).

Eurodollar Disruption Event: With respect to any Loan as to which Interest accrues or is to accrue at a rate based upon the Adjusted Eurodollar Rate, any of the following: (i) a determination by the 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 such Loan; (ii) the inability of the Lender to obtain timely information for purposes of determining the Adjusted Eurodollar Rate; (iii) a determination by the Lender that the rate at which deposits of Dollars are being offered to the Lender in the London interbank market does not accurately reflect the cost to such Lender of making, funding or maintaining any Loan; or (iv) the inability of the Lender to

obtain United States Dollars in the London interbank market to make, fund or maintain any Loan.

Eurodollar Reserve Percentage: On any day, the applicable reserve percentage (expressed as a decimal) prescribed by the Federal Reserve Board for determining reserve requirements for “Eurocurrency Liabilities” pursuant to Regulation D or any other applicable regulation of the Federal Reserve Board that prescribes reserve requirements applicable to “Eurocurrency Liabilities” as presently defined in Regulation D.

Eurodollars: Deposits in Dollars held in financial institutions outside of the United States.

Event of Bankruptcy: With respect to a specified Person, (i) such Person shall fail generally to pay its debts as they come due, or shall make a general assignment for the benefit of creditors; or any case or other proceeding shall be instituted by such Person seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of it or its debts under the Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or seeking the entry of an order for relief or the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets; or such Person shall take any corporate or limited liability company action to authorize any of such actions; or (ii) a case or other proceeding shall be commenced, without the application or consent of such Person in any court seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets, or any similar action with respect to such Person under any Insolvency Law, and (A) such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of sixty (60) consecutive days or (B) an order for relief in respect of such Person shall be entered in such case or proceeding or a decree or order granting such other requested relief shall be entered.

Exception: Any exception to a Contract File.

Excess Concentration Amount: With respect to all Pledged Contracts on any date of determination, the aggregate of the amounts by which the Principal Balance of such Contracts on such date exceeds any applicable Concentration Limits, to be calculated without duplication, on such date.

Excess Spread: As of any Determination Date, the annualized percentage equivalent of (a) the weighted average APR of the Pledged Contracts as of such Determination Date, minus (b) the sum of (1) the Hedge Rate for such Collection Period, plus (2) the greater of (x) the Servicing Fee Rate for such Collection Period and (y) the servicing fee rate payable to any successor servicer, plus (3) the Used Fee Rate for such Collection Period, plus (4) the Backup Servicing Fee Rate for such Collection Period.

Exchange Act: The Securities Exchange Act of 1934.

Excluded Taxes: (a) taxes imposed on or measured by net income (however denominated), franchise or gross revenue taxes imposed in lieu of net income taxes or branch profits taxes

imposed, by the United States (or any political subdivision thereof), or any other jurisdiction (or any political subdivision thereof), as a result of the recipient being organized in, doing business in (other than any business arising from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan, or sold or assigned an interest in any Loan or Transaction Document), or having its principal office or applicable lending office located in such jurisdiction or in which the recipient is paying such taxes as of the date such recipient becomes a party to the Agreement; (b) any United States withholding tax imposed by reason of an Lender or its assignee's failure to provide to the Borrower the documents set forth in Section 2.13(e) or to maintain or update such documents; (c) any United States federal withholding taxes that would be imposed on amounts payable to a recipient that is not a United States person within the meaning of Code Section 7701(a)(30) based upon the applicable withholding rate in effect at the time such recipient becomes a party to the Agreement (or designates a new lending office); and (d) any taxes imposed pursuant to or as a result of FATCA.

Extension Rate (Managed Contracts): As of the Measurement Date, the percentage of Managed Contracts for which an extension has been granted by the Servicer in accordance with the Credit and Collection Policy as of such Measurement Date (computed as the number of whole months extended or fractions thereof and based on the number of Contracts for which such extensions were granted during such Accounting Period and the number of Managed Contracts at the beginning of such Accounting Period).

Extension Rate (Pledged Contracts): As of the Measurement Date, the percentage of Pledged Contracts for which an extension of time to make any Scheduled Payment thereunder has been granted by the Servicer in accordance with the Credit and Collection Policy as of such Measurement Date (computed as the number of whole months extended or fractions thereof and based on the number of Contracts for which such extensions were granted during such Accounting Period and the number of Managed Contracts at the beginning of such Accounting Period).

Facility Termination Date: The date following the Termination Date on which the Aggregate Unpaid have been indefeasibly paid in full.

FATCA: Sections 1471 through 1474 of the Code as in effect on the date hereof and any applicable Treasury regulation promulgated thereunder or published administrative guidance implementing such Sections whether in existence on the date hereof or promulgated or published hereafter.

Federal Funds Rate: For any period, a fluctuating interest rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal for each day during such period to the weighted average of the federal funds rates as quoted by Wells Fargo and confirmed in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by Wells Fargo (or, if such day is not a Business Day, for the preceding Business Day), or, if for any reason such rate is not available on any day, the rate determined, in the sole opinion of the Lender, to be the rate at which federal funds are being offered for sale in the national federal funds market at 9:00 a.m. (Charlotte, North Carolina time) on such day.

Federal Reserve Board: The Board of Governors of the Federal Reserve System.

Fee Letter: That letter, dated as of the Closing Date, among the Borrower, the Servicer and the Administrative Agent, setting forth, among other things, the Unused Fee, the Used Fee and the Structuring Fee.

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

Foreclosure Event: As defined in Section 10.2(a).

Formation Documents: The certificate of formation of the Borrower filed in Delaware, dated as of November 23, 2011 and the limited liability company agreement of the Borrower, dated as of December 19, 2011, made by the Originator as member and by the Independent Directors party thereto.

Funding Date: Each Business Day on which a Loan is made.

Funding Request: A written notice from the Borrower requesting a Loan and including the items required by Section 2.1(a)(i), substantially in the form of Exhibit A hereto.

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

Governmental Authority: With respect to any Person, any nation or government, any State or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person.

Hedge Breakage Costs: With respect to any Hedge Transaction and the related Hedging Agreement, any amount payable by the Borrower to the related Hedge Counterparty for the early termination of such Hedge Transaction or any portion thereof.

Hedge Collateral: All of the rights of the Borrower, whether now existing or hereafter acquired, in and to all Hedging Agreements, Hedge Transactions and all present and future amounts payable by all Hedge Counterparties to the Borrower under or in connection with such Hedging Agreements and Hedge Transactions with such Hedge Counterparties.

Hedge Counterparty: Any entity which (i) on the date of entering into any Hedge Transaction is (a) either the Lender or an Affiliate of the Lender, or (b) an entity (x) that has been approved in writing by the Administrative Agent (which approval shall not be unreasonably withheld), and (y) whose debt ratings meet each of the Long-Term Rating Requirement and the Short-Term Rating Requirement, and (ii) in a Hedging Agreement consents to the collateral assignment of the Borrower's rights under the Hedging Agreement to the Administrative Agent pursuant to Section 6.3(b).

Hedge Rate: The "strike rate," "fixed rate" or "cap rate" under the Hedging Agreement.

Hedge Transaction: Each interest rate hedging transaction between the Borrower and a Hedge Counterparty entered into pursuant to Section 6.3(a) that is governed by a Hedging Agreement.

Hedging Agreement: Each agreement between the Borrower and a Hedge Counterparty which governs one or more Hedge Transactions entered into pursuant to Section 6.3(a), which agreement shall consist of a “Master Agreement” in a form published by the International Swaps and Derivatives Association, Inc., together with a “Schedule” thereto in form and substance satisfactory to the Administrative Agent, and each “Confirmation” thereunder confirming the specific terms of each such Hedge Transaction and, if applicable, a “Credit Support Annex” thereto with a Hedge Counterparty specified as pledgor and Borrower specified as secured party.

Indebtedness: With respect to any Person and any day, without duplication, (i) 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 which is evidenced by a note, bond, debenture or similar instrument, (ii) all obligations of such Person under capital leases, (iii) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (iv) 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 and (v) all indebtedness, obligations or liabilities of that Person in respect of Derivatives.

Indemnified Amounts: As defined in Section 11.1.

Indemnified Party: As defined in Section 11.1.

Independent Director: As defined in Section 6.2(n)(xxvii).

Indirect Contract: Any Contract that has been originated by a Dealer and acquired by the Originator or another DT Entity pursuant to a Dealer Agreement.

Indirect Contract Approval Date: The date, following a request by the Borrower to the Administrative Agent and receipt by the Administrative Agent of any information requested by the Administrative Agent in respect thereof, on which the Administrative Agent, on behalf of the Lender, provides its written consent to the inclusion of Indirect Contracts in the Collateral.

Ineligible Contract: A Contract that was originally identified as an Eligible Contract at the time of its transfer to the Borrower but which was not an Eligible Contract at such time.

Initial Cut-off Date: December 20, 2011.

Initial Loan: The first Loan made on or after the Closing Date.

Initial Contract: Each Contract that becomes part of the Collateral on the initial Funding Date in connection with the Initial Loan.

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

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

Insolvency Proceeding: With respect to any Person, any bankruptcy, insolvency, arrangement, rearrangement, conservatorship, moratorium, suspension of payments, readjustment of debt, reorganization, receivership, liquidation, marshaling of assets and liabilities or similar proceeding of or relating to such Person under any Insolvency Laws.

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

Insurance Policy: With respect to any Contract, (i) an insurance policy covering physical damage to or loss of the related Financed Vehicle or (ii) any lender’s single interest, credit life, disability, hospitalization and similar insurance policies with respect to the related Obligor.

Insurance Proceeds: any amounts payable or any payments made under any Insurance Policy.

Intangible Assets: On any date of determination, the amount (to the extent reflected in determining consolidated equity) of (i) all investments in Subsidiaries of DTAC and DTAG other than their consolidated Subsidiaries and (ii) all goodwill, patents, trademarks, service marks, trade names, copyrights, organization or developmental expenses and other intangible items.

Interest: For any Interest Period and each Loan outstanding during such Interest Period, interest on the outstanding Principal Amount of such Loan computed pursuant to Section 2.6; provided, however, that (i) no provision of this Agreement shall require or permit the collection of Interest in excess of the Maximum Lawful Rate and (ii) no portion of any payment of Interest shall be considered to have been paid by any distribution if at any time such portion of such distribution is rescinded or must otherwise be returned for any reason.

Interest Collections: Any and all amounts received in respect of any interest, or other similar charges on a Pledged Contract (including late fees, extension fees, pre-payment fees and other administrative fees and expenses), from or on behalf of Obligors that are deposited into the Collection Account in the form of cash, checks, wire transfers, electronic transfers or any other form of cash payment and all payments to the Borrower from any Hedging Agreement.

Interest Period: A Collection Period; provided, however, that any Interest Period that commences before the Facility Termination Date that would otherwise end after the Facility Termination Date shall end on the Facility Termination Date.

Inventory Facility: The Fourth Amended and Restated Loan and Security Agreement, dated as of October 28, 2011, by and among DTAG, DTSFC, DTCS, Wells Fargo Bank, N.A., Santander Consumer USA, Inc. and Manheim Automotive Financial Services, Inc, as amended, restated, supplemented or otherwise modified from time to time.

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, and excluding commission, travel and similar advances to officers, employees and directors made in the ordinary course of business.

Investment Company Act: The Investment Company Act of 1940.

Lender: As defined in the Preamble.

Lender Register: As defined in Section 13.1(d).

Leverage Ratio: On the last day of each of each March, June, September and December, the ratio computed by dividing (a) the total assets of the DT Entities On A Consolidated Basis as of such date, determined in accordance with GAAP by (b) Net Worth on such date.

Liability: Any duty, responsibility, obligation or liability.

LIBOR Business Day: Any day of the year other than a Saturday, Sunday or any day on which banking institutions in London, England generally are required or authorized to be closed.

LIBOR Rate: For any day or Interest Period, an interest rate per annum equal to:

(i) the posted rate for thirty (30)-day deposits in Dollars appearing on Reuters Screen LIBOR01 as of 11:00 a.m. (London, England time) on the second LIBOR Business Day prior to such Interest Period; or

(ii) if no such rate appears on Reuters Screen LIBOR01 at such time and day, then the LIBOR Rate shall be determined by the Lender at its principal office in Charlotte, North Carolina as its rate (each such determination, absent manifest error, to be conclusive and binding on all parties hereto) at which thirty (30)-day deposits in Dollars are being, have been or would be offered or quoted by the Lender to major banks in the applicable interbank market for Eurodollar deposits at or about 11:00 a.m. (Charlotte, North Carolina time) on such day.

Lien: Any mortgage, lien, pledge, charge, claim, security interest or encumbrance of any kind.

Liquidation Proceeds: For any Collection Period and any Defaulted Contract, the amount (which shall not be less than zero) received by the Servicer and deposited into the Collection Account after a Pledged Contract becomes a Defaulted Contract, in connection with the attempted realization of the full amounts due or to become due under such Contract, whether from the sale or other disposition of the related Financed Vehicle, the proceeds of repossession or any collection effort, the proceeds of recourse or similar payments payable under the related Pledged Contract, receipt of Insurance Proceeds or otherwise, net of any reasonable out-of-pocket expenses (exclusive of overhead) incurred by the Servicer with respect to the collection and enforcement of such Contract, to the extent not previously reimbursed to the Servicer.

Loan: As defined in Section 2.1(a).

Lockbox: A post office box described in a Lockbox Agreement, to which the Obligors with respect to one or more Pledged Contracts send payment thereon, to be processed by the Lockbox

Processor and deposited into the Collection Account within two (2) Business Days of receipt in the Lockbox.

Lockbox Agreement: Any remittance processing services agreement to be established on or prior to the Closing Date among the Servicer and the Lockbox Processor.

Lockbox Processor: The remittance processing agent which provides a Lockbox pursuant to a Lockbox Agreement.

Long-Term Rating Requirement: A long-term unsecured debt rating of not less than A by Standard & Poor's and not less than A2 by Moody's.

Managed Contracts: All Contracts serviced by Servicer, which Contracts were originated or purchased by any of the DT Entities, including without limitation the Contracts that are Collateral hereunder, and those Contracts which have been subsequently sold to a third party, with the servicing retained by Servicer and with a residual interest in such Contracts held by any of the DT Entities.

Master Agency Agreement: That certain Amended and Restated Master Depository Accounts and Post Office Boxes and Agency Agreement, dated as of December 16, 2005 among DTCC, DTCS, The Royal Bank of Scotland (successor-in-interest to Greenwich Capital Financial Products, Inc.), Wells Fargo Bank, N.A. and Wilmington Trust Company, in its capacity as owner trustee of certain "Current Trusts" identified therein, as amended, modified or supplemented from time to time with the prior written consent of the Administrative Agent, together with any acknowledgement and agreement.

Material Adverse Effect: With respect to any Person and to any event or circumstance, a material adverse effect on (a) the property, business, operations, financial condition or prospects of such Person and their Affiliates, taken as a whole, (b) the ability of such Person to perform in all material respects its obligations under any of the Transaction Documents to which it is a party, (c) the legality, validity or enforceability in any material respect of any of the Transaction Documents, (d) the rights and remedies of the Lender under any of the Transaction Documents, (e) the timely payment of the principal of or interest on the loans or other amounts payable in connection therewith, (f) any Secured Party's interest in the Collateral (including, without limitation, the priority of such interest) or (g) the collectability of the Pledged Contracts generally or of any material portion of the Pledged Contracts.

Maximum Lawful Rate: The highest rate of interest permissible under Applicable Law.

Maximum Utilization Percentage: On any day, the percentage equivalent of a fraction the numerator of which is equal to aggregate outstanding principal amount under all Warehouse Facilities on such date of determination and the denominator of which is equal to the aggregate of the facility limits under all Warehouse Facilities on such date of determination.

Measurement Date: With respect to any Accounting Period, the nearest Sunday to the last day of such Accounting Period.

Monthly Backup Servicer Certificate: A monthly report of the Backup Servicer, in substantially the form of Exhibit J.

Monthly Report: A monthly statement of the Servicer with respect to the immediately preceding Collection Period, in substantially the form of Exhibit I.

Moody's: Moody's Investors Service, Inc.

Motor Vehicle: A passenger motor vehicle, van, or light duty truck which is not manufactured for a particular commercial purpose and which can be registered for use on public highways, and is not a vehicle that is titled outside the United States or has been previously titled outside the United States.

Multiemployer Plan: A "multiemployer plan" as defined in Section 4001(a)(3) of ERISA which 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 Equity: On any day, the positive excess, if any, of (i) the book value of the assets of the DT Entities On A Consolidated Basis over (ii) the book value of the liabilities of the DT Entities On A Consolidated Basis, in each case determined in accordance with GAAP.

Net Income: For any period for the DT Entities On A Consolidated Basis, the net income (or loss) of the DT Entities On A Consolidated Basis for such period taken as a single accounting period determined in conformity with GAAP; provided that there shall be excluded (a) the income (or loss) of any Person (other than the DT Entities On A Consolidated Basis) in which any other Person (other than the DT Entities On A Consolidated Basis) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to the DT Entities On A Consolidated Basis by such Person during such period, (b) the income (or loss) of any Person accrued prior to the date it becomes a consolidated Subsidiary or is merged into or consolidated with any DT Entity or that Person's assets are acquired by any DT Entity or a consolidated Subsidiary, (c) the income of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of their charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary, (d) any after-tax gains or losses attributable to asset sales or returned surplus assets of any pension plan, and (e) (to the extent not included in clauses (a) through (d) above) any net extraordinary gains or net non-cash extraordinary losses.

Net Losses Ratio (Managed Contracts): With respect to any Accounting Period, the percentage equivalent of a fraction, the numerator of which is the aggregate Principal Balance of the Managed Contracts which became Defaulted Contracts during such Accounting Period, minus the aggregate amount received by the Servicer during such Accounting Period in respect of any such Managed Contract which is a Defaulted Contract as of the end of such Accounting Period, and the denominator of which is the aggregate Principal Balance of all Managed Contracts as of the end of such Accounting Period.

Net Losses Ratio (Pledged Contracts): With respect to any Accounting Period, the percentage equivalent of a fraction, the numerator of which is the aggregate Principal Balance of such

Pledged Contracts which became Defaulted Contracts during such Accounting Period, minus the aggregate Liquidation Proceeds received by the Servicer during such Accounting Period, and the denominator of which is the aggregate Principal Balance of all Pledged Contracts as of the end of such Accounting Period.

Net Principal Balance: On any day with respect to the Pledged Contracts that are Eligible Contracts on such day, (i) the aggregate Principal Balance of such Contracts, minus (ii) the Excess Concentration Amount as of such day.

Net Worth: On any day with respect to the DT Entities On A Consolidated Basis, (i) Net Equity at such time, plus (ii) the lesser of (x) the aggregate amount of Approved Indebtedness at such time and (y) \$100,000,000, plus (iii) without duplication, the preference value of preferred shares of the DT Entities On A Consolidated Basis minus (iv) the sum of (x) the aggregate value of all Intangible Assets of the DT Entities On A Consolidated Basis at such time determined in accordance with GAAP and (y) the aggregate amount of all advances to employees of the DT Entities at such time.

Note: As defined in Section 2.4(a).

Note Balance: On any day, the aggregate Principal Amount of Loans made on or prior to such day in respect of the Pledged Contracts that are, on such day, Eligible Contracts, reduced from time to time by payments and distributions in respect of principal with respect to such Loans in accordance with the terms hereof; provided that such aggregate Principal Amount shall be restored and reinstated in the amount of any such payment or distribution in respect of principal that is rescinded or otherwise returned for any reason.

Obligations: All loans, advances, debts, liabilities and obligations for monetary amounts owing by the Borrower to the Secured Parties, the Administrative Agent, the Agents or any of their respective assigns, as the case may be, whether due or to become due, matured or unmatured, liquidated or unliquidated, contingent or non-contingent and all covenants and duties regarding such amounts, of any kind or nature, present or future, arising under or in respect of any of the Loans or any Hedging Agreement, whether or not evidenced by any separate note, agreement or other instrument, including all principal, interest (including interest that accrues after the commencement against the Borrower of any action under the Bankruptcy Code), Breakage Costs, Hedge Breakage Costs, fees, including any and all arrangement fees, loan fees, Used Fees and Unused Fees, and any and all other fees, expenses, costs or other sums (including attorney fees and disbursements) chargeable to the Borrower under the Transaction Documents.

Obligor: Each Person obligated to make payments on or pursuant to a Contract, including any guarantor thereof.

Obligor Rating: For any Obligor, the rating assigned at the time the related Contract is originated to such Obligor in conformity with the Credit and Collection Policy, by the Originator, which ratings may be A, B], C+, C, C-, D+, D or D-.

OFAC: The U.S. Department of the Treasury's Office of Foreign Assets Control.

Officer's Certificate: With respect to any Person, a certificate signed by any officer of such Person, and delivered to the Administrative Agent.

Opinion of Counsel: With respect to any Person, a written opinion of counsel, who is reasonably acceptable to the Administrative Agent.

Origination Agreement: That certain Origination Agreement, dated as of March 19, 2003, between DTCS and DTAC, as amended, restated, supplemented or otherwise modified.

Originator: DT Acceptance Corporation.

Overcollateralization Increase Event: The occurrence, as of any time specified below, of any of the following events:

- (i) the average of the Delinquency Ratio (Managed Contracts) for any Measurement Date and the two immediately preceding Measurement Dates exceeds 11.00%;
- (ii) the average of the Delinquency Ratio (Pledged Contracts) for any Measurement Date and the two immediately preceding Measurement Dates exceeds 11.00%;
- (iii) the average of the Net Losses Ratios (Managed Contracts) as of the last day of any Accounting Period and the last day of each of the two immediately preceding Accounting Periods exceeds 3.15%;
- (iv) the average of the Net Losses Ratios (Pledged Contracts) as of the last day of any Accounting Period the last day of each of the two immediately preceding Accounting Periods exceeds 3.15%;
- (v) the Extension Rate (Managed Contracts) for any Measurement Date and the two immediately preceding Measurement Dates exceeds 5.0%;
- (vi) the Extension Rate (Pledged Contracts) for any Measurement Date and the two immediately preceding Measurement Dates exceeds 5.0%; or
- (vii) the Excess Spread for any Determination Date is less than 7.0%.

Overcollateralization Increase Period: Any period commencing on the day on which an Overcollateralization Increase Event occurs and continuing for two (2) consecutive months after the Overcollateralization Increase Event has been cured, provided that no other Overcollateralization Increase Event shall have occurred during such period.

Patriot Act: The USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

Payment Date: The 15th day of each calendar month or, if any such day is not a Business Day, the next succeeding Business Day.

Pension Plans: “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.

Performance Guaranty: That certain performance guaranty by DTAC and DTAG of certain guaranteed obligations described therein and made in favor of the Administrative Agent, as such guarantee may be amended, restated, supplemented or otherwise modified from time to time with the prior written consent of the Administrative Agent.

Permitted Investments: Negotiable instruments or securities or other investments that (x) as of any date of determination, mature by their terms on or prior to the Business Day preceding the Commitment Termination Date, and (y) evidence:

- (i) 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 and which have a maturity of not more than 270 days from the date of acquisition;

- (ii) 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 meet or exceed the Short Term Rating Requirement;

- (iii) repurchase obligations with a term of not more than ten days for underlying securities of the types described in clauses (i) and (ii) above entered into with any bank of the type described in clause (ii) above;

- (iv) commercial paper rated at least A-1 by Standard & Poor’s and Prime-1 by Moody’s;

- (v) money market funds registered under the Investment Company Act having a rating, at the time of such investment, of not less than Aaa by Moody’s and AAA by Standard & Poor’s;

- (vi) 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 or any State (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 meet or exceed the Short Term Rating Requirement; and

- (vii) any other investments approved in writing by the Administrative Agent, provided, that so long as Wells Fargo is Collateral Custodian hereunder, each of the Permitted Investments may be purchased by the Collateral Custodian or through an Affiliate of the Collateral Custodian.

Permitted Liens: Liens in favor of the Administrative Agent, as agent for the Secured Parties, created pursuant to this Agreement or any other Transaction Document.

Permitted State: Each of Arizona, Nevada, California, New Mexico, Texas, Florida, Georgia, Virginia, North Carolina, Colorado, Oklahoma, South Carolina, Tennessee, Alabama, Mississippi, Ohio, Kentucky, Arkansas, Missouri and Indiana and such other states as may be approved by the Administrative Agent in writing from time to time (such approval not to be unreasonably withheld).

Permitted Take-Out: Any transaction undertaken by the Borrower in accordance with Section 2.15 with any other Person that provides for, directly or indirectly, the sale, assignment or other transfer by the Borrower of a portion of the Collateral to any other Person, including, without limitation, a distribution in respect of the membership interests of the Borrower of Pledged Contracts pursuant to the procedures required by its certificate of formation and limited liability company agreement provided that the (i) the aggregate principal balances of all Pledged Contracts to be distributed shall not exceed the Borrowing Base Surplus, (ii) such distribution shall be made in furtherance of the Borrower's purpose as a limited liability company, and (iii) Borrower shall not have conducted another such Permitted Take-Out during the same calendar month.

Permitted Take-Out Date: With respect to any Permitted Take-Out, the date upon which Collateral is released from the Lien created under this Agreement in connection therewith.

Permitted Take-Out Date Certificate: A Certificate delivered by an Authorized Officer of the Servicer on the Permitted Take-Out Date (x) indicating that the requirements set forth in Section 2.15 of this Agreement for a Permitted Take-Out have been satisfied and (y) illustrating that, after giving effect to the proposed Permitted Take-Out, the Note Balance will not exceed the Borrowing Base.

Permitted Take-Out Release: A release executed pursuant to Section 2.15, substantially in the form of Exhibit G hereto.

Person: An individual, partnership, corporation (including a business or statutory 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.

Pledged Contract: At any date, each Contract in which the Borrower at any time and from time to time has an interest, whether or not such Contract is an Eligible Contract, excluding any Contract released from the Lien of this Agreement pursuant hereto and any Terminated Contract.

Prime Rate: For any date of determination, the rate most recently announced by Wells Fargo at its branch in San Francisco, California, from time to time as its prime commercial rate for United States dollar-denominated loans made in the United States. The Prime Rate is not intended to be the lowest rate of interest charged by Wells Fargo or any other specified financial institution in connection with extensions of credit to debtors.

Principal Amount: With respect to any Loan, the aggregate amount advanced by the Lender on the Funding Date in respect of such Loan.

Principal Balance: For any Contract as of any day, the outstanding principal balance of such Contract as of such day.

Purchase Agreement: The Purchase Agreement, dated as of the Closing Date, between DTAC and the Borrower, as such agreement may be amended from time to time pursuant to the terms thereof, and each Transfer Agreement.

Qualified Institution: Wells Fargo or any depository institution or trust company organized under the laws of the United States or any State (or any domestic branch of a foreign bank), (i) acceptable to the Administrative Agent and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation.

Rating Agency: Each of Standard & Poor's and Moody's or their respective successors.

Records: With respect to any Contract, all documents, books, records and other information (including computer programs, tapes, disks, punch cards, data processing software and related property and rights) maintained with respect to any related item of Collateral and the related Obligor.

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

Release Price: An amount equal to the Principal Balance of each Contract retransferred pursuant to Section 5.5, plus accrued and unpaid interest on such Contract (at the related APR), all Breakage Costs and all Hedge Breakage Costs due to the relevant Hedge Counterparties for any termination in whole or in part of one or more Hedge Transactions, as required by the terms of any Hedging Agreement as a result of such retransfer.

Re-Liening Expenses: Any costs associated with the revision of the Certificates of Title pursuant to Section 2.14.

Re-Liening Trigger Event: The occurrence of (i) an Insolvency Event with respect to the Originator or the Borrower, (ii) the issuance by any court of competent jurisdiction of any order to the effect that the Administrative Agent is not the secured party with respect to Financed Vehicles financed under any of the Pledged Contracts with an initial Principal Balance (as of the date upon which such Contracts were acquired by the Originator), equal to five percent (5.0%) or more of the Net Principal Balance of the Contracts as of the prior Determination Date or in the case of the first Collection Period, the Closing Date, (iii) the occurrence and continuance of a Termination Event, (iv) the occurrence and continuance of a Servicer Termination Event or (v) a Foreclosure Event.

Reporting Date: The date which is four (4) Business Days prior to any Payment Date.

Required Net Worth: On any day (i) from the Closing Date to and including December 31, 2011, \$325 million and (ii) during any calendar year occurring after December 31, 2011, the sum of (A) \$325 million and (B) an amount equal to 50% of the Net Income each calendar year beginning after December 31, 2009.

Requirements of Law: For any Person the certificate of incorporation or articles of association and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or order or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or to which such Person is subject, whether federal, State or local (including usury laws, the Federal Truth-in-Lending Act, and Regulations B, U, T, X and Z of the Federal Reserve Board).

Reserve Account: A segregated account established by the Servicer with the Collateral Custodian, for the benefit of the Lender.

Reserve Account Amount: On any day, the amount on deposit in the Reserve Account.

Reserve Account Excess Amounts: As of any day, amounts released from the Reserve Account pursuant to Section 2.10(f)(ii).

Reserve Account Required Amount: On any date of determination, the lesser of (i) the Note Balance as of such date and (ii) the greater of (x) \$500,000 and (y) the product of (1) 2.0%, and (2) an amount equal to the aggregate Principal Balance of all Pledged Contracts on such date of determination.

Reserve Account Withdrawal Amount: For any Payment Date on which an Available Funds Shortfall exists, an amount equal to the lesser of (i) the Reserve Account Amount and (ii) the Available Funds Shortfall.

Residual Interest Conveyance Agreement: Any residual interest conveyance agreement by and among the Borrower, DTAC and DT Warehouse II, LLC, accepted by Santander Consumer USA Inc., as residual interest lender and consented to by the Administrative Agent, as may be amended, restated, supplemented or otherwise modified from time to time with the prior written consent of the Administrative Agent.

Residual Interest Conveyance Agreement (Approved Form): That certain residual interest conveyance agreement by and among the Borrower, DTAC and DT Warehouse II, LLC, accepted by Santander Consumer USA Inc., as residual interest lender and consented to by the Administrative Agent, in the form attached hereto as Exhibit K.

Responsible Officer: When used with respect to any Person, any officer of the such Person, including any president, vice president, assistant vice president, secretary, assistant secretary or any other officer thereof customarily performing functions similar to those performed by the individuals who at the time shall be such officers, respectively, or to whom any matter is referred because of such officer's knowledge of or familiarity with the particular subject and having direct responsibility for the administration of this Agreement.

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

Sanctioned Country: A country subject to a sanctions program identified on the list maintained by OFAC and available at <http://www.treas.gov/offices/enforcement/ofac/programs>, or as otherwise published from time to time.

Sanctioned Person: (i) a Person named on the list of “Specially Designated Nationals” or “Blocked Persons” maintained by OFAC available at <http://www.treas.gov/offices/enforcement/ofac/sdn>, or as otherwise published from time to time, or (ii) (a) an agency of the government of a Sanctioned Country, (b) an organization controlled by a Sanctioned Country or (c) a Person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

Schedule of Documents: The schedule of documents attached hereto as Schedule D.

Schedule of Contracts: The schedule of Pledged Contracts attached hereto as Schedule B, as updated from time to time in connection with each Loan.

Scheduled Payments: Regularly scheduled payments to be made by an Obligor pursuant to the terms of the related Contract.

Secured Party: (i) the Lender and (ii) each Hedge Counterparty.

Securities Account Control Agreement: The Securities Account Control Agreement, dated as of December 23, 2011, by and among the Borrower, as debtor, the Administrative Agent, as secured party, and Wells Fargo Bank, N.A., as the account bank and securities intermediary.

Securities Act: The Securities Act of 1933.

Servicer: As defined in the Preamble.

Servicer File: With respect to any Contract, each of the following documents:

- (i) application of the Obligor for credit;
- (ii) all original instruments modifying the terms and conditions of the Contract or the related Contract;
- (iii) a copy (but not the original) of the retail installment contract and security agreement and any amendments thereto; provided, however, that the Servicer shall deliver any original amendments to the retail installment contract and security agreement to the Collateral Custodian immediately following execution thereof;
- (iv) a copy of the Certificate of Title with a lien notation or an application therefor (to the extent applicable State law permits or requires the Servicer to hold the Certificate of Title);
- (v) a certificate of insurance or application therefor with respect to the Financed Vehicle securing such Contract;
- (vi) the invoice (or evidence of book value for used Financed Vehicles) for each Financed Vehicle related thereto;

- (vii) the Obligor's order for each Financed Vehicle related thereto and an indication of down payment, if applicable;
- (viii) a copy of the service contract, if any, on each Financed Vehicle related thereto;
- (ix) a copy of the credit life insurance policy, if any, and the credit disability insurance policy, if any, on the Obligor relating to each Financed Vehicle related thereto; and
- (x) such other documents as the Servicer may reasonably determine in order to accomplish its duties under this Agreement.

Servicer Termination Event: On any day (i) prior to the Assumption Date, as defined in Section 7.14 and (ii) on and after the Assumption Date, as defined in Section 7.17(h).

Servicer Termination Notice: As defined in Section 7.14.

Servicing Fee: The fee payable to the Servicer in accordance with Section 2.11(b).

Servicing Fee Rate: 4.0% per annum.

Short-Term Rating Requirement: A short-term unsecured debt rating of not less than "A-1" by Standard & Poor's and not less than "P-1" by Moody's.

Simple Interest Contract: Any Contract under which the portion of a payment allocable to interest and the portion allocable to principal are determined in accordance with the Simple Interest Method.

Simple Interest Method: The method of allocating a fixed level payment to principal and interest, pursuant to which the portion of such payment that is allocated to interest is equal to the product of the fixed rate of interest multiplied by the unpaid principal balance multiplied by the period of time (expressed as a fraction of a year, based on the actual number of days in the calendar month and the actual number of days in the calendar year) elapsed since the date through which interest was last paid and the remainder of such payment is allocable to principal.

Solvency Certificate: The certificate delivered by the Borrower substantially in the form attached hereto as Exhibit H.

Solvent: As to any Person at any time, having a state of affairs such that (i) the fair value of the property owned by 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; (ii) the present fair salable value of the property owned by 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; (iii) 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; (iv) 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 (v) 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.

Standard & Poor's: Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

State: Any state of the United States or the District of Columbia.

Structuring Fee: As defined in the Fee Letter.

Subsequent Loan: Each Loan made following the Initial Loan.

Subsequent Contract: Each Contract that becomes a part of the Collateral hereunder, other than an Initial Contract.

Subservicer: A subservicer appointed by the Servicer and acceptable to the Administrative Agent and the Lender for the servicing and administration of the Pledged Contracts.

Subsidiary: With respect to a Person, any entity with respect to which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

Substitute Contract: An Eligible Contract not previously a part of the Collateral substituted for an Ineligible Contract pursuant to Section 5.5 with a Principal Balance and APR at least equal to that of the Ineligible Contract being so substituted.

Successor Servicer: As defined in Section 7.15(b).

Tangible Net Worth: With respect to any Person, the net worth of such Person calculated in accordance with GAAP after subtracting therefrom the aggregate amount of such Person's deferred tax assets and intangible assets, including goodwill, franchises, licenses, patents, trademarks, tradenames, copyrights and service marks.

Target Amount: As defined in Section 6.2(e).

Tax or 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 Government Authority.

Terminated Contract: Each Contract owned by the Borrower on such date that has been terminated in accordance with the terms thereof.

Termination Date: The earliest to occur of (i) the date that is one (1) year following the Amortization Date, (ii) the Business Day designated by the Borrower to the Lender and the Administrative Agent as the “Termination Date” which date shall be at least five (5) Business Days following the receipt of such written notice by the Lender and the Administrative Agent, provided, however, that on such date the Borrower pays in full all Aggregate Unpaid in immediately available funds, (iii) the occurrence of a Termination Event and (iv) the occurrence of a Foreclosure Event.

Termination Event: As defined in Section 10.1(a).

Test Data File: A test data file, which shall include the loan master file, the transaction history file and all other files necessary to carry out the servicing obligations hereunder.

Transaction Documents: This Agreement, the Note, the Purchase Agreement, any Transfer Agreement, the Fee Letter, the Collateral Custodian Fee Letter, all Hedging Agreements, the Performance Guaranty, the Master Agency Agreement, the Custodial Agreement, the Residual Interest Conveyance Agreement, the Securities Account Control Agreement and any other document, certificate, opinion, agreement or writing the execution of which is necessary or incidental to carrying out the transactions contemplated by this Agreement or any of the other foregoing documents.

Transfer Agreement: A Transfer Agreement in substantially the form attached to the Purchase Agreement as Exhibit A, executed by the Borrower and the Originator in connection with a transfer of Contracts and the related Collateral on any Funding Date.

Transition Expenses: As defined in Section 7.15(e).

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

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.

Unused Fee: As defined in the Fee Letter.

Unused Fee Rate: As defined in the Fee Letter

Used Fee: As defined in the Fee Letter.

Used Fee Rate: As defined in the Fee Letter.

WFS: Wells Fargo Securities, LLC, and its successors and assigns.

Warehouse Facility: On any day, any revolving lending facility to which any DT Entity is a borrower which finances motor vehicle loans originated by any DT Entity, including any repurchase facility.

Wells Fargo: Wells Fargo Bank, N.A., and its successors and assigns.

Section 1.2. Accounting Terms and Determinations.

Unless otherwise defined or specified herein, all accounting terms shall be construed herein, all accounting determinations hereunder shall be made, all financial statements required to be delivered hereunder shall be prepared and all financial records shall be maintained in accordance with GAAP.

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.

When used in this Agreement, unless a contrary intention appears: (i) a term has the meaning assigned to it; (ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP; (iii) “or” is not exclusive; (iv) “including” means including without limitation; (v) words in the singular include the plural and words in the plural include the singular; (vi) any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; (vii) references to a Person are also to its successors and permitted assigns; (viii) the words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision hereof; (ix) references contained herein to Section, Schedule and Exhibit, as applicable, are references to Sections, Schedules and Exhibits in this Agreement unless otherwise specified; (x) references to “writing” include printing, typing, lithography and other means of reproducing words in a visible form; and (xi) the term “proceeds” has the meaning set forth in the applicable UCC.

Article II

Loans

Section 2.1. Loans.

(a) On the terms and conditions set forth herein, including this Section and Article Four, the Borrower may from time to time on any Business Day during the Revolving Period, request that an advance under this Agreement (each, a “Loan”) be made to it on a Funding Date. No later than 12:00 noon (Charlotte, North Carolina time) on the proposed Funding Date, if the amount of the Loan is less than or equal to \$10,000,000, or, for all other Loans, on the Business Day prior to the date of the proposed Loan, the Borrower shall notify the Administrative Agent of such proposed Funding Date and Loan by delivering to the Administrative Agent:

(i) a Funding Request, which will include, among other things, the proposed Funding Date, calculations of the Borrowing Base (calculated as of the Determination Date occurring in the calendar month immediately preceding the calendar month during which such Funding Request is submitted, or with respect to Contracts added to the Collateral following such Determination Date, but prior to or on such date of determination, the related Cut-off Date) and the Principal Amount of the Loan requested, which shall be in an amount at least equal to \$1,000,000 (except the Initial Loan, which shall be in a minimum amount of \$5,000,000) or integral multiples of \$10,000 in excess thereof; and

(ii) an updated Schedule of Contracts that includes each Contract that is the subject of the proposed Loan and such other information as the Administrative Agent may reasonably request with respect to the related Loan;

If any such Funding Request is delivered to the Administrative Agent after 12:00 noon (Charlotte, North Carolina time) on the proposed Funding Date, if the amount of the Loan is less than or equal to \$10,000,000, or, for all other Loans, on the Business Day prior to the date of the proposed Loan, such Funding Request shall be deemed to be received prior to 12:00 noon (Charlotte, North Carolina time) on the next succeeding Business Day and the proposed Funding Date of such proposed Loan shall be deemed to be the Business Day following such deemed receipt. Each Funding Request shall include a representation by the Borrower that the requested Loan will not, on the Funding Date, exceed the Available Amount and a representation that all conditions precedent to the making of such Loan have been satisfied. Any Funding Request shall be irrevocable and the Borrower may not request that more than one Loan be funded on any Business Day.

(b) Following receipt by the Administrative Agent of a Funding Request the Lender agrees that it shall advance any Loan requested by the Borrower, subject to the conditions contained herein, in an aggregate amount equal to the Loan so requested.

(c) The Lender's advance of a Loan shall be made available to the Administrative Agent, subject to the fulfillment of the applicable conditions set forth in Article Four, at or prior to 1:00 p.m. (Charlotte, North Carolina time) on the applicable Funding Date, by deposit of immediately available funds to an account of the Administrative Agent. The Administrative Agent shall promptly notify the Borrower in the event that the Lender either fails to make such funds available to the Administrative Agent before such time or notifies the Administrative Agent that it will not make such funds available to the Administrative Agent before such time.

Subject to (i) the Administrative Agent's receipt of such funds and (ii) the fulfillment of the applicable conditions set forth in Article Four, as certified by Borrower to the Administrative Agent in the applicable Funding Request, the Administrative Agent will not later than 3:00 p.m. (Charlotte, North Carolina time) on such Funding Date make such funds available, in the same type of funds received, by wire transfer thereof to the Borrower's Account.

If the Lender makes available to the Administrative Agent funds for any Loan as provided in the foregoing provisions of this Article, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Loan set forth in

Article Four are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from the Lender) to the Lender, without interest.

(d) In no event shall:

(i) the Lender be obligated to fund any Loan if either (A) the Principal Amount of such Loan would cause the Note Balance, determined after giving effect to such funding, to exceed the Commitment or (B) the Principal Amount of such Loan would exceed the Available Amount on such day;

(ii) the Lender be obligated to fund any Loan unless each of the conditions set forth in Section 4.2 have been satisfied with respect to such Loan and, if such Loan is the Initial Loan, the conditions set forth in Section 4.1 have been satisfied; or

(iii) more than one Loan be funded on any Business Day.

Section 2.2. Reductions of the Commitment.

(a) At any time the Borrower may, upon at least ten (10) Business Days' prior written notice to the Administrative Agent and each Hedge Counterparty, reduce the Commitment. Each partial reduction shall be in a minimum aggregate amount of \$5,000,000 or integral multiples of \$1,000,000 in excess thereof. Reductions of the Commitment pursuant to this Section 2.2(a) shall reduce the Commitment of the Lender. The Administrative Agent shall promptly deliver a copy of any such notice to the Lender. Any request for a reduction in the Commitment shall be irrevocable.

(b) In connection with any reduction of the Commitment, the Borrower shall remit to the Administrative Agent (i) instructions regarding such reduction (with a copy to the Collateral Custodian) and (ii) for payment to the Lender, cash in an amount sufficient to pay all Aggregate Unpays with respect to such reduction (determined based on the ratio of the reduction of the Commitment being effected to the amount of the Commitment prior to such reduction or, if the Administrative Agent reasonably determines that any portion of the Aggregate Unpays are allocable solely to that portion of the Commitment that is being reduced or have arisen solely as a result of such reduction, all of such portion) including, without duplication, any associated Breakage Costs and Hedge Breakage Costs; provided, however, that no such reduction shall be given effect unless the Borrower has complied with the terms of any Hedging Agreement requiring that any Hedge Transaction related thereto be terminated in whole or in part as a result of any such reduction in the Note Balance and Borrower has paid all Hedge Breakage Costs due to the relevant Hedge Counterparty for any such termination. Upon receipt of any such amounts, the Administrative Agent shall apply such amounts first to the reduction of the Note Balance, second to the payment of the remaining Aggregate Unpays with respect thereto, including any Breakage Costs, by paying such amounts to the Lender, and third to pay any Hedge Breakage Costs related to such reduction of the Note Balance due to the relevant Hedge Counterparty.

(c) The Commitment shall be reduced to zero, without action by the Administrative Agent or the Lender and without notice to the Borrower, immediately upon the earliest to occur of (i) the Commitment Termination Date, (ii) a Termination Event and (iii) a Foreclosure Event.

Section 2.3. Extensions of Commitments.

So long as no Termination Event or Foreclosure Event has occurred, the Borrower may request in writing, no more than ninety (90) days nor fewer than sixty (60) days prior to the applicable Commitment Termination Date, through the Administrative Agent, that the Lender extend the Commitment Termination Date for an additional period to a date specified in such request, which request will be granted or denied by the Lender in its sole discretion. Upon receipt of any such request, the Administrative Agent shall promptly notify the Lender. Not later than 60 days following receipt by the Administrative Agent of any such request, the Lender shall notify the Administrative Agent of its willingness or refusal to so extend the Commitment Termination Date, and the Administrative Agent shall notify the Borrower of such willingness or refusal by the Lender. If the Lender shall have agreed to extend the Commitment Termination Date and no Termination Event or Foreclosure Event shall have occurred and be continuing prior to the then applicable Commitment Termination Date, the Commitment Termination Date then in effect shall be extended to the date agreed to by the Lender.

Section 2.4. The Note.

(a) The Loans made by the Lender hereunder shall be evidenced by a duly executed promissory note payable to the order of the Persons specified by the Lender, in a principal amount equal to the Commitment, in substantially the form of Exhibit B hereto (the “Note”). The Note shall be dated the Closing Date and shall otherwise be duly completed. The maturity date of the Note shall be the Termination Date or such other date as to which the Administrative Agent, with the consent of the Lender, shall notify the Borrower in writing.

(b) The Administrative Agent is hereby authorized to enter notations (which may be computer generated) on a schedule attached to the Note with respect to each Loan made by the Lender hereunder, regarding (i) the date and principal amount thereof and (ii) each payment and repayment of principal thereof and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded. The failure of the Administrative Agent to make any such notation on the schedule attached to the Note shall not limit or otherwise affect the obligation of the Borrower to repay the Loans in accordance with their respective terms as set forth herein.

(c) Promptly following the Facility Termination Date, the Administrative Agent shall mark the Note “Paid” and return it to the Borrower.

Section 2.5. Optional Principal Repayment; Right of First Refusal.

(a) Optional Principal Repayment prior to the occurrence of a Termination Event or a Foreclosure Event. The Borrower may, prior to the occurrence of a Foreclosure Event, and upon the delivery of a Principal Repayment Notice substantially in the form attached hereto as Exhibit L, prepay all or any portion of the Note Balance on any Business Day, on one (1) Business Day’s prior notice to the Administrative Agent, the Lender, the Collateral Custodian and each Hedge Counterparty; provided, that (i) the Borrower pays to the Administrative Agent, for the account of the Secured Parties, on the date of any such prepayment, (a) all accrued and unpaid Interest and (b) all other Aggregate Unpaid (including all Breakage Costs, all Hedge

Breakage Costs and any other amounts payable by the Borrower under or with respect to any Hedging Agreement) payable to any Indemnified Party under this Agreement through the date of such prepayment, including any fees or other amounts payable pursuant to Section 11.1; and (ii) no such prepayment shall be permitted unless the Borrower has complied with the terms of any Hedging Agreement requiring one or more Hedge Transactions be terminated in whole or in part as a result of any such prepayment of the Note Balance and Borrower has paid all Hedge Breakage Costs due to the relevant Hedge Counterparty for any such termination. Any notice of a prepayment shall be irrevocable. The Administrative Agent shall provide prompt notice to the Lender following receipt of any notice of intent to prepay. Except as otherwise permitted herein, in connection with any such prepayment, no portion of the Pledged Contracts shall be released from the security interest granted by the Borrower therein in favor of the Administrative Agent.

(b) Right of First Refusal. Upon the delivery by the Borrower of notice to the Administrative Agent of the occurrence of a Foreclosure Event (or, if earlier, the date such notice should have been delivered in accordance with the provisions of Section 6.1(i)), the Borrower shall have an option for a period of forty five (45) days thereafter to elect to pay the Aggregate Unpaid, by wire transfer in immediately available funds during which 45-day period the Lender shall not sell the Pledged Contracts or the related Collateral. The Borrower may exercise such purchase option and pay the Aggregate Unpaid by wire transfer in immediately available funds by notifying the Administrative Agent, the Lender, the Collateral Custodian and each Hedge Counterparty in writing before expiration of the such forty five (45) day period as to its intent to prepay all of the Note Balance; provided, that (i) the Borrower pays to the Administrative Agent, for the account of the Secured Parties, on a day prior to expiration of such 45-day period, (a) all accrued and unpaid Interest and (b) all other Aggregate Unpaid (including all Breakage Costs, all Hedge Breakage Costs and any other amounts payable by the Borrower under or with respect to any Hedging Agreement) payable to any Indemnified Party under this Agreement through the date of such prepayment, including any fees or other amounts payable pursuant to Section 11.1 by wire transfer in immediately available funds; and (ii) no such prepayment shall be permitted unless the Borrower has complied with the terms of any Hedging Agreement requiring one or more Hedge Transactions be terminated in whole as a result of any such prepayment of the Note Balance and Borrower has paid all Hedge Breakage Costs due to the relevant Hedge Counterparty for any such termination. Any notice of a prepayment shall be irrevocable. Time is of the essence in connection with the exercise of this right and this right shall, without notice or other action by any party expire at 5:00 p.m. (New York City time) on the 45th day following the occurrence of such Termination Event or Foreclosure Event, as applicable. The Administrative Agent shall provide prompt notice to the Lender following receipt of any notice of intent to prepay.

Section 2.6. Payments.

(a) The Borrower shall pay Interest on the unpaid Principal Amount of each Loan for the period from the related Funding Date until the date that such Loan shall be paid in full. Interest shall accrue during each Interest Period and be payable on the Note Balance on each Payment Date in accordance with Section 2.7, unless earlier paid pursuant to Section 2.5.

(b) Prior to the declaration of the occurrence of the Termination Date, the Note Balance shall bear interest at a rate per annum equal to the Alternative Rate. Upon the

occurrence of a Termination Event or a Foreclosure Event, the Note Balance shall bear interest at a rate per annum equal to the Base Rate.

(c) Interest calculated by reference to the LIBOR Rate shall be calculated on the basis of a 360-day year for the actual days elapsed. Interest calculated by reference to the Prime Rate and the Federal Funds Rate shall be calculated on the basis of a 365- or 366-day year, as applicable, for the actual days elapsed. Periodic fees or other periodic amounts payable hereunder shall be calculated on the basis of a 360-day year and for the actual days elapsed.

(d) The principal of and Interest on the Note shall be paid as provided herein and in the Note. The Administrative Agent shall allocate to the Lender each payment in respect of the Note received by the Administrative Agent as provided herein.

(e) At or before 4:00 p.m. (Charlotte, North Carolina time) on the day that is one (1) Business Day prior to each Reporting Date, the Administrative Agent shall notify the Borrower and the Servicer of (i) the Alternative Rate for the related Interest Period, and (ii) if applicable, the Base Rate for the related Interest Period. Each determination of the Alternative Rate and the Base Rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower in the absence of manifest error.

(f) Notwithstanding any other provision of this Agreement or the other Transaction Documents, if at any time the rate of interest payable by any Person under the Transaction Documents exceeds the Maximum Lawful Rate, then, so long as the Maximum Lawful Rate would be exceeded, such rate of interest shall be equal to the Maximum Lawful Rate. If at any time thereafter the rate of interest so payable is less than the Maximum Lawful Rate, such Person shall continue to pay Interest at the Maximum Lawful Rate until such time as the total interest received from such Person is equal to the total Interest that would have been received had applicable law not limited the interest rate so payable. In no event shall the total Interest received by the Lender under this Agreement and the other Transaction Documents exceed the amount which the Lender could lawfully have received, had the Interest due been calculated from the Closing Date at the Maximum Lawful Rate.

Section 2.7. Settlement Procedures.

Pursuant to each Monthly Report, the Servicer shall instruct the Collateral Custodian or such other Eligible Institution then holding the Collection Account to pay to the following Persons, on the related Payment Date, from (i) the Collection Account, to the extent of Available Funds and (ii) the Reserve Account to the extent there is an Available Funds Shortfall, with respect to amounts payable under clauses (i) through (vi) and, solely to the extent that the Note Balance exceeds the Net Principal Balance on such Payment Date, clause (vii), the following amounts in the following order of priority:

(i) *First*, pro rata, to each Hedge Counterparty, any amounts owed to such Hedge Counterparty (excluding Hedge Breakage Costs) pursuant to the terms of the related Hedging Agreement;

(ii) *Second*, to the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees and out-of-pocket expenses owed to the Collateral

Custodian (such expenses not to exceed \$50,000 per annum prior to a Termination Event or a Foreclosure Event);

(iii) Third, pro rata, (1) to the Servicer, in an amount equal to the sum of (1) accrued and unpaid Servicing Fee and (2) to the Successor Servicer or Backup Servicer, as applicable, any unpaid Transition Expenses;

(iv) Fourth, to the Backup Servicer, in an amount equal to (1) any accrued and unpaid Backup Servicing Fee and (2) any amounts payable pursuant to Section 7.10(b), to the extent such amounts have not been paid by the Servicer;

(v) Fifth, to the Administrative Agent for payment to the Lender in an amount equal to any accrued and unpaid (1) Interest (plus Used Fee and the Unused Fee) with respect to the Note Balance, (2) Breakage Costs allocable to Loans and (3) all other Aggregate Unpaid (other than the Note Balance) then due under this Agreement to the Administrative Agent, the Lender, the Affected Parties or the Indemnified Parties, for the payment thereof;

(vi) Sixth, to the Administrative Agent for payment to the Lender all accrued and unpaid fees;

(vii) Seventh, pro rata, (i) to the Administrative Agent for payment to the Lender, in an amount equal to the excess (if any) of the Note Balance as of the related Determination Date over the Borrowing Base as of such Determination Date and (ii) to each Hedge Counterparty, in an amount equal to any Hedge Breakage Costs owed to such Hedge Counterparty pursuant to the terms of the related Hedging Agreement;

(viii) Eighth, pro rata, to the Administrative Agent and to the Lender, all other amounts owed to the Administrative Agent, the Lender and the other Indemnified Parties;

(ix) Ninth, if (1) the Termination Date has occurred, the remaining funds to reduce the Note Balance to zero or (2) prior to the occurrence of the Termination Date, to the Reserve Account, the amount necessary to cause the amount on deposit therein to equal the Reserve Account Required Amount;

(x) Tenth, pro rata, (1) to the extent not paid pursuant to clause (ii) above (whether as a result of the limitations on amounts set forth therein or otherwise) to the Collateral Custodian any fees, expenses or indemnities owed to the Collateral Custodian and (2) to the extent not paid pursuant to clause (iv) above (whether as a result of the limitations on amounts set forth therein or otherwise) to the Backup Servicer any fees, expenses or indemnities owed to the Backup Servicer; and

(xi) Eleventh, so long as no Termination Event or Foreclosure Event shall have occurred and be continuing, any remaining amount shall be distributed to the Borrower.

Section 2.8. Repayment Obligation.

The Borrower promises to pay to the Administrative Agent for the account of the Lender, (i) upon the written request of the Administrative Agent, all Breakage Costs, the amount of which shall be determined by the Lender, set forth in a written notice to the Borrower and shall be conclusive absent manifest error and (ii) all other amounts required to be paid by the Borrower in accordance herewith in accordance with the terms of this Agreement.

Section 2.9. 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 12:00 noon (Charlotte, North Carolina time) on the day when due in Dollars in immediately available funds to the Administrative Agent's Account. Except as otherwise provided in Section 2.6, the Borrower shall, to the extent permitted by law, pay to the Lender interest on all amounts not paid or deposited when due hereunder at a rate per annum equal to the sum of (1) the Base Rate and (2) 4.50%, payable on demand; provided, however, that such interest rate shall not at any time exceed the Maximum Lawful Rate.

(b) Whenever any payment hereunder (i) shall be stated to be due on a day other than a Business Day, such payment shall be made, without penalty, on the next succeeding Business Day, except in the case where the next succeeding Business Day would occur in the succeeding calendar month, in which case such payment shall be due on the preceding Business Day or (ii) is received after 12:00 noon (Charlotte, North Carolina time) such payment shall be deemed to have been received on the next succeeding Business Day, and any such extension of time shall in such case be included in the computation of payment of Interest, other interest or any fee payable hereunder, as the case may be.

(c) If any Loan requested by the Borrower and approved by the Lender and the Administrative Agent pursuant to Section 2.1 is not made or effectuated, as the case may be, due to the Borrower's failure to satisfy, or continue to satisfy, the conditions to fund such Loan on the date, the Borrower shall indemnify such Lender against any reasonable loss, cost or expense incurred by such Lender, including 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 such Loan.

(d) All payments hereunder shall be made without set-off or counterclaim and in such amounts as may be necessary in order that all such payments shall not be less than the amounts otherwise specified to be paid under this Agreement.

(e) To the extent that (i) any Person makes a payment to the Borrower, the Servicer, the Backup Servicer, the Collateral Custodian or the Lender or the Administrative Agent or (ii) the Borrower, the Servicer, the Backup Servicer, the Collateral Custodian or the Lender or the Administrative Agent receives or is deemed to have received any payment or proceeds for application to an obligation, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a

trustee, receiver or any other party under any Insolvency Law, State or United States federal law, common law or for equitable cause, then, to the extent such payment or proceeds are set aside, the obligation or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received or deemed received by the Borrower, the Servicer, the Backup Servicer, the Collateral Custodian or the Lender or the Administrative Agent, as the case may be.

Section 2.10. Collections and Allocations; Investment of Funds.

(a) On or prior to the Closing Date or the applicable Funding Date (with respect to any Subsequent Contracts), the Borrower or the Servicer shall have instructed all Obligor to make all payments in respect of the related Contracts to the Lockbox or Depository Account.

(b) Each of the Servicer and the Borrower shall promptly (but in no event later than two (2) Business Days after the receipt thereof) deposit all Collections received by it in the Collection Account. The Servicer shall make such deposits or payments by electronic funds transfer, in immediately available funds.

(c) On the Closing Date and on each Funding Date thereafter, the Servicer will deposit (in immediately available funds) into the Collection Account all Collections received after the applicable Cut-off Date and through and including the Closing Date or Funding Date, as the case may be, in respect of Contracts pledged on such date.

(d) On each Payment Date during the Revolving Period, the Servicer shall direct the Collateral Custodian pursuant to the Monthly Report to withdraw from the Reserve Account the Reserve Account Withdrawal Amount, if any, to be applied in accordance with Section 2.7. On and after the Termination Date, all amounts on deposit in the Reserve Account shall be applied by the Collateral Custodian as directed in writing by the Lender.

(e) To the extent there are uninvested amounts on deposit in the Collection Account and/or the Reserve Account, such amounts shall be invested in Permitted Investments that mature no later than the Business Day before the next Payment Date, which Permitted Investments shall be selected (i) prior to the occurrence of any Termination Event, Servicer Termination Event or Foreclosure Event, by the Borrower or (ii) from and after the occurrence of any Termination Event, Servicer Termination Event or Foreclosure Event, by the Administrative Agent. Any earnings (and losses) on the foregoing investments shall be for the account of the Borrower.

(f) All earnings on amounts in the Reserve Account shall (i) to the extent necessary, remain on deposit in the Reserve Account until the amount on deposit therein is equal to or greater than the Reserve Account Required Amount and (ii) be deposited into the Collection Account if the amount on deposit in the Reserve Account is greater than the Reserve Account Required Amount after giving effect to all withdrawals and deposits to the Reserve Account on any Payment Date.

Section 2.11. Fees.

(a) The Administrative Agent shall be entitled to receive, for the account of the Lender, monthly in arrears, the Used Fees and the Unused Fee from the Collection Account in accordance with Section 2.7.

(b) The Servicer shall be entitled to receive the Servicing Fee, monthly in arrears in accordance with Section 2.7, which fee shall be equal to (i) prior to the Termination Date, the product of (x) the Servicing Fee Rate, (y) the Net Principal Balance as of the first Business Day of the preceding Collection Period, and (z) a fraction the numerator of which is 30 and the denominator of which is 360, and (ii) on and after the Termination Date, the greater of (A) the product of (x) the Servicing Fee Rate, (y) the Net Principal Balance as of the first Business Day of the preceding Collection Period, and (z) a fraction the numerator of which is 30 and the denominator of which is 360, and (B) \$35.00 per Pledged Contract that is not a Defaulted Contract.

(c) The Backup Servicer shall be entitled to receive the Backup Servicing Fee and its out-of-pocket expenses owed to it, monthly in arrears in accordance with Section 2.7, which fee shall be equal to the product of (i) the Backup Servicing Fee Rate, (ii) the Net Principal Balance as of the first Business Day of the preceding Collection Period, and (iii) a fraction the numerator of which is 30 and the denominator of which is 360.

(d) The Collateral Custodian shall be entitled to receive the Collateral Custodian Fee and its out-of-pocket expenses owed to it in accordance with Section 2.7.

(e) The Borrower shall pay to the Administrative Agent, on the Closing Date, the Structuring Fee and other amounts due and payable on the Closing Date pursuant to the Fee Letter in immediately available funds.

Section 2.12. Increased Costs; Capital Adequacy; Illegality.

(a) If either (i) the introduction of or any change (including any change by way of imposition or increase of reserve requirements) in or in the interpretation of any Applicable Law 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 Excluded Taxes and any Taxes as to which an Additional Amount is payable pursuant to Section 2.13) with respect to a Loan hereunder, or any right or obligation to make Loans hereunder, or on any payment made hereunder, (b) impose, modify or deem applicable any reserve requirement (including 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 Interest), 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 a Loan or any Affected Party's rights hereunder or under any other Transaction Document, the result of which is to increase the cost to any Affected Party or to reduce the amount of any sum received or Pledged Contract by an Affected Party under this Agreement, under any other Transaction Document, then on the Payment Date in the calendar month following the calendar month during which such Affected Party demands payment (which

demand shall be accompanied by a statement setting forth the basis for such demand and a reasonably estimated calculation of 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 compliance by an Affected Party with any request or directive regarding capital adequacy, but, in each case, excluding Taxes, 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, on the Payment Date in the calendar month following the calendar month during which such Affected Party demands payment (which demand shall be accompanied by a statement setting forth the basis for such demand and a reasonably estimated calculation of 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 the avoidance of doubt, if the issuance of any amendment or supplement to Interpretation No. 46 or to Statement of Financial Accounting Standards No. 140 by the Financial Accounting Standards Board or any other change in accounting standards or the issuance of any other pronouncement, release or interpretation, causes or requires the consolidation of all or a portion of the assets and liabilities of the Originator or the Borrower with the assets and liabilities of the Administrative Agent or the Lender or shall otherwise impose any loss, cost, expense, reduction of return on capital or other loss, such event shall constitute a circumstance on which such Affected Party may base a claim for reimbursement under this Section 2.12.

(c) 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 certificate describing such additional or increased cost or reduction in reasonable detail, which certificate shall be conclusive absent manifest error.

(d) If the Lender shall notify the Administrative Agent that a Eurodollar Disruption Event as described in clause (i) of the definition of “Eurodollar Disruption Event” has occurred, the Administrative Agent shall in turn so notify the Borrower, whereupon all Loans in respect of which Interest accrues at a rate based upon the LIBOR Rate shall immediately be converted into Loans in respect of which Interest accrues at the Base Rate.

Section 2.13. Taxes.

(a) All payments made by the Borrower in respect of any Loan and all other payments made by the Borrower or the Servicer under this Agreement will be made free and clear of and without deduction or withholding for or on account of any Taxes, unless such withholding or deduction is required by law. In such event, the Borrower shall pay to the

appropriate taxing authority any such Taxes required to be deducted or withheld and if such Taxes are not Excluded Taxes the amount payable to the Lender or the Administrative Agent (as the case may be) will be increased (such increase, the “*Additional Amount*”) such that every net payment made under this Agreement after deduction or withholding for or on account of any Taxes other than Excluded Taxes (including 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. If the Lender or the Administrative Agent pays any Taxes other than Excluded Taxes in respect of which the Borrower is obligated to pay Additional Amounts under this Section, on the Payment Date in the calendar month following the calendar month during which the Lender or Administrative Agent demands payment, the Borrower shall reimburse the Lender or Administrative Agent in full.

(b) The Borrower will indemnify the Lender and the Administrative Agent for the full amount of Taxes (other than Excluded Taxes) in respect of which the Borrower is required to pay Additional Amounts (including any Taxes imposed by any jurisdiction on such Additional Amounts) paid by the Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto; provided, however, that the Lender or Administrative Agent making a demand for indemnity payment hereunder shall provide the Borrower with a certificate from the relevant taxing authority or from a Responsible Officer of the Lender or the Administrative Agent stating or otherwise evidencing that the Lender or the Administrative Agent has made payment of such Indemnified Taxes and will provide a copy of or extract from documentation, if available, furnished by such taxing authority evidencing assertion or payment of such Indemnified Taxes. This indemnification shall be made on the Payment Date in the calendar month following the calendar month during which the Lender or Administrative Agent (as the case may be) makes written demand therefor.

(c) Within thirty (30) days after the date of any payment by the Borrower of any Taxes pursuant to this Section, the Borrower will furnish to the Administrative Agent, at its address set forth under its name on the signature pages hereof, appropriate evidence of payment thereof.

(d) Within thirty (30) days of the written request of the Borrower therefor, the Administrative Agent and the Lender, as appropriate, shall execute and deliver to the Borrower such certificates, forms or other documents which can be furnished consistent with the facts and which are reasonably necessary to assist the Borrower in applying for refunds of Taxes remitted hereunder; provided, however, that (i) the Administrative Agent and the Lender shall not be required to deliver such certificates, forms or other documents if in their respective sole discretion it is determined that the deliverance of such certificate, form or other document would have a material adverse affect on the Administrative Agent or the Lender and (ii) the Borrower shall reimburse the Administrative Agent or the Lender for any reasonable expenses incurred in the delivery of such certificate, form or other document.

(e) (i) Any Lender or assignee that is entitled to an exemption from or reduction of Taxes with respect to payments made under any Transaction Document shall deliver to the Borrower, the Administrative Agent and the Collateral Custodian, at the time or times reasonably requested by the Borrower, the Administrative Agent or the Collateral Custodian, such properly completed and executed documentation reasonably requested by the Borrower, the

Administrative Agent or the Collateral Custodian as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender or assignee, if reasonably requested by the Borrower, the Administrative Agent or the Collateral Custodian, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower, the Administrative Agent or the Collateral Custodian as will enable the Borrower, the Administrative Agent or the Collateral Custodian to determine whether or not such Lender or assignee is subject to backup withholding or information reporting requirements.

(ii) Without limiting the generality of the foregoing:

(A) any Lender or assignee that is a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to the Borrower on or before the date on which it becomes a party to this Agreement (and from time to time thereafter when required by law or upon the reasonable request of the Borrower or the Administrative Agent) two (2) properly completed and duly signed original copies of Internal Revenue Service Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding;

(B) any Lender or assignee that is not a United States person (as defined in Section 7701(a)(30) of the Code) shall, to the extent it is legally entitled to do so, deliver to the Borrower on or before the date on which it becomes a party to this Agreement (and from time to time thereafter when required by law or upon the reasonable request of the Borrower or the Administrative Agent) whichever of the following is applicable:

(I) two (2) duly completed copies of Internal Revenue Service Form W-8BEN (or any successor form) claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(II) two (2) duly completed copies of Internal Revenue Service Form W-8ECI (or any successor forms),

(III) in the case of a Lender or assignee claiming the benefits of the exemption for “portfolio interest” under Section 881(c) of the Code, (x) a statement certifying that such Lender or assignee is not (1) a “bank” extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (2) a “10 percent shareholder” within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or (3) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code, and that no payments in connection with the Transaction Documents are effectively connected with such Lender or assignee’s conduct of a U.S. trade or business (a “U.S. Tax Compliance Certificate”) and (y) two (2) duly completed copies of Internal Revenue Service Form W-8BEN (or any successor forms), or

(IV) to the extent a Lender or assignee is not the beneficial owner, two (2) duly completed copies of Internal Revenue Service Form W-8IMY (or any successor forms) of the Lender or assignee, accompanied by an Internal Revenue Service Form W-8ECI, Form W-8BEN claiming benefits under a treaty, Form W-8BEN and U.S. Tax Compliance Certificate, Form W-9 (or other successor forms) or any other required information from each beneficial owner, as applicable.

Notwithstanding any other provisions of this clause (e), a Lender or assignee shall not be required to deliver any form that such Lender or assignee is not legally eligible to deliver.

(f) if a payment made to a Lender or assignee under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender or assignee were to fail to comply with the applicable reporting requirements of FATCA, such Lender or assignee shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law and such additional document reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine whether such Lender or assignee has complied with such Lender or assignee's obligations under FATCA or the amount to deduct and withhold from such payment.

Section 2.14. Re-Liening Trigger Event.

Upon the occurrence of a Re-Liening Trigger Event, the Servicer, the Originator, the Borrower and the Collateral Custodian shall, at the request of the Administrative Agent, take all steps necessary to cause the Certificate of Title or other evidence of ownership of the related Financed Vehicle to be revised to name the Administrative Agent on behalf of the Secured Parties as lienholder; any Re-Liening Expenses shall be paid by the Servicer, and to the extent such costs are not paid by the Servicer, such unpaid costs shall be recovered as described in Section 2.7.

In no event shall the Collateral Custodian be required to expend funds in connection with this Section that will not otherwise be reimbursed to it. The Servicer irrevocably appoints the Administrative Agent as its attorney-in-fact, such appointment being coupled with an interest, to take any and all steps required to be performed by it pursuant to this Section including execution of Certificates of Title or any other documents in the name and stead of the Servicer. If at any time a Person other than DTCC becomes the Servicer, DTCC shall execute a power of attorney with respect to such Successor Servicer promptly after its appointment as such, naming such Successor Servicer as its attorney-in-fact for the purposes described in this Section.

Section 2.15. Permitted Take-Outs.

(a) On any Business Day, the Borrower shall have the right to prepay a portion of the Note Balance and require the Administrative Agent to release its security interest and Lien on the related Collateral in connection with a Permitted Take-Out, subject to the satisfaction of the following terms and conditions:

(i) the Borrower shall have given the Administrative Agent and each Hedge Counterparty at least five (5) Business Days' prior written notice of its intent to effect a Permitted Take-Out;

(ii) each Permitted Take-Out shall reduce the Note Balance by a minimum aggregate amount of five million dollars (\$5,000,000) or integral multiples of one million dollars (\$1,000,000) in excess thereof;

(iii) on or before the date of a release of Collateral pursuant to this Section 2.15 in connection with a Permitted Take-Out, unless a Permitted Take-Out is to be effected on a Payment Date (in which case the relevant calculations with respect to such Permitted Take-Out shall be reflected on the applicable Monthly Report), the Servicer shall deliver to the Administrative Agent (with a copy to each Hedge Counterparty) a Permitted Take-Out Date Certificate, together with evidence to the reasonable satisfaction of the Administrative Agent that the Borrower shall have sufficient funds on the related Permitted Take-Out Date (after giving effect to such Permitted Take-Out) to make the required prepayment on the Note Balance and the other Aggregate Unpays with respect to the release of the related Collateral in accordance with this Agreement, which funds may come from capital contributions from DTAC or the proceeds of the sale of the Collateral in connection with such Permitted Take-Out (which sale price must be negotiated in an arm's-length manner and which sale terms do not require the Borrower to make any representations, warranties or covenants or to provide any indemnification for the benefit of any other party);

(iv) on the date of a release of Collateral pursuant to this Section 2.15 in connection with a Permitted Take-Out, the following shall be true and correct and the Borrower shall be deemed to have certified that after giving effect to the release to the Borrower of the related Collateral on the related Permitted Take-Out Date, (A) the representations and warranties contained in Sections 5.1 and 5.2 are true and correct on such date, except to the extent relating to an earlier date, (B) no Termination Event, Unmatured Termination Event, Servicer Termination Event, Overcollateralization Increase Event or Foreclosure Event has occurred, (C) no selection procedures were utilized by the Borrower in connection with the Permitted Take-Out that could be reasonably expected to be materially adverse to the interests of the Secured Parties and (D) after giving effect to such Permitted Take-Out, the Note Balance does not exceed the Borrowing Base;

(v) on the related Permitted Take-Out Date, the Administrative Agent, on behalf of the Lender, shall have received, in immediately available funds, an amount equal to the sum of (A) the portion of the Note Balance to be prepaid, (B) all accrued and unpaid Interest attributable to that portion of the Note Balance to be prepaid on such day in connection with the Permitted Take-Out, (C) an aggregate amount equal to the sum of all other amounts then due and owing to the Administrative Agent or the Lender, as applicable, under this Agreement and the other Transaction Documents, to the extent accrued to such date and to accrue thereafter (including any Breakage Costs), to the extent reasonably determined by the Administrative Agent or the Lender, as applicable, to be attributable to that portion of the Note Balance to be paid to such Secured Party in

connection with the Permitted Take-Out and (D) all other Aggregate Unpaid then due and owing to the extent reasonably determined by any Secured Party to be attributable to that portion of the Note Balance to be paid to such Secured Party in connection with the Permitted Take-Out and such amount shall be paid in accordance with the provisions of Section 2.7;

(vi) on the related Permitted Take-Out Date each Hedge Counterparty shall have received all Hedge Breakage Costs attributable to that portion of the Note Balance to be prepaid in connection with the Permitted Take-Out pursuant to this Section 2.15;

(vii) on or prior to each Permitted Take-Out Date, the Borrower shall have delivered to the Administrative Agent, the Collateral Custodian and each Lender (x) a list specifying all Contracts under which the Pledged Contracts to be released pursuant to such Permitted Take-Out arose and (y) an updated Schedule of Contracts giving effect to such Permitted Take-Out that shall be confirmed in writing by the Collateral Custodian (which confirmation may take the form of an email to the Administrative Agent and the Lenders stating that the updated Schedule of Contracts delivered by the Borrower comports with the records maintained by the Collateral Custodian); and

(viii) no Termination Event, Unmatured Termination Event, Servicer Termination Event or Foreclosure Event shall occur as a result of such Permitted Take-Out.

(b) The Borrower hereby agrees to pay the reasonable out-of-pocket legal fees and expenses of the Administrative Agent, the Collateral Custodian, the Backup Servicer and each Secured Party in connection with any Permitted Take-Out (including expenses incurred in connection with the release of the Lien of the Administrative Agent, the Lender, the Collateral Custodian and any other party having such an interest in the Pledged Contracts in connection with such Permitted Take-Out).

(c) In connection with any Permitted Take-Out, on the related Permitted Take-Out Date, subject to satisfaction of the conditions referred to in Section 2.15(a), the Administrative Agent shall, at the expense of the Borrower (i) execute and deliver such instruments of release with respect to the portion of the Pledged Contracts (and the other related Collateral) to be released to the Borrower, including a Permitted Take-Out Release, in favor of the Borrower as the Borrower may reasonably request and (ii) deliver (or cause to be delivered) any portion of the Pledged Contracts (and the other related Collateral) to be released to the Borrower in its possession or the possession of the Collateral Custodian to the Borrower.

Article III

Security

Section 3.1. Collateral and Backup Collateral.

(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. As collateral security for the prompt, complete and indefeasible payment and

performance in full when due, whether by lapse of time, acceleration or otherwise, of the Obligations, the Borrower hereby grants to the Administrative Agent, for the benefit of the Secured Parties, a lien on and security interest in all of the Borrower's right, title and interest in, to and under the following, whether now existing or owned or hereafter arising or acquired by the Borrower (collectively, the "Collateral"):

(i) all Contracts in which the Borrower has any interest and any accounts or obligations evidenced thereby, any guarantee thereof, all Collections and all monies due (including any payments made under any guarantee or similar credit enhancement with respect to any such Contracts) or to become due or received by any Person in payment of any of the foregoing on or after the related Cut-off Date;

(ii) the Financed Vehicles (including Financed Vehicles that have been repossessed) or in any document or writing evidencing any security interest in any Financed Vehicle and each security interest in each Financed Vehicle securing each such Contract, including all proceeds from any sale or other disposition of such Financed Vehicles;

(iii) the Purchase Agreement (including each Transfer Agreement) and remedies thereunder and the assignment to the Administrative Agent of all UCC financing statements filed by the Borrower against the Originator under or in connection with the Purchase Agreement;

(iv) the Account Collateral;

(v) reserved;

(vi) all Hedge Collateral;

(vii) the Contract Files, Servicer Files and the Schedule of Contracts, whether now existing or hereafter acquired, and all right, title and interest of the Borrower in and to the documents, agreements and instruments included in the Contract Files and Servicer Files, including rights of recourse of the Borrower against the Originator and/or any Dealer;

(viii) all Records, documents and writings evidencing or related to the Pledged Contracts;

(ix) all rights to payment under all Insurance Policies with respect to a Financed Vehicle, including any monies collected from whatever source in connection with any default of an Obligor with respect to a Financed Vehicle and any proceeds from claims or refunds of premiums on any Insurance Policy, whether now existing or hereafter acquired, and all proceeds thereof;

(x) all guaranties, indemnities, warranties, insurance (and proceeds and premium refunds thereof) and other agreements or arrangements of whatever character from time to time supporting or securing payment of the Pledged Contracts, whether pursuant to the related Contracts or otherwise;

(xi) all rights to payment under all service contracts and other contracts and agreements associated with the Pledged Contracts and all of the Borrower's interest in all recourse rights against the related Dealer with respect to the applicable Pledged Contracts (excluding any rights in any dealer reserve under the related Dealer Agreement);

(xii) [reserved];

(xiii) the Performance Guaranty;

(xiv) all security interests, Liens, guaranties and other encumbrances in favor of or assigned or transferred to the Borrower in respect of or in connection with the Pledged Contracts and Financed Vehicles;

(xv) all Liquidation Proceeds;

(xvi) reserved;

(xvii) any payments from a bank account of, and any electronic funds transfers from, any Obligor or Contract Rights Payor (subject to the terms and conditions of the Master Agency Agreement);

(xviii) any deposit accounts, monies, deposits, funds, accounts and instruments relating to the foregoing; and

(xix) all income, products, accessions and proceeds of the foregoing.

Notwithstanding the foregoing, once the Administrative Agent has released its security interest in a Pledged Contract in accordance with the terms of this Agreement, such Contract, the related Finance Vehicle and all other items of Collateral arising from such Contract shall no longer be a part of the Collateral hereunder; provided, that no Pledged Contract shall be released without the consent of the Administrative Agent.

(b) The grant under this Section does not constitute and is not intended to result in a creation or an assumption by the Administrative Agent or any of the Secured Parties of any obligation of the Borrower or any other Person in connection with any or all of the Collateral or under any agreement or instrument relating thereto. Anything herein to the contrary notwithstanding, (i) the Borrower shall remain liable under the Pledged Contracts to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Administrative Agent of any of its rights in the Collateral shall not release the Borrower from any of its duties or obligations under the Collateral and (iii) none of the Administrative Agent or any Secured Party shall have any obligations or liability under the Collateral by reason of this Agreement, nor shall the Administrative Agent or any Secured Party be obligated to perform any of the obligations or duties of the Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

(c) Notwithstanding the foregoing grant of security interest, no account, instrument, chattel paper or other obligation or property of any kind due from, owned by or belonging to a Sanctioned Person shall be Collateral.

Section 3.2. Release of Collateral; No Legal Title.

(a) At the same time as any (i) Pledged Contract expires by its terms and all amounts in respect thereof have been paid by the related Obligor and deposited in the Collection Account or (ii) has been prepaid in full and all amounts in respect thereof have been paid by the related Obligor and deposited in the Collection Account, the Administrative Agent will, to the extent requested by the Servicer, release its interest in such Pledged Contract and the related Collateral. In connection with any sale of a related Financed Vehicle on or after the occurrence of an event described in clauses (i) or (ii) above, after the deposit by the Servicer of the proceeds of such sale into the Collection Account, the Administrative Agent will at the sole expense of the Servicer, execute and deliver to the Servicer any assignments, bills of sale, termination statements, payoff letters and any other releases and instruments as the Servicer may reasonably request or that Servicer shall deem necessary in order to effect the release and transfer of such Financed Vehicle; provided, that the Administrative Agent will make no representation or warranty, express or implied, with respect to any such Financed Vehicle in connection with such sale or transfer and assignment. Nothing in this Section shall diminish the Servicer's obligations pursuant to Sections 7.3(c) or 7.3(d) with respect to the proceeds of any such sale.

(b) In connection with (a) any repurchase of Pledged Contracts by Originator from the Borrower pursuant to the Purchase Agreement or (b) any transfer of Pledged Contracts pursuant to Section 2.15 and promptly upon the Facility Termination Date and upon payment in full of the related Aggregate Unpaid, the Administrative Agent, at the Borrower's expense shall execute, deliver, file and record any partial or full releases or partial or full assignments of financing statements and other documents and instruments as may be reasonably requested by the Borrower to evidence the release by the Administrative Agent of its security interest in the applicable Pledged Contracts and related Collateral.

(c) The Administrative Agent will not, except as may result from the exercise of its remedies hereunder, have legal title to any part of the Collateral on the Facility Termination Date and will have no further interest in or rights with respect to the Collateral.

Section 3.3. Protection of Security Interest; Administrative Agent, as Attorney-in-Fact.

(a) The Borrower agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that may reasonably be necessary, or that the Administrative Agent may deem necessary, to perfect, protect or more fully evidence the security interest granted to the Administrative Agent in the Pledged Contracts and the other Collateral, or to enable the Administrative Agent or the Secured Parties to exercise and enforce their rights and remedies hereunder and thereunder.

(b) If the Borrower fails to perform any of its obligations under this Section 3.3 after five (5) Business Days' notice from the Administrative Agent or any Secured Party, the

Administrative Agent or any Secured Party may (but shall not be required to) perform, or cause performance of, such obligation; and the Administrative Agent's or such Secured Party's reasonable costs and expenses incurred in connection therewith shall be payable by the Borrower as provided in Article Eleven. The Borrower irrevocably authorizes the Administrative Agent and appoints the Administrative 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 Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Secured Parties in the Pledged Contracts and the other Collateral and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Pledged Contracts and the other Collateral, as a financing statement in such offices as the Administrative 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 Pledged Contracts and the other Collateral. This appointment is coupled with an interest and is irrevocable.

Section 3.4. Collateral Assignment of the Purchase Agreement.

The Borrower hereby represents, warrants and confirms to the Administrative Agent that the Borrower has collaterally assigned to the Administrative Agent, for the ratable benefit of the Secured Parties hereunder, all of the Borrower's right and title to and interest in the Purchase Agreement (including each Transfer Agreement). The Borrower confirms that the Administrative Agent shall have the sole right to enforce the Borrower's rights and remedies under the Purchase Agreement or any Transfer Agreement for the benefit of the Secured Parties, but without any obligation on the part of the Administrative Agent, the Secured Parties or any of their respective Affiliates, to perform any of the obligations of the Borrower under the Purchase Agreement or any Transfer Agreement. The Borrower further confirms and agrees that such collateral assignment to the Administrative Agent shall terminate upon the Facility Termination Date; provided, however, that the rights of the Administrative Agent and the Secured Parties pursuant to such collateral assignment with respect to rights and remedies in connection with any indemnities and any breach of any representation, warranty or covenants made by the Originator pursuant to the Purchase Agreement, which rights and remedies survive the termination of the Purchase Agreement shall be continuing and shall survive any termination of such collateral assignment.

Article IV

Conditions of Closing and Loans

Section 4.1. Conditions to Closing.

The Closing Date shall not occur, nor shall the Lender, the Administrative Agent, the Backup Servicer or the Collateral Custodian be obligated to take, fulfill or perform any other action hereunder, until, all of the following conditions have been satisfied, in the sole discretion of the Administrative Agent:

(a) Each Transaction Document shall have been duly executed by, and delivered to, the parties hereto and thereto and the Administrative Agent shall have received such other

documents, instruments, agreements and Opinions of Counsel as the Administrative Agent shall request in connection with the transactions contemplated by this Agreement, including all those specified in the Schedule of Documents, each in form and substance satisfactory to the Administrative Agent.

(b) The Administrative Agent shall have received (i) satisfactory evidence, which may be in the form of an Opinion of Counsel or Officer's Certificate, that the Borrower, the Servicer, the Originator, the Backup Servicer, DTAG and the Collateral Custodian 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 Servicer, the Originator, the Backup Servicer, DTAG and the Collateral Custodian in form and substance satisfactory to the Administrative 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 Administrative Agent or any Secured Party against the Originator or the Borrower for a breach of the Borrower's representation or warranty that all such consents and approvals have, in fact, been obtained.

(c) The Borrower, the Servicer, DTAG and DTAC shall each be in compliance in all material respects with all Applicable Laws and shall have delivered an Officer's Certificate to the Administrative Agent as to such compliance 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.

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

(f) 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.

(g) [reserved]

(h) The Administrative Agent, on behalf of the Lender, shall have received the original executed copy of the Performance Guaranty.

(i) The Administrative Agent, on behalf of the Lender, shall have received copies of the Master Agency Agreement and the DTAC Indenture, together with all amendments, modifications, waivers, supplements, restatements and replacements thereto, together with a certificate of a responsible officer of DTAC as to the completeness of each such document.

Section 4.2. Conditions Precedent to All Loans.

Each request for a Loan by the Borrower to the Lender shall be subject to the conditions set forth in Section 4.1 and the further conditions precedent that:

(a) With respect to any Loan (including the Initial Loan), the Servicer shall have delivered to the Administrative Agent, on or prior to the date of such Loan in form and substance satisfactory to the Administrative Agent, (i) a Funding Request and (ii) in the case of Contracts being added to the Collateral, a Transfer Agreement (Exhibit A to the Purchase Agreement including the Schedule of Contracts attached thereto) dated not later than one (1) Business Day prior to the date of such Loan and containing such additional information as may be reasonably requested by the Administrative Agent.

(b) On the date of such Loan, the following shall be true and correct and the Borrower shall be deemed to have certified that, after giving effect to the proposed Loan and pledge of Contracts:

(i) the representations and warranties contained in Sections 5.1 and 5.2 are true and correct in all material respects (provided that the materiality threshold in this clause shall not be applicable to any representation or warranty referred to herein which is itself subject to a materiality qualification) 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 (except to the extent any such representation and warranty expressly refers to an earlier date);

(ii) no event has occurred and is continuing, or would result from such transaction that constitutes (x) a Termination Event, Foreclosure Event or Unmatured Termination Event or (y) a Servicer Termination Event or any event that with the giving of notice of the lapse of time, or both, would constitute a Servicer Termination Event;

(iii) on and as of such day, after giving effect to such Loan, the Principal Amount of such Loan and the aggregate Principal Amount of all Loans does not exceed the Available Amount;

(iv) on and as of each such day, the Borrower and the Servicer each has performed all of the agreements contained in this Agreement and the other Transaction Documents to be performed by it at or prior to such day in all material respects (provided that the materiality threshold in this clause shall not be applicable to any representation or warranty referred to herein which is itself subject to a materiality qualification); and

(v) 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 such Loan by the Lender in accordance with the provisions hereof.

(c) No procedures reasonably believed by the Borrower to be materially adverse to the interests of the Lenders were utilized by the Borrower in identifying and/or selecting Contracts to be acquired from the Originator pursuant to the related Transfer Agreement.

(d) The Borrower has deposited into the Reserve Account an amount equal to the excess of (i) the Reserve Account Required Amount over (ii) the Reserve Account Amount, in each case calculated after giving effect to the conveyance of Contracts relating to such requested Loan.

(e) The Administrative Agent shall have received evidence satisfactory to it that the Contracts to be added to the Collateral in connection with such requested Loan are free and clear of any Lien, and that DTAC has taken such actions, as are necessary and appropriate, to release the Lien created in connection with the DTAC Indenture.

(f) On the date of such transaction, the Administrative Agent shall have received such other approvals, Opinions of Counsel, information or documents as the Administrative Agent may reasonably require.

(g) The Hedging Agreement shall be in effect and the requirements of Section 6.3 shall be satisfied.

(h) The Borrower shall have delivered each related Contract File to the Collateral Custodian and the Administrative Agent shall have received the related executed Contract Receipt.

(i) With respect to any Pledged Contracts relating to Obligors with addresses in any one State that account for 10% or more of Net Principal Balance of Pledged Contracts that are Eligible Contracts as of such Funding Date, the Servicer, if requested by the Administrative Agent, shall have delivered either (I) an Opinion of Counsel that is satisfactory in form and substance to the Administrative Agent to the effect that the Collateral Custodian, on behalf of the Secured Parties, has a perfected security interest in the related Financed Vehicles or (II) a copy of an opinion of counsel delivered in connection with any securitization of retail auto installment sales contracts by a DT Entity, which opinion concludes, subject to reasonable assumptions and qualifications, that the trustee in such securitization has a perfected security interest in the auto loan contracts of borrowers under such auto loan contracts which borrowers have addresses in such State, which opinion is dated no more than one year prior to such Funding Date.

(j) The evidence and confirmations required pursuant to Section 6.6 for each prior Collection Period shall have been provided to the Administrative Agent and to the Lender.

Article V

Representations and Warranties

Section 5.1. Representations and Warranties of the Borrower.

The Borrower represents and warrants 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, sell and pledge the Contracts and other Collateral.

(b) Due Qualification. The Borrower is duly qualified to do business and is in good standing as a Delaware 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 qualifications, licenses or approvals (including, as applicable, the origination, purchase, sale, pledge and servicing of the Pledged Contracts) except where the failure to qualify could not reasonably be expected to result in a Material Adverse Effect.

(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) grant the security interest in the Collateral on the terms and conditions herein provided and (ii) has duly authorized by all necessary limited liability company action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the grant of the security interest in the Collateral on the terms and conditions herein and therein provided.

(d) 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 Formation Documents 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 the violation of which could result in a Material Adverse Effect.

(e) No Proceedings. There is no litigation, proceeding or investigation pending or, to the knowledge of the Borrower, threatened 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 the violation of which could reasonably be expected to have a Material Adverse Effect.

(f) All Consents Required. All approvals, authorizations, consents, orders, licenses or other actions of any Person or of any Governmental Authority 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.

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

(h) 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.

(i) Selection Procedures. No procedures that could be reasonably expected to be materially adverse to the interests of the Lender were utilized by the Borrower or the Originator in identifying and/or selecting Contracts for acquisition by the Borrower from the Originator. In

addition, each Pledged Contract shall have been underwritten in accordance with and satisfy the standards of the Credit and Collection Policy.

(j) Taxes. The Borrower has filed, caused to be filed, or received an extension of time for filing that has not yet expired of 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.

(k) Exchange Act Compliance; Regulations T, U and X. None of the transactions contemplated herein (including the use of the proceeds from the Loans and the pledge of the Collateral) will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including Regulations T, U and X of the Federal Reserve Board, 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.

(l) Quality of Title. Each Pledged Contract shall, at all times, be owned by the Borrower free and clear of any Lien (other than Permitted Liens), and upon the Initial Loan and each Subsequent Loan, the Administrative Agent, as agent for the Secured Parties, shall acquire a valid and perfected first priority security interest in each Pledged Contract and the related Collateral then existing or thereafter arising, free and clear of any Lien, other than Permitted Liens. No effective financing statement or other instrument similar in effect covering any portion of the Collateral shall at any time be on file in any recording office except such as may be filed in favor of (i) the Borrower in accordance with the Purchase Agreement or (ii) the Administrative Agent in accordance with this Agreement.

(m) Security Interest. The Borrower has granted a security interest (as defined in the UCC) to the Administrative Agent, for the benefit of 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 Administrative Agent, as secured party and the Borrower as debtor, or upon the Collateral Custodian obtaining control, in the case of that portion of the Collateral which constitutes chattel paper, the Administrative Agent, for the benefit of the Secured Parties, shall have a first priority perfected security interest in the Collateral. All filings (including such UCC filings) as are necessary in any jurisdiction to perfect the security interest of the Administrative Agent, for the benefit of the Secured Parties, in the Collateral have been (or prior to the applicable Loan will be) made.

(n) Reports Accurate. All Monthly Reports (if prepared by the Borrower, or to the extent that information contained therein is supplied by the Borrower, such portion supplied by the Borrower), information, exhibits, financial statements, documents, books, records or reports (including the data file indicating characteristics of the initial Pledged Contracts immediately prior to the Closing Date) furnished or to be furnished by the Borrower to the Administrative

Agent, the Collateral Custodian, the Backup Servicer or any Secured Party under this Agreement are true, complete and correct in all material respects as of the date specified therein or the date so furnished (as applicable).

(o) 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 15.2 (or at such other locations as to which the notice and other requirements specified in Section 6.2(f) shall have been satisfied).

(p) Lockbox; Collection Account; Master Agency Agreement. The Lockbox and the Collection Account or any interest therein has not been pledged or assigned to any party other than as provided herein. Exhibit N hereto is a full, complete and correct copy of the Master Agency Agreement and such agreement has not been modified and is in full force and effect. There are no agreements or understandings relating to the Master Agency Agreement that are not fully and accurately described in Exhibit N. No DT Entity has granted any Person, other than Wells Fargo Bank, N.A. under the Master Agency Agreement, “control” (within the meaning of Section 9-102 of any applicable enactment of the UCC) of any Depository Account or the right to take control of any Depository Account at a future time or upon the occurrence of a future event.

(q) Tradenames and Place of Business. Except as described in Schedule E, 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.

(r) Purchase Agreement. The Purchase Agreement is the only agreement pursuant to which the Borrower acquires any interest in any Contracts.

(s) Value Given. The Borrower has given reasonably equivalent value to the Originator in consideration for the transfer by the Originator to the Borrower of the Contracts and the related Collateral transferred to the Borrower under the Purchase Agreement, no such transfer has 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 Insolvency Law.

(t) Accounting. The Borrower accounts for the transfers to it from the Originator of Contracts and related Collateral under the Purchase Agreement as sales of such Contracts and related Collateral in its books, records and financial statements, in each case consistent with GAAP and with the requirements set forth herein, other than for federal tax and consolidated accounting purposes.

(u) Special Purpose Entity. The Borrower is in compliance with Section 6.2(n).

(v) Investment Company Act. The Borrower is not an “investment company” registered or required to be registered under the Investment Company Act.

(w) Reserved.

(x) Accuracy of Representations and Warranties. Each representation or warranty by the Borrower contained herein, in any other Transaction Document or in any certificate or other document furnished by the Borrower pursuant hereto or thereto or in connection herewith or therewith is true and correct in all material respects.

(y) OFAC. None of the Borrower nor any DT Entity (i) is a Sanctioned Person, (ii) has more than 15% of its assets in Sanctioned Countries or (iii) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. The proceeds of any Loan will not be used and have not been used to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Country.

Section 5.2. Representations and Warranties of the Borrower relating to this Agreement and the Pledged Contracts.

The Borrower hereby represents and warrants, as of the Closing Date and as of each Addition Date:

(a) Binding Obligation. This Agreement and each other Transaction Document to which the Borrower is a party each constitute a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, except as such enforceability may be limited by Insolvency Laws and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity)

(b) Security Interest. This Agreement constitutes a grant of a security interest by the Borrower to the Administrative Agent for the benefit of the Secured Parties in all Collateral which upon the filing of financing statements in the applicable jurisdictions and, in the case of Subsequent Contracts in connection with the applicable Subsequent Loan, shall be a first priority perfected security interest in all Collateral.

(c) Eligibility of Contracts.

(i) As of the Closing Date, (A) Schedule B and the information contained in the Funding Request delivered pursuant to Section 2.1 is an accurate and complete listing in all material respects of the Contracts constituting a portion of the Collateral as of the date of the Initial Loan and the information contained therein with respect to the identity of such Contracts and the amounts owing thereunder is true and correct in all material respects as of the related Cut-off Date, (B) each such Contract is an Eligible Contract, (C) each such Contract and the related Financed Vehicle is free and clear of any Lien of any Person (other than Permitted Liens) and in compliance with all Applicable Laws and (D) with respect to each such Contract, 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 origination, purchase and pledge of such Contract and the related Collateral to the Administrative Agent have been duly obtained, effected or given and are in full force and effect.

(ii) On each Addition Date, the Borrower shall be deemed to represent and warrant that (A) Schedule B and the information contained in the Funding Request

delivered pursuant to Section 2.1 is an accurate and complete listing in all material respects of the Contracts (including the Subsequent Contracts being transferred on such Addition Date) constituting a portion of the Collateral as of the date of the Subsequent Loan and the information contained therein with respect to the identity of such Contracts and the amounts owing thereunder is true and correct in all material respects as of the related Cut-off Date, (B) each such Subsequent Contract referenced on the related Funding Request delivered pursuant to Section 2.1 is an Eligible Contract, (C) each such Subsequent Contract and the related Financed Vehicle is free and clear of any Lien of any Person (other than Permitted Liens) and in compliance with all Applicable Laws, (D) with respect to each such Contract, all consents, licenses, approvals, authorizations, registrations or declarations with any Governmental Authority required to be obtained, effected or given by the Borrower in connection with the origination, purchase and pledge of such Contract and the related Collateral have been duly obtained, effected or given and are in full force and effect and (E) the representations and warranties set forth in Section 5.2 are true and correct with respect to each Contract pledged on such day as if made on such day.

Section 5.3. Representations and Warranties of the Initial Servicer.

The initial Servicer represents and warrants as follows:

(a) Organization and Good Standing. The Servicer has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Arizona, 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.

(b) Due Qualification. The Servicer is duly qualified to do business as a limited liability company, 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 its property and or the conduct of its business, including the origination and servicing of the Pledged Contracts, requires such qualification, licenses or approvals except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect.

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

(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 enforceable against the Servicer in accordance with its respective terms.

(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 articles of organization, operating agreement 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 articles of organization, operating agreement or Contractual Obligation, other than this Agreement, or (iii) violate any Applicable Law the violation of which could result in a Material Adverse Effect.

(f) No Proceedings. There is no litigation, proceeding or investigation pending or, to the knowledge of the Servicer, threatened 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, (iii) challenging the enforceability of a material portion of the Pledged Contracts or (iv) seeking any determination or ruling that could reasonably be expected to have Material Adverse Effect.

(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.

(h) Reports Accurate. All Monthly Reports, information, exhibits, financial statements, documents, books, records or reports furnished or to be furnished by the Servicer to the Administrative Agent, the Collateral Custodian, the Backup Servicer or any Secured Party in connection with this Agreement are accurate, true and correct as of the date specified therein or the date so furnished (as applicable).

(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.

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

(k) Lockbox; Collection Account. The Servicer has neither pledged nor assigned, nor entered into a control agreement with respect to, the Lockbox or the Collection Account or amounts on deposit therein with or to any Person except the Administrative Agent and/or the Secured Parties.

Section 5.4. 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 national banking association and in good standing under the laws of the United States, 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.

(b) Power and Authority; Due Authorization. The Backup Servicer (i) has all necessary power, authority and legal right to (A) execute and deliver this Agreement and (B) carry out the terms of this Agreement and (ii) has duly authorized by all necessary action on its part the execution, delivery and performance of this Agreement.

(c) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Backup Servicer enforceable against the Backup Servicer in accordance with its terms.

(d) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof 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 Backup Servicer's organizational documents or any Contractual Obligation of the Backup Servicer, (ii) result in the creation or imposition of any Lien upon any of the Backup Servicer's properties pursuant to the terms of any such organizational documents or Contractual Obligation, other than this Agreement, or (iii) violate any Applicable Law.

(e) No Proceedings. There is no litigation, proceeding or investigation pending or, to the knowledge of the Backup Servicer, threatened against the Backup Servicer, before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (iii) challenging the enforceability of any portion of the Pledged Contracts or (iv) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

(f) 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 Backup Servicer of this Agreement have been obtained.

Section 5.5. Breach of Representations and Warranties; Retransfer of an Ineligible Contract.

If it is discovered that a Contract was an Ineligible Contract on the date such Contract was pledged by the Borrower to the Administrative Agent for the benefit of the Secured Parties hereunder, no later than the earlier of (i) knowledge by the Borrower of such Contract having been an Ineligible Contract and (ii) receipt by the Borrower from the Administrative Agent or Servicer of written notice thereof, the Borrower shall either (A) accept the release of each such Ineligible Contract, and the Administrative Agent shall be deemed, upon receipt of the Release Price, to convey to the Borrower, without recourse, representation or warranty, all of its right, title and interest in such Ineligible Contract or (B) subject to confirmation of such Substitute Contract being an Eligible Contract, substitute for such Ineligible Contract a Substitute Contract. In any of the foregoing instances, the Borrower shall accept the release of each such Ineligible Contract from the Administrative Agent, and the Net Principal Balance shall be reduced by the Principal Balance (as of the end of the most recent Collection Period) of each such Ineligible Contract and, if applicable, increased by the Principal Balance of each such Substitute Contract.

On and after the date of release, the Ineligible Contract so released shall not be included in the Collateral and the Substitute Contract shall be included in the Collateral. In consideration of a release not involving any substitution, the Borrower shall, on the date of release of such Ineligible Contract, make a deposit of the Release Price to the Collection Account in immediately available funds. Upon each release to the Borrower of such Ineligible Contract, the Administrative Agent shall automatically and without further action be deemed to transfer, assign and set-over to the Borrower, without recourse, representation or warranty, all the right, title and interest of the Administrative Agent in, to and under such Ineligible Contract and all future monies due or to become due with respect thereto, all proceeds of such Ineligible Contract and Liquidation Proceeds and Insurance Proceeds relating thereto, all rights to security for any such Ineligible Contract, and all proceeds and products of the foregoing. The Administrative Agent shall, at the sole expense of the Servicer, execute such documents and instruments of release as may be prepared by the Servicer on behalf of the Borrower and take other such actions as shall reasonably be requested by the Borrower to effect the release of such Ineligible Contract pursuant to this Section 5.5.

Article VI

Covenants

Section 6.1. Affirmative Covenants of the Borrower.

From the date hereof until the Facility Termination Date unless the Administrative Agent shall otherwise consent in writing:

(a) Compliance with Laws. The Borrower will comply in all material respects with all Applicable Laws, including those with respect to the Pledged Contracts and related Financed Vehicles.

(b) Preservation of Existence. The Borrower will preserve and maintain its existence, rights, franchises and privileges in the State of Delaware, and qualify and remain qualified in good standing 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) Performance and Compliance with Pledged Contracts. The Borrower will, at its expense, timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Pledged Contracts and in and all other agreements related to such Contracts.

(d) Keeping of Records and Books of Account. The Borrower will maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Pledged 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 Pledged Contracts.

(e) Originator Assets. With respect to each Contract acquired by the Borrower, the Borrower will:
(i) acquire such Contract pursuant to and in accordance with the terms of the

Purchase Agreement, (ii) take all action necessary to perfect, protect and more fully evidence the Borrower's ownership of such Contract, including (A) filing and maintaining, effective financing statements (Form UCC-1) listing the Originator as debtor 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) taking all additional action that the Administrative Agent may reasonably request, including the filing of financing statements listing the Administrative Agent as secured party to perfect, protect and more fully evidence the respective interests of the parties to this Agreement in the Collateral.

(f) [Reserved].

(g) Separate Corporate Existence. The Borrower shall be in compliance with the special purpose entity requirements set forth in Section 6.2(n).

(h) Credit and Collection Policy. The Borrower will comply and cause the Servicer to comply, with the Credit and Collection Policy with respect to each Pledged Contract.

(i) Termination Events. The Borrower will provide the Administrative Agent, the Backup Servicer, the Collateral Custodian and each Hedge Counterparty with written notice promptly and in any event within three (3) Business Days after any Responsible Officer of the Borrower obtains knowledge (or should have obtained knowledge) of the occurrence of any Termination Event, Unmatured Termination Event, Servicer Termination Event or Foreclosure Event setting forth the details of such event and the action that the Borrower proposes to take with respect thereto.

(j) Taxes. The Borrower will file and pay any and all Taxes, including those required to meet the obligations of the Transaction Documents.

(k) Use of Proceeds. The Borrower will use the Principal Amounts only to acquire Contracts and to fund deposits to the Reserve Account.

(l) Liens. The Borrower will not create, or participate in the creation of, or permit to exist, any Liens with respect to the Lockbox or the Collection Account except as set forth herein.

(m) Reporting. The Borrower will maintain for itself a system of accounting established and administered in accordance with GAAP and furnish to the Administrative Agent and each Hedge Counterparty:

(i) Monthly Reports. Not later than the Reporting Date preceding each Payment Date, a Monthly Report.

(ii) Income Tax Liability. Within ten Business Days after the receipt of revenue agent reports or other written proposals, determinations or assessments of the Internal Revenue Service or any other taxing authority which propose, determine or otherwise set forth positive adjustments to the Tax liability of any "affiliated group" (within the meaning of Section 1504(a)(1) of the Code) which equal or exceed \$1,000,000 in the aggregate, telephonic, telex or telecopied notice (confirmed in

writing within five Business Days) specifying the nature of the items giving rise to such adjustments and the amounts thereof.

(iii) Tax Returns. Upon demand by the Administrative Agent, copies of all federal, State and local Tax returns and reports filed by the Borrower, or in which the Borrower was included on a consolidated or combined basis (excluding sales, use and like taxes) for Tax years the statute of limitations with respect to which has not yet expired as of the time of the demand therefor.

(iv) Auditors' Management Letters. Promptly after any auditors' management letters are received by the Borrower or by its accountants, which refer in whole or in part to any inadequacy, defect, problem, qualification or other lack of fully satisfactory accounting controls utilized by the Borrower.

(v) Representations. Promptly upon receiving knowledge of same, the Borrower shall notify the Administrative Agent if any representation or warranty set forth in Section 5.1 or 5.2 was incorrect at the time it was given or deemed to have been given and at the same time deliver to the Administrative Agent a written notice setting forth in reasonable detail the nature of such facts and circumstances. In particular, but without limiting the foregoing, the Borrower shall notify the Administrative Agent in the manner set forth in the preceding sentence before any Funding Date of any facts or circumstances within the knowledge of the Borrower which would render any of the said representations and warranties untrue at the date when such representations and warranties were made or deemed to have been made.

(vi) ERISA. Promptly, and in any event within thirty (30) days, after receiving notice of any "Reportable Event" (as defined in Title IV of ERISA) with respect to the Borrower, a copy of such notice.

(vii) Proceedings. As soon as possible and in any event within three (3) Business Days after a Responsible Officer of the Borrower receives notice or obtains knowledge thereof, any settlement of, judgment (including a judgment with respect to the liability phase of a bifurcated trial) in or commencement of any labor controversy, litigation, action, suit or proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Borrower or any DT Entity where it is reasonably expected that such action or proceeding will result in a judgment of \$1 million or more.

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

(n) Accounting Policy. The Borrower will promptly notify the Administrative Agent of any change in the Borrower's accounting policies.

(o) Depository Account; Lockbox. On and after the date hereof, the Borrower will cause each Depository Account and Lockbox to be subject at all times to the Master Agency Agreement.

(p) Other. The Borrower will furnish to the Administrative Agent promptly, from time to time, such other information, documents, records or reports respecting the Collateral or the condition or operations, financial or otherwise, of the Borrower or the Originator as the Administrative Agent may from time to time reasonably request in order to protect the interests of the Administrative Agent or the Secured Parties under or as contemplated by this Agreement.

Section 6.2. Negative Covenants of the Borrower.

From the date hereof until the Facility Termination Date without the written consent of the Administrative Agent:

(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 or as contemplated by this Agreement, any Hedging Agreement required by Section 6.3 of the Purchase Agreement or any other Transaction Document (excluding any incidental expenses incurred by the Borrower in connection with the performance of its obligations under the foregoing documents) or (iii) form any Subsidiary or make any Investments in any other Person.

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

(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 on any portion of the 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 Administrative Agent of the existence of any Lien on any portion of the Collateral and the Borrower shall defend the right, title and interest of the Administrative Agent in, to and under such Collateral, against all claims of third parties; provided, however, that nothing in this subsection shall prevent or be deemed to prohibit the Borrower from suffering to exist Permitted Liens upon any portion of the Collateral.

(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 portion of the Collateral or any interest therein (other than pursuant hereto).

(e) Distributions. The Borrower shall not declare or pay, directly or indirectly, any dividend or make any other distribution (whether in cash or other property) with respect to the profits, assets or capital of the Borrower or any Person's interest therein, or purchase, redeem or otherwise acquire for value any of its capital stock now or hereafter outstanding (each a "Restricted Payment"), *provided that* prior to the Termination Date, the Borrower may make Restricted Payments out of amounts released to the Borrower pursuant to Section 2.07 (l), the proceeds of the Loans, and Pledged Contracts released pursuant to Section 2.15, in each case, so

long as (i) no Termination Event, Foreclosure Event or Unmatured Termination Event shall then exist or would result therefrom and (ii) such Restricted Payments have been approved by all necessary action on the part of the Borrower and in compliance with Applicable Law.

(f) Change of Name or Location of Contract Files. The Borrower shall not (i) change its name or jurisdiction of formation, move the location of its principal place of business and chief executive office, or the offices where it keeps the Records from the location referred to in Section 15.2, or (ii) move, or consent to the Collateral Custodian or Servicer moving, the Contract Files from the location thereof on the Closing Date, unless the Borrower has given at least thirty (30) days' written notice to the Administrative Agent and the Borrower has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Administrative Agent in the Collateral.

(g) True Sale. The Borrower will not account for or treat (whether in the Borrower's financial statements or otherwise) the transactions contemplated by the Purchase Agreement in any manner other than as the sale, or absolute assignment, of the Contracts and related assets by the Originator to the Borrower, other than for federal tax and consolidated accounting purposes.

(h) 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.

(i) Formation Documents; Etc.. Without the prior consent of the Administrative Agent, the Borrower will not amend, modify, waive, restate, replace, supplement or terminate or consent, agree to or acquiesce in any amendment, modification, waiver, restatement, replacement, supplementation or termination of, any provision of its Formation Documents or any other Transaction Document.

(j) Changes in Payment Instructions to Obligors. The Borrower will not add or make any change, or permit the Servicer to make any change, in its instructions to Obligors regarding payments to be made to the Borrower or the Servicer or payments to be made to the Lockbox, unless the Administrative Agent shall have consented to such change and has received duly executed copies of all documentation related thereto, which documentation shall be satisfactory in form and substance to the Administrative Agent.

(k) Extension or Amendment of Pledged Contracts. The Borrower will not, except as otherwise permitted in Section 7.3(c)(i), extend, amend or otherwise modify, or permit the Servicer to extend, amend or otherwise modify, the terms of any Pledged Contract.

(l) Credit and Collection Policy. The Borrower will not amend, modify, restate or replace, in whole or in part, the Credit and Collection Policy, if such amendment, modification,

restatement or replacement would impair the collectability of any Pledged Contract or otherwise be reasonably expected to materially and adversely affect the interests or the remedies of the Administrative Agent or the Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Administrative Agent.

(m) No Assignments. The Borrower will not assign or delegate, grant any interest in or permit any Lien (other Permitted Liens) to exist upon any of its rights, obligations or duties under this Agreement without the prior written consent of the Administrative Agent.

(n) Special Purpose Entity. The Borrower shall not (nor has it taken any such action in the past):

(i) engage in any business or activity other than the purchase and receipt of Contracts and related assets from the Originator under the Purchase Agreement, the pledge of Contracts 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 Contracts and related assets acquired from the Originator under the Purchase 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 Administrative 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 Administrative Agent, amend, modify, terminate, fail to comply with the provisions of its Formation Documents or fail to observe Delaware limited liability company formalities that would have a Material Adverse Effect;

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

(vi) commingle its assets with the assets of any of its Affiliates, or of any other Person;

(vii) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than Indebtedness to the Secured Parties hereunder or under any other Transaction Document or in conjunction with a repayment of Aggregate Unpaid or any Hedging Agreement except for trade payables in the ordinary course of its business, provided that such trade payables are not evidenced by a note and are 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 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 arm's-length basis with third parties other than its 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 from any principal or Affiliate thereof or from 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 any principal or Affiliate, or hold evidence of Indebtedness issued by any other Person (other than Permitted Investments (to the extent permitted hereunder) and Contracts);

(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 principals or 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 of any petition, either voluntary or involuntary, to take advantage of any applicable Insolvency Laws, 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 principals or Affiliates, (B) any Affiliate of a principal or (C) any other Person;

(xix) permit any transfer (whether in any one or more transactions) of any direct or indirect ownership interest in the Borrower, unless the Borrower delivers to the Administrative Agent an acceptable non-consolidation opinion;

(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) fail to use separate invoices and 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 Lender hereunder;

(xxvii) fail at any time to have at least two (2) independent directors (each, an “Independent Director”) on its board of directors (A) neither of which is, or has 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 (x) the Servicer, (y) the Borrower, or (z) any Affiliate of the Servicer or Borrower and (B) each of which is acceptable to the Administrative Agent; 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 Insolvency Law, (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 Snell & Wilmer L.L.P., delivered on the Closing Date, upon which the conclusions expressed therein are based.

(o) Compliance with Requirements under DTAC Indenture. (i) The Borrower will at all times cause DTAC to maintain the minimum “Collateral Coverage Ratio” to satisfy the requirement set forth in the definition of “Permitted Warehouse Transfer” (each, as defined in the DTAC Indenture) and (ii) the Borrower shall satisfy all requirements of a “Restricted Subsidiary,” a “Receivables Financing Entity” and a “Special Purpose Subsidiary” under the DTAC Indenture.

(p) Minimum Usage Requirement. The Borrower shall not permit the Note Balance, for any period longer than ten (10) consecutive Business Days, to be less than an amount equal to the lesser of (i) the product (such product on any day being the “Target Amount”), on any such

date of determination, of (A) 90.0%, (B) the Maximum Utilization Percentage on such date of determination and (C) the Commitment and (ii) the excess of (A) the Target Amount over (B) \$5,000,000; provided, however, that the provisions of this Section 6.2(p) shall not apply if, by the close of business on the fifth (5th) Business Day following the date that the Administrative Agent receives from the Borrower the Residual Interest Conveyance Agreement (Approved Form), which agreement has been executed and delivered by the Borrower and the residual interest lender identified in the Residual Interest Conveyance Agreement (Approved Form), the Administrative Agent has not executed and delivered such Residual Interest Conveyance Agreement (Approved Form).

(q) Residual Interest Conveyance Agreement. The Borrower will not enter into any Residual Interest Conveyance Agreement, other than the Residual Interest Conveyance Agreement (Approved Form) or otherwise transfer any interest or residual interest herein without the prior written consent of the Administrative Agent.

Section 6.3. Covenant of the Borrower Relating to the Hedging Agreement.

(a) The Borrower shall enter into one or more Hedge Transactions in form and substance satisfactory (including the notional amount, term and amortization rate (if any) of such Hedge Transaction) to the Administrative Agent and each such Hedge Transaction shall be entered into with a Hedge Counterparty and governed by a Hedging Agreement; provided that, as of any date of determination, (i) the aggregate notional amount relating to such Hedge Transactions shall not be less than the Note Balance on such date and (ii) the Hedge Rate of each Hedge Transaction shall not exceed 5.0%.

(b) As additional security hereunder, the Borrower has collaterally assigned to the Administrative Agent for the benefit of the Secured Parties all right, title and interest of Borrower in the Hedge Collateral. The Borrower acknowledges that, as a result of that collateral assignment, the Borrower may not, without the prior written consent of the Administrative Agent, exercise any rights under any Hedging Agreement or Hedge Transaction, except for the Borrower's right under any Hedging Agreement to enter into Hedge Transactions in order to meet the Borrower's obligations hereunder. Nothing herein shall have the effect of releasing the Borrower from any of its obligations under any Hedging Agreement or any Hedge Transaction, nor be construed as requiring the consent of the Administrative Agent or any Secured Party for the performance by the Borrower of any such obligations.

Section 6.4. Affirmative Covenants of the Servicer.

From the date hereof until the Facility Termination Date unless the Administrative Agent shall otherwise consent in writing:

(a) Compliance with Applicable Laws. The Servicer will comply in all material respects with all Applicable Laws, including those with respect to the Pledged Contracts, the related Financed Vehicles and the related Contract Files or any part thereof.

(b) Preservation of Corporate Existence. The Servicer will preserve and maintain its limited liability company existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign limited liability

company 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 Pledged Contracts. The Servicer will fulfill and comply with all obligations on the part of the Borrower to be fulfilled or complied with under or in connection with each Pledged Contract and will do nothing to impair the rights of the Administrative Agent 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 an ability to recreate records evidencing Pledged Contracts, including the related Servicer Files, 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 Pledged Contracts, including the related Servicer Files.

(e) Preservation of Security Interest. The Servicer will execute and file such financing and continuation statements and any other documents that may be required by any Applicable Law to preserve and protect fully the security interest of the Administrative Agent in, to and under the Collateral.

(f) Credit and Collection Policy. The Servicer will (i) comply in all material respects with the Credit and Collection Policy in regard to each Pledged Contract and (ii) furnish to the Administrative Agent, prior to its effective date, prompt notice of any change in the Credit and Collection Policy. The Servicer will not agree to or otherwise permit to occur any change in the Credit and Collection Policy, which change would impair the collectability of any Pledged Contract or otherwise adversely affect the interests or remedies of the Administrative Agent or the Secured Parties under this Agreement or any other Transaction Document, without the prior written consent of the Administrative Agent.

(g) Foreclosure Events and Termination Events. The Servicer will furnish to the Administrative Agent and each Hedge Counterparty, as soon as possible and in any event within three (3) Business Days after the occurrence of each Foreclosure Event, Termination Event, Servicer Termination Event and Unmatured Termination Event, a written statement of its chief financial officer or chief accounting officer 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 Administrative Agent, 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 Administrative Agent may from time to time reasonably request in order to protect the interests of the Administrative Agent or the Lender under or as contemplated by this Agreement.

(i) Losses, Etc. In any suit, proceeding or action brought by the Collateral Custodian, the Backup Servicer or any Secured Party for any sum owing thereto, the Servicer shall save, indemnify and keep the Collateral Custodian, the Backup Servicer 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 such Pledged Contract, arising out of a breach by the Servicer of any obligation under the related 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 the Servicer, and all such obligations of the Servicer shall be and remain enforceable against and only against the Servicer and shall not be enforceable against the Collateral Custodian, the Backup Servicer or any Secured Party.

(j) Notice to Collateral Custodian. The Servicer shall advise the Collateral Custodian, the Hedge Counterparty and the Administrative Agent in writing 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 the Servicer of any of its representations, warranties and covenants contained herein and (iii) the occurrence of any other event which would have a Material Adverse Effect.

(k) Realization on Pledged Contracts. In the event that the Servicer realizes upon any Pledged Contract, the methods utilized by the Servicer to realize upon such Contract or otherwise enforce any provisions of such Contract will not subject the Servicer, the Borrower, any Secured Party, the Administrative Agent or the Collateral Custodian to liability under any federal, State or local law, and any such realization or enforcement by the Servicer will be conducted in accordance with the provisions of this Agreement, the Credit and Collection Policy and Applicable Law.

(l) Certificate of Title. Within fifteen (15) days following the end of each calendar quarter, the Servicer shall deliver to the Collateral Custodian and the Administrative Agent a list of all Pledged Contracts for which it has not received the Certificate of Title relating to such Contract.

(m) Accounting Policy. The Servicer will promptly notify the Administrative Agent of any change in the Servicer's accounting policies.

(n) Additional Covenants. The Servicer will (i) immediately notify the Borrower, the Backup Servicer, the Administrative Agent, each Hedge Counterparty and the Collateral Custodian of the existence of any Lien on any portion of the Collateral (other than the Lien of the Administrative Agent and Permitted Liens) if the Servicer has actual knowledge thereof, (ii) defend the right, title and interest of the Borrower, the Secured Parties, the Administrative Agent and the Collateral Custodian in, to and under the Collateral against all claims of third parties claiming through or under the Servicer, (iii) transfer to the Lockbox Processor or Qualified Institution then holding the Collection Account for deposit into the Collection Account, all payments received by the Servicer with respect to the Pledged Contracts in accordance with this Agreement, (iv) comply with the terms and conditions of this Agreement relating to the obligation of the Borrower to remove Contracts from the Collateral pursuant to this Agreement and the obligation of the Originator to reacquire Contracts from the Borrower pursuant to the Purchase Agreement, (v) promptly notify the Borrower, the Backup Servicer, the Administrative Agent and the Collateral Custodian of the occurrence of any Servicer Termination Event and any breach by the Servicer of any of its covenants or representations and warranties contained herein, (vi) promptly notify the Borrower, the Backup Servicer, the Administrative Agent and the Collateral Custodian of the occurrence of any event which, to the knowledge of the Servicer,

would require that the Borrower make or cause to be made any filings, reports, notices or applications or seek any consents or authorizations from any and all Government Authorities in accordance with the relevant UCC and any State vehicle license or registration authority as may be necessary or advisable to create, maintain and protect a first priority security interest of the Administrative Agent in, to and on the Financed Vehicles and a first priority security interest of the Administrative Agent in, to and on the Collateral, (vii) take all reasonable action necessary to maximize the returns pursuant to the Insurance Policies, and (viii) deliver or cause to be delivered to the Collateral Custodian within three (3) Business Days preceding the Closing Date or the date of such Subsequent Loan, as the case may be, the documents to be included in the Contract Files with respect to the related Pledged Contracts.

Section 6.5. Negative Covenants of the Servicer.

From the date hereof until the Facility Termination Date without the prior written consent of the Administrative Agent:

(a) Lockbox; Collection Account. The initial Servicer shall not create or participate in the creation of, or permit to exist, any Liens with respect to the Lockbox. The Servicer shall not enter into any “control agreement” (as defined in the relevant UCC) with respect to the Lockbox or the Collection Account other than as provided in the Transaction Documents.

(b) Mergers, Acquisition, Sales, etc. The Servicer shall not (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer all or substantially all of its assets to any other Person; provided, that the Servicer may (I) merge with another Person if (A)(i) the Servicer is the entity surviving such merger or (ii) the Person with whom the Servicer is merged into or consolidated with is an Affiliate of the Servicer and the surviving entity assumes in writing all duties and liabilities of the Servicer hereunder, (B) the Servicer shall have delivered prior written notice of such consolidation, merger, conveyance or transfer to the Administrative Agent and the Hedge Counterparty, and (C) immediately after and giving effect to such merger, no Termination Event, Foreclosure Event, Servicer Termination Event or Unmatured Termination Event shall have occurred and be continuing and (II) sell, lease or otherwise transfer all or substantially all of its assets to an Affiliate of the Servicer if (A) such Affiliate assumes in writing all duties and liabilities of the Servicer hereunder, (B) the Servicer shall have delivered prior written notice of such consolidation, merger, conveyance or transfer to the Administrative Agent and the Hedge Counterparty, and (C) immediately after giving effect to such sale, lease or other transfer, no Termination Event, Foreclosure Event, Servicer Termination Event or Unmatured Termination Event shall have occurred and be continuing.

(c) Change of Name or Location of Servicer Files or Contract Files Related to the Pledged Contracts. The Servicer shall not (i) change its name or its state of organization, move the location of its principal place of business and chief executive office, and the offices where it keeps records concerning the Pledged Contracts (including the related Servicer Files) from the location referred to in Section 15.2 or (ii) move, or consent to the Collateral Custodian moving, the related Contract Files from the location thereof on the Closing Date, unless the Servicer has given at least thirty (30) days’ written notice to the Administrative Agent 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 Administrative Agent for the benefit of the Secured Parties in the Collateral, subject only to Permitted Liens.

(d) Change in Payment Instructions to Obligors. The Servicer will not make any change in its instructions to Obligors regarding payments to be made to the Borrower or the Servicer or payments to be made to the Lockbox or Collection Account, unless the Administrative Agent has consented to such change and has received duly executed documentation related thereto.

(e) Extension or Amendment of Pledged Contracts. The Servicer will not, except as otherwise permitted in Section 7.3(c)(i), extend, amend or otherwise modify the terms of any Pledged Contract.

(f) No Instruments. The Servicer shall take no action to cause any Pledged Contract to be evidenced by any “instrument” (as defined in the UCC).

(g) No Liens. Except as otherwise provided herein, 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 created by this Agreement) on the Collateral or any interest therein, the Servicer will notify the Collateral Custodian and the Administrative Agent of the existence of any Lien on any portion of the Collateral immediately upon discovery thereof, and the Servicer shall defend the right, title and interest of the Administrative Agent on behalf of the Secured Parties in, to and under the Collateral against all claims of third parties claiming through or under the Servicer.

(h) Release; Additional Covenants. The Servicer shall not (i) release any Financed Vehicle securing any Pledged Contract from the security interest granted therein by such Contract in whole or in part except (x) in the event of payment in full by the Obligor thereunder, or (y) upon transfer of such Financed Vehicle to a purchaser following repossession by the Servicer, (ii) impair the rights of the Borrower, the Administrative Agent, the Secured Parties or the Collateral Custodian in the Pledged Contracts, (iii) not increase the number of Scheduled Payments due under a Pledged Contract except as permitted herein, or (iv) prior to the payment in full of any Pledged Contract, sell, pledge, assign, or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien on such Contract or any interest therein.

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 Administrative Agent or the Collateral Custodian might have with respect to the administration of the Pledged Contracts.

Section 6.6. Confirmation of Release of Liens on the Contracts.

On each Reporting Date, DTAC shall provide the Administrative Agent with evidence satisfactory to the Administrative Agent that the Contracts added to the Collateral on or prior to the Collection Period are free and clear of any Lien, and that DTAC and DTAG and their applicable affiliates have each taken such actions, as are necessary and appropriate, to release the Lien created in connection with the DTAC Indenture. The Lender may request such evidence or confirmation that such Lien has been released at any time in its sole discretion.

Article VII

Administration and Servicing of Pledged Contracts

Section 7.1. Designation of Servicing.

The Administrative Agent, the Lender and each of the Borrower, the Backup Servicer and the Collateral Custodian, at the direction of and on behalf of the Administrative Agent, hereby appoint and direct DTCC as Servicer to service, manage, collect and administer each of the Pledged Contracts and other Collateral, and to enforce its respective rights and interests in and under the Collateral and DTCC hereby accepts such appointment and agrees to perform the duties and responsibilities of the Servicer pursuant to the terms hereof.

Section 7.2. Servicing Compensation.

As compensation for its servicing activities hereunder and reimbursement for its expenses, the Servicer shall be entitled to receive the Servicing Fee to the extent of funds available therefor pursuant to Section 2.7.

Section 7.3. Duties of the Servicer.

(a) Standard of Care. The Servicer shall take or cause to be taken all such action as may be necessary or advisable to collect each Pledged Contract from time to time, all in accordance with Applicable Law, with reasonable care and diligence and in accordance with the Credit and Collection Policy.

(b) Records Held in Trust. The Servicer shall hold in trust for the Secured Parties all records which evidence or relate to all or any part of the Collateral. In the event that the Backup Servicer assumes servicing responsibilities or a Successor Servicer, as applicable, is appointed, the outgoing Servicer shall promptly deliver to the Backup Servicer or the Successor Servicer, as applicable, and the Backup Servicer or the Successor Servicer, as applicable, 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.

(c) Collection Practices. The Servicer shall take or cause to be taken all such actions as it deems necessary or advisable to collect each Pledged Contract from time to time, all in accordance, in all material respects, with Applicable Laws, the Credit and Collection Policy and this Agreement. Each of the Borrower, the Lender, and the Administrative Agent hereby appoints as its agent DTCC to enforce its respective rights and interests in and under the Pledged Contracts and the other Collateral and DTCC hereby accepts such appointment. In connection with its rights, duties and obligations hereunder, and without limiting the generality of the foregoing, the Servicer may in its discretion (A) grant extensions, rebates, adjustments and waivers on any Pledged Contract as permitted by the Credit and Collection Policy, (B) otherwise amend or modify any Pledged Contract, provided that the Servicer shall not modify the APR or the number or amount of the Scheduled Payments or reduce the Principal Balance on any Pledged Contract, and (C) waive any late payment charge or any other fees (other than interest on the Principal Balance) of any Pledged Contract that may be collected in the ordinary course of servicing any Pledged Contract. The Servicer shall cause the Borrower to enforce its rights

under the Purchase Agreement (including each Transfer Agreement) including the right to require the Originator to repurchase Contracts for breaches of representations and warranties made by the Originator.

(d) Credit and Collection; Recourse; Sales of Financed Vehicles. On behalf of the Borrower and the Administrative Agent for the benefit of the Lender, the Servicer shall use its best efforts, consistent with its Accepted Servicing Practices, to repossess or otherwise convert the ownership of the Financed Vehicle securing any Pledged Contract as to which the Servicer shall have determined eventual payment in full is unlikely. From time to time, as appropriate for servicing or foreclosing upon any Pledged Contract, the Borrower shall, upon written request of the Servicer, execute such documents as shall be reasonably necessary to prosecute any such proceedings. The Servicer shall follow such Accepted Servicing Practices as it shall deem necessary or advisable in its servicing of Contracts. The Servicer shall use all commercially reasonable efforts to maximize proceeds from the repossession of a Financed Vehicle securing any Pledged Contract, which may include selling such Financed Vehicle at auction, public or private sale, or to an Affiliate of the Servicer, provided that (i) any such sale to an Affiliate is for fair market value, (ii) any such sale to an Affiliate does not have a material adverse effect on the Lenders and (iii) the aggregate proceeds from the sale to such Affiliates of repossessed Financed Vehicles not sold through auction securing any Pledged Contract in any calendar month does not exceed 10% of the aggregate proceeds from the sale of all repossessed Financed Vehicles securing any Pledged Contract. The foregoing shall be subject to the provision that, in any case in which the Financed Vehicle shall have suffered damage, the Servicer shall not expend funds in connection with the repair or the repossession of such Financed Vehicle unless it shall determine in its reasonable discretion that such repair and/or repossession will increase the net liquidation proceeds by an amount greater than the amount of such expenses.

(e) Subservicers. The Servicer may at any time and from time to time delegate any or all of its duties and obligations hereunder to one or more Subservicers; provided, however, that the Servicer shall at all times remain responsible for the performance of such duties and obligations.

(f) Insurance. The Servicer shall:

(i) on behalf of the Borrower, administer and enforce all rights and responsibilities of the Borrower, as owner of the Pledged Contracts, provided for in the Insurance Policies relating to the Pledged Contracts;

(ii) in accordance with Accepted Servicing Practices, require that each Obligor shall have obtained physical damage insurance covering the Financed Vehicle as of the date of execution of the Pledged Contract;

(iii) reserved;

(iv) administer the filings of claims under the Insurance Policies by filing the appropriate notices related to claims, including initial notices of loss, as well as claims with the respective carriers or their authorized agents all in accordance with the terms of

the Insurance Policies; and use reasonable efforts to file such claims on a timely basis after obtaining knowledge of the events giving rise to such claims.

(v) utilize such notices, claim forms and claim procedures as are required by the respective insurance carriers issuing Insurance Policies covering Financed Vehicles related to Pledged Contracts;

(vi) upon receipt of notice that an Obligor's physical damage Insurance Policy covering a Financed Vehicle related to a Pledged Contract has lapsed or is otherwise not in force, send written notice to such Obligor stating that each Obligor is required to maintain physical damage insurance covering such Financed Vehicle throughout the term of the related Pledged Contract; and

(vii) not be required to pay any premiums or, other than administering the filing of claims and performing reporting requirements specified in the Insurance Policies in connection with filing such claims in accordance with this Agreement, perform any obligations of the named insured under such Insurance Policies.

In the case of any inconsistency between the requirements of the Servicer under this Agreement or the Credit and Collection Policy and the requirements of any Insurance Policy relating to a Financed Vehicle applicable to the Borrower or the Servicer, the Servicer shall comply with the Insurance Policy.

(g) Obligation to Restore. In the event of any physical loss or damage to a Financed Vehicle related to a Pledged Contract from any cause, whether through accidental means or otherwise, the Servicer shall have no obligation to cause the affected Financed Vehicle to be restored or repaired. However, the Servicer shall comply with the provisions of any Insurance Policy or Insurance Policies directly or indirectly related to any physical loss or damage to such Financed Vehicle as provided in this Agreement.

(h) Fidelity Bond. The initial Servicer shall obtain on or prior to the Closing Date and shall maintain, at its own expense, a fidelity bond in an amount consistent with industry standards, naming the Administrative Agent, in its capacity as Administrative Agent, as an additional loss payee or beneficiary of such fidelity bond, with responsible companies on all officers, employees or other persons acting on behalf of the Servicer in any capacity with regard to the Collateral to handle funds, money, documents and papers relating to the Collateral. Any such fidelity bond shall protect and insure the initial Servicer against losses, including forgery, theft, embezzlement, fraud and errors and omissions and negligent acts of such persons and shall be maintained in a form and amount that would meet the requirements of prudent servicers engaged in the business of servicing prime, subprime and nonprime motor vehicle loan agreements similar to the Pledged Contracts. No provision of this subsection requiring such fidelity bond shall diminish or relieve the Servicer from its duties and obligations as set forth in this Agreement. The initial Servicer shall be deemed to have complied with this provision if one of its respective Affiliates has such fidelity bond and, by the terms of such fidelity bond, the coverage afforded thereunder extends to the Servicer. The initial Servicer shall cause each and every Subservicer to maintain a fidelity bond which would meet such requirements. Annually and more frequently upon request of the Borrower, the Administrative Agent, the Collateral

Custodian or the Backup Servicer, the Servicer shall cause to be delivered to the Administrative Agent a certification evidencing coverage (with respect to itself and any Subservicer) under such fidelity bond. Any such fidelity bond shall not be cancelled or modified in a materially adverse manner without 30 days' prior written notice to the Borrower, the Administrative Agent and the Collateral Custodian.

(i) Security Interests. The Borrower hereby directs the Servicer to take or cause to be taken such steps as are reasonably necessary, to maintain perfection of the security interest created by each Pledged Contract in the related Financed Vehicle. The Servicer shall, at the direction of the Borrower or the Administrative Agent, take any action reasonably necessary to preserve and protect the security interests of the Borrower, the Administrative Agent, the Secured Parties and the Collateral Custodian in the Pledged Contracts, including any action specified in any Opinion of Counsel delivered to the Servicer.

(j) Realization on Financed Vehicles. The Servicer warrants, represents and covenants that in the event that the Servicer or any Subservicer realizes upon any Financed Vehicle, the methods utilized to realize upon such Pledged Contract or otherwise enforce any provisions of such Pledged Contract, will not subject the Servicer, the Borrower, the Administrative Agent, the Lender, the Backup Servicer or the Collateral Custodian to liability under any federal, State or local law, and that such enforcement by the Servicer or any Subservicer will be conducted in accordance with the provisions of this Agreement, the Credit and Collection Policy and Applicable Law.

(k) Recordkeeping. The Servicer shall:

(i) maintain legible copies (in electronic or hard-copy form, in the discretion of the Servicer) or originals of all documents in its Servicer File with respect to each Pledged Contract and the Financed Vehicle related thereto; and

(ii) keep books and records, reasonably satisfactory to the Administrative Agent, pertaining to each Pledged Contract and shall make periodic reports in accordance with this Agreement; such records may not be destroyed or otherwise disposed of except as provided herein and as allowed by Applicable Law, all documents, whether developed or originated by the Servicer or not, reasonably required to document or to properly administer any Pledged Contract shall remain at all times the property of the Borrower and shall be held in trust by the Servicer; the Servicer shall not acquire any property rights with respect to such records, and shall not have the right to possession of them except as subject to the conditions stated in this Agreement; and the Servicer shall bear the entire cost of restoration in the event any Servicer File shall become damaged, lost or destroyed while in the Servicer's possession or control.

(l) Inspection. The Servicer shall permit the Administrative Agent, the Backup Servicer and the Lender, upon 5 Business Days' prior notice and during the Servicer's regular business hours (provided that from and after the occurrence of any Foreclosure Event, Termination Event or Servicer Termination Event, the Administrative Agent or the Backup Servicer shall not be required to give the foregoing notice), to periodically, at the discretion of the Administrative Agent or the Backup Servicer, review the Servicer's collection and

administration of the Pledged Contracts in order to assess compliance by the Servicer with the Credit and Collection Policy and this Agreement and may conduct an audit of the Pledged Contracts and the related Contract Files in conjunction with such a review. Such review may include tours of the Servicer's facilities and discussions with management of the Servicer. Reasonable costs and expenses incurred in connection with any such inspection conducted pursuant to this Section 7.3(l) shall be at the Servicer's expense; provided that if no Termination Event shall have occurred and be continuing, the Administrative Agent, the Backup Servicer, the Lender or their agents or representatives shall only be entitled to conduct two audits of the Borrower during any twelve (12) month period beginning on the date hereof and on each anniversary of the date hereof and provided, further, that if a Termination Event shall have occurred and be continuing, the Administrative Agent, the Backup Servicer, the Lender or their agents or representatives shall be entitled to conduct four (4) audits of the Borrower during such period and if a Foreclosure Event shall have occurred and be continuing, there shall be no limit on the number of such audits the Administrative Agent, the Backup Servicer, the Lender or their agents or representatives shall be entitled to conduct. It is anticipated that each audit will be a full operational, legal, compliance and collateral audit and will verify among other items, the existence of Collateral, cash application, aging and eligibility, and Borrowing Base computation, will include a litigation and regulatory review, and will confirm that internal ratings actually applied conform to underwriting standards. Each audit will also include a sample review of no less than 100 Contract files to check the accuracy of information provided by the Borrower or the Servicer.

Section 7.4. Collection of Payments.

(a) Payment Instructions. On or before the Closing Date with respect to the Contracts that are part of the Collateral as of the Closing Date, and on or before the relevant Addition Date with respect to the Subsequent Contracts, the Servicer shall have instructed all related Obligor to make all payments in respect of the related Contracts directly to the Servicer or the Lockbox.

(b) Establishment of the Collection Account and Reserve Account. The Servicer shall cause to be established, on or before the Closing Date, and maintained in the name of the Administrative Agent, for the benefit of the Secured Parties, with a Qualified Institution which shall initially be the Collateral Custodian, (i) the Collection Account and (ii) the Reserve Account, in each case over which the Administrative Agent shall have sole dominion and control and from which neither the Originator nor the Borrower shall have any right of withdrawal.

(c) Adjustments. If (i) the Servicer makes a deposit into the Collection Account in respect of a collection of a Pledged Contract 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 Scheduled Payment in respect of which a dishonored check is received shall be deemed not to have been paid.

Section 7.5. [Reserved.]

Section 7.6. Payment of Certain Expenses by the initial Servicer.

The initial Servicer will be required to pay all expenses incurred by it in connection with its activities under this Agreement, including the fees and disbursements of independent certified public accountants, Taxes imposed on the Servicer, expenses incurred in connection with payments and reports pursuant to this Agreement, fees and expenses of subservicers and agents of the Servicer and all other fees and expenses not expressly stated under this Agreement for the account of the Borrower. The initial Servicer 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 initial Servicer 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 7.7. Reports.

(a) Monthly Report; Monthly Statement as to Compliance. On each Reporting Date, the Servicer will provide to the Borrower, the Administrative Agent, the Hedge Counterparty, the Collateral Custodian and the Backup Servicer (i) a Monthly Report, and (ii) an Officer's Certificate, dated as of the last day of the immediately preceding Collection Period, stating that (x) a review of the activities of the Servicer during such Collection Period (or since the Closing Date in the case of the first such Officer's Certificate) and of its performance under this Agreement has been made under such officer's supervision and (y) to the best of such officer's knowledge, based on such review, the Servicer has fulfilled all its obligations under this Agreement throughout such Collection Period (or such longer period in the case of the first such Officer's Certificate), or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to such officer and the nature and status thereof.

(b) Financial Statements. The initial Servicer will submit to the Administrative Agent, the Lender, the Hedge Counterparty and the Backup Servicer:

(i) Within one hundred and five (105) days after the end of each of its fiscal years, audited consolidated balance sheet and related statements of earnings, shareholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by independent public accountants of recognized national standing (without a "going concern" or like qualification or exception or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly, in all material respects, the financial position and results of operations of each of the Guarantors and its consolidated subsidiaries on a consolidated basis in accordance with GAAP.

(ii) Within sixty (60) days after the end of the first three (3) fiscal quarters of each of its fiscal year, the consolidated balance sheet of each of DT Entities as at the close of each such fiscal quarter and related statements of earnings and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year,

all certified by its chief financial officer, treasurer or controller as presenting fairly, in all material respects, the financial position and results of operations of the Guarantors and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP, subject to the normal year-end audit adjustments.

Section 7.8. Reserved.

Section 7.9. Annual Independent Public Accountant's Reports.

The Servicer will deliver to the Administrative Agent, on or before April 30th of each year beginning in the year 2013, a copy of a report prepared by a firm of independent certified public accountants, who may also render other services to the Servicer or any of its Affiliates, addressed to the Board of Directors of the Servicer or any of its Affiliates, and the Administrative Agent and dated during the current year, to the effect that such firm has examined the Servicer's policies and procedures and issued its report thereon and expressing a summary of findings (based on certain procedures performed on the documents, records and accounting records that such accountants considered appropriate under the circumstances) relating to the servicing of the Pledged Contracts and the administration of the Pledged Contracts (including the preparation of the Monthly Reports) during the preceding calendar year (or such longer period in the case of the first sale report) and that such servicing and administration was conducted in compliance with the terms of this Agreement, except for (i) such exceptions as such firm shall believe to be immaterial and (ii) such other exceptions as shall be set forth in such report and that such examination (1) was performed in accordance with standards established by the American Institute of Certified Public Accountants, and (2) included tests relating to auto loans serviced for others in accordance with the requirements of any program under which the Servicer customarily provides such reporting to other warehouse lenders similarly situated, which may include Uniform Single Attestation Program for Mortgage Bankers, SAS 70 reports or comparable reports, in each case, to the extent the procedures in such program are applicable to the servicing obligations set forth in this Agreement. Notwithstanding the foregoing, to the extent that in connection with public offerings, Regulation AB under the Securities Act requires the delivery of an annual attestation of a firm of independent public accountants with respect to the assessment of servicing compliance with specified servicing criteria of the Servicer stating, among other things, that the Servicer's assertion of compliance with the specified servicing criteria is fairly stated in all material respects, or the reason why such an opinion cannot be expressed, the delivery of a copy of such an attestation to the Administrative Agent shall be deemed to satisfy the provisions of this Section.

In the event such independent certified public accountants require the Collateral Custodian or the Backup Servicer to agree to the procedures to be performed by such firm in any of the reports required to be prepared pursuant to this Section, the Servicer shall direct the Collateral Custodian or the Backup Servicer in writing to so agree; it being understood and agreed that the Collateral Custodian or the Backup Servicer will deliver such letter of agreement in conclusive reliance upon the direction of the Servicer, and the Collateral Custodian or the Backup Servicer has not made any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

Such report shall also indicate that the firm is “Independent” of the Servicer and its Affiliates within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

Section 7.10. Rights Prior to Assumption of Duties by the Backup Servicer or Designation of Successor Servicer.

(a) On or before each Reporting Date, the Servicer shall deliver to the Backup Servicer an electronic file containing all information necessary to allow the Backup Servicer to review the Monthly Report related thereto and determine the following: (i) that such Monthly Report is complete on its face, (ii) that the amounts withdrawn from the Collection Account and the balance of such account, as set forth in the records of the Servicer are the same as the amounts withdrawn from the Collection Account as set forth in the Monthly Report and (iii) the Reserve Account Amount. The Backup Servicer shall, on the second (2nd) Business Days after receipt of the electronic file referred to in the preceding sentence, load such electronic file, confirm such computer tape or diskette is in readable form and verify the following: (i) the aggregate Principal Balance of all Pledged Contracts as of the most recent Determination Date, (ii) the Delinquency Ratio (Managed Contracts), Delinquency Ratio (Pledged Contracts), the Net Losses Ratio (Managed Contracts), the Net Losses Ratio (Pledged Contracts), the Extension Rate (Managed Contracts), the Extension Rate (Pledged Contracts) and the Excess Spread as of the related Determination Date, each as set forth in the Monthly Report and (iii) the Borrowing Base as of the related Reporting Date (calculated as of the related Determination Date, or, with respect to Contracts added to the Collateral following such Determination Date, but prior to the date of such Monthly Report, the related Cut-off Date). In the event of any discrepancy between the information set forth in the two foregoing sentences, as determined or calculated by the Servicer, from that determined or calculated by the Backup Servicer, the Backup Servicer shall notify the Servicer of such discrepancy by the third (3rd) Business Day following receipt by the Backup Servicer of the related electronic file and, if by the Business Day following receipt by the Servicer of such notice, the Backup Servicer and the Servicer are unable to resolve such discrepancy, the Backup Servicer shall promptly notify the Administrative Agent of such discrepancy. The Backup Servicer shall provide a Monthly Backup Servicer Certificate to the Administrative Agent and the Servicer, on or before the close of business on the Business Day immediately preceding the related Payment Date. The Backup Servicer, in its capacity as such, shall not be responsible for delays attributable to the Servicer’s failure to deliver information, defects in the information supplied by the Servicer or other circumstances beyond the control of the Backup Servicer.

(b) At such time as may be requested in writing by the Administrative Agent, the Servicer shall deliver the Test Data File to the Backup Servicer, in a format acceptable to the Backup Servicer. The Backup Servicer and the Servicer will agree upon the file layout and electronic medium to transfer such data to the Backup Servicer. The Backup Servicer shall confirm to the Servicer and the Administrative Agent in writing that the Test Data File is in the correct format or if any changes or modifications are necessary. The Backup Servicer shall convert the Test Data File to its internal servicing system, and confirm in writing to the Servicer and the Administrative Agent that it has received and verified the completeness of the Test Data File within 90 days of receipt of such Test Data File; provided, however, that such confirmation shall not be deemed to apply to the accuracy of the Test Data File data as provided by the

Servicer, but shall be deemed only to apply to the accuracy of the conversion of the Test Data Files to the Backup Servicer's internal systems. Any cost associated with the obligations of the Backup Servicer described in this Section 7.10(b) shall be at the expense of the Servicer, and, to the extent that the Servicer does not pay such amounts, the Backup Servicer shall be entitled to recover such amounts in priority (iv) of Section 2.7.

(c) 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 Liability for any action taken or omitted by the Servicer.

(d) 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 Administrative Agent, to succeed to the duties and obligations of the Servicer pursuant hereto.

(e) Except as provided in this Agreement, the Backup Servicer may accept and rely on all accounting, records and work of the Servicer without audit, and the Backup Servicer shall have no Liability for the acts or omissions of the Servicer. If any error, inaccuracy or omission (collectively, "Errors") exists in any information received from the Servicer, and such Errors should cause or materially contribute to the Backup Servicer making or continuing any Errors (collectively, "Continued Errors"), the Backup Servicer shall have no Liability for such Continued Errors; provided, however, that this provision shall not protect the Backup Servicer against any Liability which would otherwise be imposed by reason of willful misconduct, bad faith or gross negligence in discovering or correcting any Error or in the performance of its duties under this Agreement. In the event the Backup Servicer becomes aware of Errors or Continued Errors, the Backup Servicer shall promptly notify the Servicer of such Errors or Continued Errors and, with the prior consent of the Administrative Agent, shall use its best efforts to reconstruct and reconcile such data as is commercially reasonable to correct such Errors and Continued Errors and prevent future Continued Errors. The Backup Servicer shall be entitled to recover its costs thereby expended from the Servicer (or, to the extent not paid by the Servicer, in accordance with Section 2.7).

(f) The Backup Servicer 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 attorneys' fees) arising out of claims asserted against the Backup Servicer by third parties on any matter arising out of this Agreement to the extent the act or omission giving rise to the claim accrues before the date on which the Backup Servicer assumes the duties of Servicer hereunder, except for any claims, damages, losses or expenses arising from the Backup Servicer's own gross negligence, bad faith or willful misconduct.

Section 7.11. Rights After Assumption of Duties by Backup Servicer or Designation of Successor Servicer; Liability.

At any time following the assumption of the duties of the Servicer by the Backup Servicer or the designation of a Successor Servicer pursuant to Section 7.15 as a result of the occurrence of a Servicer Termination Event:

(a) The Servicer, on behalf of the Borrower, shall, at the Administrative Agent's request, (i) assemble all of the records relating to the Collateral, including all related Contract Files, and shall make the same available to the Administrative Agent at a place selected by the Administrative Agent, and (ii) segregate all cash, checks and other instruments received by it from time to time constituting collections of Collateral in a manner acceptable to the Administrative 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, to the Administrative Agent.

(b) The Borrower hereby authorizes the Administrative Agent to take any and all steps in the Borrower's name and on behalf of the Borrower necessary or desirable, in the determination of the Administrative Agent, to collect all amounts due under any and all of the Collateral with respect thereto, including endorsing the Borrower's name on checks and other instruments representing Collections and enforcing the Pledged Contracts.

(c) The Backup Servicer shall be liable in accordance herewith only to the extent of its obligations set forth in this Agreement or any obligations assumed by the Backup Servicer from the Servicer pursuant to Section 7.15. Such liability is limited to only those actions taken or omitted to be taken by the Backup Servicer and caused through its gross negligence, bad faith or willful misconduct. No implied covenants or obligations shall be read into this Agreement against the Backup Servicer and, in the absence of bad faith on the part of the Backup Servicer, the Backup Servicer may conclusively rely on the truth of the statements and the correctness of the opinions expressed in any certificates or opinions furnished to the Backup Servicer and conforming to the requirements of this Agreement.

(d) The Backup Servicer shall not be charged with knowledge of any Termination Event, Unmatured Termination Event or Foreclosure Event unless an Authorized Officer of the Backup Servicer obtains actual knowledge of such event or the Backup Servicer receives written notice of such event from the Borrower, the Servicer or the Administrative Agent.

(e) The Backup Servicer shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers, if it reasonably determines that the repayment of such funds or adequate written indemnity against such risks or liability is not available prior to the expenditure of such funds or the incurrence of financial liability. Notwithstanding any provision to the contrary, the Backup Servicer, so long as it is not the Successor Servicer, shall not be liable for any obligation of the Servicer contained in this Agreement, and the parties shall look only to the Servicer to perform such obligations.

Section 7.12. Limitation on Liability of the Servicer and Others.

Except as provided herein, neither the Servicer nor any of its directors or officers or employees or agents shall be under any liability to the Administrative Agent, the Secured Parties, the Backup Servicer, the Collateral Custodian or any other Person for any action taken or for refraining from the taking of any action pursuant to this Agreement; provided, however, that this provision shall not protect the Servicer or any such Person against any liability that would

otherwise be imposed by reason of its willful misfeasance, bad faith or negligence in the performance of duties or by reason of its willful misconduct hereunder.

Section 7.13. The Servicer Not to Resign.

The Servicer shall resign only with the prior written consent of the Administrative Agent or if the Servicer provides an Opinion of Counsel to the Administrative Agent to the effect that such Servicer is no longer permitted by law to act as Servicer hereunder. No termination or resignation of the Servicer hereunder shall be effective until a Successor Servicer, acceptable to the Administrative Agent has accepted its appointment as Successor Servicer hereunder and has agreed to be bound by the terms of this Agreement and the Credit and Collection Policy.

Section 7.14. Servicer Termination Events.

The occurrence and continuance of any one of the following events shall constitute a “Servicer Termination Event” hereunder:

(a) any failure by the Servicer to (i) deliver any Collections or (ii) make any payment, transfer or deposit, in each case, as required by this Agreement or the other Transaction Documents to which the Servicer is a party;

(b) any failure by the Servicer duly to perform or observe any term, covenant or agreement of the Servicer contained in this Agreement or the other Transaction Documents to which the Servicer is a party and such failure remains unremedied for thirty (30) calendar days after discovery by a Responsible Officer of the Servicer or receipt of written notice of such failure from any Affected Party;

(c) any representation, warranty or certification made or deemed to be made by the Servicer under this Agreement or any Transaction Document to which the Servicer is a party, or any other certificate, information or report delivered pursuant to this Agreement or any Transaction Document to which the Servicer is a party, shall prove to have been false or incorrect in any material respect when made or deemed made or delivered, and which remains unremedied for thirty (30) calendar days after discovery by a Responsible Officer of the Servicer or receipt of written notice of such failure from any Affected Party;

(d) an Event of Bankruptcy shall occur with respect to the Servicer;

(e) a Change of Control shall occur with respect to the Servicer;

(f) a final non-appealable judgment shall be entered against, or settlements by the Servicer or any of its material Subsidiaries by a court of competent jurisdiction assessing monetary damages in excess of \$1,000,000, individually or in the aggregate, and, in the case of a judgment, such judgment shall not have been discharged or stayed within sixty (60) calendar days;

(g) the Servicer fails to make any payment when due, a default occurs or any event occurs which, with the giving of notice or the passage of time or both, would constitute a default,

under any agreement to which the Servicer is a party, and under which agreement the Servicer has outstanding Indebtedness of \$1,000,000 or more;

(h) the Servicer fails to comply with the Credit and Collection Policy in any respect relating to the servicing of the Pledged Contracts and such failure has a Material Adverse Effect; or

(i) a Termination Event or Foreclosure Event shall have occurred and shall not have been waived.

Upon the occurrence of any of the foregoing, notwithstanding anything herein to the contrary, so long as any such Servicer Termination Event shall not have been remedied within any applicable cure period or waived in writing by the Administrative Agent and the Lender, the Administrative Agent, by written notice to the Servicer (with a copy to the Backup Servicer, each Hedge Counterparty and the Collateral Custodian) (a "Servicer Termination Notice"), may terminate all of the rights and obligations of the Servicer as Servicer under this Agreement.

Section 7.15. Appointment of Successor Servicer.

(a) On and after the receipt by the Servicer of a Servicer Termination Notice, 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 Administrative Agent in writing or, if no such date is specified in such Servicer Termination Notice or otherwise specified by the Administrative Agent, until a date mutually agreed upon by the Servicer, the Backup Servicer and the Administrative Agent. The Administrative Agent may, in its discretion, at the time described in the immediately preceding sentence, appoint the Backup Servicer as the Successor Servicer hereunder, and the Backup Servicer shall on such date assume all duties, liabilities and obligations of the Servicer hereunder from and after such date, and all authority and power of the Servicer under this Agreement shall pass to and be vested in the Backup Servicer.

(b) In the event that the Administrative 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 Administrative Agent shall as promptly as possible appoint another Person to serve as the "Successor Servicer"), and such Person shall evidence its acceptance of such appointment by a written assumption agreement in a form acceptable to the Administrative 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 Administrative Agent shall petition a court of competent jurisdiction to appoint any established financial institution having a net worth of not less than \$50,000,000 and whose regular business includes the servicing of subprime automobile contracts as the Successor Servicer hereunder.

(c) Upon the termination and removal of the Servicer and the assumption by the Successor Servicer hereunder, the predecessor Servicer shall cooperate with the Successor Servicer in effecting the termination of the rights and responsibilities of the predecessor Servicer under this Agreement, including the transfer to the Successor Servicer for administration by it of all Collections that shall at the time be held by the predecessor Servicer for deposit, or shall

thereafter be received, with respect to a Pledged Contract, and the related Accounts and Contracts Files and other records maintained by the Servicer. In the case that the Backup Servicer or any other Successor Servicer shall not agree to perform any duties or obligations of the Servicer hereunder, such duties or obligations may be performed or delegated by the Administrative Agent.

(d) The Administrative Agent shall have the same rights of removal and termination for cause with respect any Successor Servicer as with respect to DTCC as the Servicer.

(e) All reasonable costs and expenses (including attorneys' fees and disbursements) incurred by the Backup Servicer and Successor Servicer in connection with the transfer and assumption of servicing obligations hereunder from the Servicer to the Successor Servicer or Backup Servicer, converting the Servicer's data to such party's computer system and amending this Agreement to reflect such succession as Servicer pursuant to this Section shall be paid by the predecessor Servicer promptly upon presentation of a written invoice setting forth reasonable transition expenses which shall not exceed \$200,000 in the aggregate as to all such Persons (the "Transition Expenses"). In no event shall the Successor Servicer, be responsible for any such Transition Expenses. If the predecessor Servicer fails to pay the Transition Expenses, the Transition Expenses shall be payable pursuant to Section 2.7.

(f) Upon its appointment and acceptance of the duties and obligations of the Servicer hereunder, the Successor Servicer, as applicable, shall be the successor in all respects to the Servicer with respect to servicing obligations 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 to the Servicer shall be deemed to refer to the Successor Servicer; provided, however, that any Successor Servicer shall have (i) no liability with respect to any obligation which was required to be performed by the predecessor Servicer prior to the date that the successor becomes the Successor Servicer or any claim of a third party based on any alleged action or inaction of the predecessor Servicer, (ii) no obligation to perform any repurchase or advancing obligations, if any, of the Servicer, (iii) no obligation to pay any taxes required to be paid by the Servicer, (iv) no obligation to pay any of the fees and expenses of any other party to this Agreement and (v) no liability or obligation with respect to any Servicer indemnification obligations of any prior Servicer, including DTCC. The indemnification obligations of the Backup Servicer, upon becoming a successor Servicer are expressly limited to those instances of gross negligence or willful misconduct of the Backup Servicer in its role as Successor Servicer.

(g) All authority and power granted to the Servicer under this Agreement shall automatically cease and terminate upon termination of this Agreement and shall pass to and be vested in the Borrower and 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 Pledged Contracts.

(h) The Administrative Agent may, solely for purposes of establishing the fee to be paid to the Backup Servicer or any other Successor Servicer after a notice of removal of the Servicer pursuant to this Article, solicit written bids (such bids to include a proposed servicer fee and servicing transfer costs) from not less than three (3) entities experienced in the servicing of subprime automobile contracts similar to the Pledged Contracts reasonably acceptable to the Administrative Agent. Any such written solicitation shall prominently indicate that bids should specify any applicable subservicing fees required to be paid from the Servicing Fee and that any fees and transfer costs in excess of the Servicing Fee shall be paid by the Borrower from amounts received pursuant to Section 2.7. The Borrower may also solicit additional bids from other such entities. The Successor Servicer shall act as Servicer hereunder and shall, subject to the availability of sufficient funds in the Collection Account pursuant to Section 2.7, receive as compensation therefor the Servicing Fee as determined pursuant to Section 7.17(a).

(i) The Servicer, if other than DTCC, 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 Pledged Contract.

Section 7.16. Reserved.

Section 7.17. Wells Fargo as Successor Servicer.

In the event that Wells Fargo becomes the Successor Servicer hereunder following the termination of DTCC as Servicer, the following shall apply with respect to Wells Fargo, as Successor Servicer:

(a) Servicing Fee. At all times that Wells Fargo or another Person is acting as Successor Servicer hereunder, “Servicing Fee Rate” shall mean the greater of (i) 4.00% per annum and (ii) the average of three bids obtained by the Administrative Agent pursuant to the first two sentences of Section 7.15(h).

(b) Covenants; Representations and Warranties. The covenants and representations and warranties of DTCC, as Servicer, shall apply to Wells Fargo as Servicer but shall be deemed modified to the extent necessary to apply to Wells Fargo; provided, however, that prior to or promptly following the Assumption Date, applicable modifications and amendments shall be agreed upon by Wells Fargo and the Administrative Agent, as contemplated by Section 7.17(i).

(c) Delegation of Duties. Wells Fargo as Servicer may delegate any or all of its duties and obligations hereunder to one or more Subservicers; provided, however, that Wells Fargo as Servicer shall at all times remain responsible for the performance of such duties and obligations.

(d) Credit and Collection Policy. The Credit and Collection Policy shall be amended pursuant to Section 7.17(i) to reflect the policies of Wells Fargo as Successor Servicer.

(e) Servicer Obligations.

(i) Wells Fargo shall have no obligation to provide investment direction pursuant to Section 2.10 or any other sections hereof requiring investment direction from the Servicer.

(ii) Wells Fargo shall not be responsible for any deficiency collections or enforcement of the Borrower's rights under the Purchase Agreement, as set forth in Section 7.3(c)(i). The Administrative Agent hereby agrees to enforce the rights of the Borrower under the Purchase Agreement.

(f) Re-Liening. Wells Fargo shall not be responsible for paying Re-Liening Expenses, as provided in Section 2.14, and such expenses shall be paid pursuant to Section 2.7.

(g) Permitted Takeout Date Certificate. The Borrower shall assume the obligations of the Servicer under Section 2.15(a)(iii).

(h) Termination. Wells Fargo shall only be terminated in accordance with this Section 7.17(h) and "Servicer Termination Events" shall mean and refer to the following on and after the Assumption Date:

(i) Wells Fargo shall fail to make any payment, transfer or deposit as required under this Agreement;

(ii) Wells Fargo shall fail to observe or perform in any material respect any other covenant or agreement of the Servicer as set forth in this Agreement;

(iii) a material breach of a representation, warranty or certification by Wells Fargo made by it in its role as Servicer under this Agreement; or

(iv) an Insolvency Event shall occur with respect to Wells Fargo.

Upon the occurrence and continuation of a Servicer Termination Event, the Administrative Agent shall notify Wells Fargo of such Servicer Termination Event and Wells Fargo shall have sixty (60) days thereafter to cure such breach. Should Wells Fargo fail to cure such breach, then upon the lapse of sixty (60) days thereafter or at such later time specified by the Administrative Agent, Wells Fargo shall be removed as Servicer and a new Successor Servicer shall be appointed in accordance with the terms hereof.

The Administrative Agent, with the consent of the Lender, may terminate Wells Fargo as Servicer hereunder in its sole discretion, upon ninety (90) days prior written notice to Wells Fargo.

(i) Amendment. Prior to or promptly following the Assumption Date, the parties to this Agreement will enter into one or more amendments or supplements acceptable in form and content to the Backup Servicer and the Administrative Agent, providing for such modifications of this Agreement as are necessary to permit the Backup Servicer to fulfill its responsibilities hereunder as Successor Servicer.

Section 7.18. Responsibilities of the Borrower.

Anything herein to the contrary notwithstanding, the Borrower shall (i) perform all of its obligations under the Pledged Contracts to the same extent as if a security interest in such Pledged Contracts had not been granted hereunder, and the exercise by the Administrative Agent of its rights hereunder shall not relieve the Borrower from such obligations and (ii) pay when due, from funds available to the Borrower under Section 2.7 (xii), any Taxes, including any sales taxes payable in connection with the Pledged Contracts and their creation and satisfaction. Neither the Administrative Agent nor any Secured Party shall have any obligation or liability with respect to any Pledged Contract, nor shall any of them be obligated to perform any of the obligations of the Borrower thereunder.

Article VIII

Backup Servicer

Section 8.1. Designation of the Backup Servicer.

(a) The backup servicing role with respect to the Pledged Contracts shall be conducted by the Person appointed to act as Backup Servicer hereunder from time to time in accordance with this Section.

(b) The Borrower and the Administrative Agent, on behalf of the Secured Parties, each hereby appoints and directs Wells Fargo to act as Backup Servicer, for the benefit of the Administrative Agent and the Secured Parties. Wells Fargo hereby accepts such appointment and agrees to perform the duties and obligations with respect thereto set forth herein.

(c) Until the receipt by Wells Fargo of a notice from the Administrative Agent of the designation of a new Backup Servicer pursuant to Section 8.4, Wells Fargo agrees that it will not terminate its activities as Backup Servicer hereunder.

Section 8.2. Duties of the Backup Servicer.

From the Closing Date until the earlier of (i) its removal pursuant to Section 8.4, (ii) its resignation in accordance with the provisions of Section 8.5 or (iii) the Facility Termination Date, the Backup Servicer shall perform, on behalf of the Administrative Agent and the Secured Parties, the duties and obligations set forth in Sections 7.10 and 7.11.

Section 8.3. Backup Servicing Compensation.

As compensation for its backup servicing activities hereunder, the Backup Servicer shall be entitled to receive the Backup Servicing Fee from the Borrower. The Backup Servicer shall be entitled to receive its Backup Servicing Fee to the extent of funds available therefor pursuant to Section 2.7. 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 Section 8.4, (iii) its resignation in accordance with the provisions of Section 8.5 and (iv) the termination of this Agreement.

Section 8.4. Backup Servicer Removal.

The Backup Servicer may be removed in connection with a breach by the Backup Servicer in any material respect of any representation, warrant or covenant of the Backup Servicer under this Agreement, or otherwise in the discretion of the Administrative Agent, by notice given in writing and delivered to the Backup Servicer from the Administrative Agent (the “Backup Servicer Termination Notice”). On and after the receipt by the Backup Servicer of the Backup Servicer Termination Notice, the Backup Servicer shall continue to perform all backup servicing functions under this Agreement until the date specified in the Backup Servicer Termination Notice or otherwise specified by the Administrative Agent in writing or, if no such date is specified in the Backup Servicer Termination Notice or otherwise specified by the Administrative Agent, until a date mutually agreed upon by the Backup Servicer and the Administrative Agent.

Section 8.5. The Backup Servicer Not to Resign.

The Backup Servicer shall resign only with the prior written consent of the Administrative Agent and the Lender or if the Backup Servicer provides an Opinion of Counsel to the Administrative Agent to the effect that the Backup Servicer is no longer permitted by law to act as Backup Servicer hereunder. No termination or resignation of the Backup Servicer hereunder shall be effective until a successor Backup Servicer, acceptable to the Administrative Agent has accepted its appointment as successor Backup Servicer hereunder and has agreed to be bound by the terms of this Agreement and the Credit and Collection Policy.

Section 8.6. Reserved.

Section 8.7. Covenants of the Backup Servicer.

From the date hereof until the Facility Termination Date:

(a) Compliance with Law. The Backup Servicer will comply in all material respects with all Applicable Laws and all of its obligations under this Agreement.

(b) Preservation of Existence. The Backup 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 in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or would reasonably be expected to have, a Material Adverse Effect.

Article IX

The Collateral Custodian

Section 9.1. Compensation and Indemnification of Collateral Custodian.

(a) The Collateral Custodian shall be compensated for its activities hereunder and under the Custodial Agreement by receiving the Collateral Custodian Fee.

(b) The Borrower shall indemnify the Collateral Custodian and its officers, directors, employees and agents for, and hold them harmless against any loss, liability or expense incurred, other than in connection with the willful misconduct, gross negligence or bad faith on the part of the Collateral Custodian, arising out of or in connection with (i) the performance of its obligations under and in accordance with this Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement and (ii) the negligence, willful misconduct or bad faith of the Borrower in the performance of its duties hereunder. All such amounts shall be payable in accordance with Section 2.7. The provisions of this Section shall survive the termination of this Agreement.

THE FOREGOING INDEMNIFICATION SHALL APPLY WHETHER OR NOT SUCH LIABILITIES AND COSTS ARE IN ANY WAY OR TO ANY EXTENT OWED, IN WHOLE OR IN PART, UNDER ANY CLAIM OR THEORY OF STRICT LIABILITY, OR ARE CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OR ANY KIND BY THE COLLATERAL CUSTODIAN.

Section 9.2. Representations, Warranties and Covenants of the Collateral Custodian.

The Collateral Custodian makes the following representations, warranties and covenants, and further agrees that the Secured Parties shall be deemed to have relied upon such representations, warranties and covenants in entering into this Agreement:

(a) Organization and Good Standing. The Collateral Custodian is a national banking association duly organized, validly existing and in good standing under the laws of the United States, and has full power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under the Transaction Documents to which it is a party.

(b) Due Authorization. The execution, delivery, and performance of the Transaction Documents to which it is a party have been duly authorized by the Collateral Custodian by all necessary corporate action on the part of the Collateral Custodian.

(c) Binding Obligation. Each of the Transaction Documents to which it is a party constitutes a legal, valid and binding obligation of the Collateral Custodian, enforceable in accordance with its terms, except as enforceability may be limited by applicable Insolvency Laws and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity).

(d) No Conflict. The execution and delivery of the Transaction Documents to which the Collateral Custodian is a party, and the performance of the transactions contemplated thereby and the fulfillment of the terms thereof applicable to the Collateral Custodian, will not conflict with, violate, 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, any Requirements of Law applicable to the Collateral Custodian or any Contractual Obligation.

(e) Proceedings. No proceeding of any kind, including litigation, arbitration, judicial or administrative, is pending or threatened against or contemplated by the Collateral Custodian which would under any circumstance have a material adverse effect on the execution, delivery, performance or enforceability of this Agreement by the Collateral Custodian or any other Transaction Document to which the Collateral Custodian is a party.

(f) Control Status. The Collateral Custodian is not an Affiliate of either the Borrower or the initial Servicer, and covenants and agrees with the Administrative Agent that prior to any such affiliation in the future, the Collateral Custodian shall promptly notify the Administrative Agent.

Section 9.3. Covenants of the Collateral Custodian.

(a) Affirmative Covenants. From the date hereof until the Facility Termination Date:

(i) Compliance with Law. The Collateral Custodian will comply in all material respects with all Applicable Laws and will comply with all of its obligations hereunder.

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

(b) Negative Covenant. From the date hereof until the Facility Termination Date the Collateral Custodian will not assign, transfer, convey, deliver or dispose of any Contract Files related to a Pledged Contract or other document evidencing or relating to any of the Collateral or any of the Collateral except as contemplated by this Agreement.

Section 9.4. Liability of the Collateral Custodian.

(a) The Collateral Custodian shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Collateral Custodian in such capacity herein. No implied covenants or obligations shall be read into this Agreement against the Collateral Custodian and, in the absence of bad faith on the part of the Collateral Custodian, the Collateral Custodian may conclusively rely on the truth of the statements and the correctness of the opinions expressed in any certificates or opinions furnished to the Collateral Custodian pursuant to and conforming to the requirements of this Agreement.

(b) The Collateral Custodian shall not be liable for:

(i) an error of judgment made in good faith by one of its officers; or

(ii) any action taken, suffered or omitted to be taken in good faith in accordance with or believed by it to be authorized or within the discretion or rights or powers conferred, by this Agreement or at the direction of a Secured Party relating to the exercise of any power conferred upon the Collateral Custodian under this Agreement in

each case unless it shall be proved that the Collateral Custodian shall have been negligent in ascertaining the pertinent facts.

(c) The Collateral Custodian shall not be charged with knowledge of any Termination Event, Foreclosure Event or Servicer Termination Event unless an Authorized Officer of the Collateral Custodian obtains actual knowledge of such event or the Collateral Custodian receives written notice of such event from the Borrower, the Servicer, any Secured Party or the Administrative Agent, as the case may be.

(d) Without limiting the generality of this Section, the Collateral Custodian shall have no duty (i) to see to any recording, filing or depositing of this Agreement or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest in the Pledged Contracts or the related Financed Vehicles, or to see to the maintenance of any such recording or filing or depositing or to any recording, refiling or redepositing of any thereof, (ii) to see to any insurance of the Financed Vehicles or Obligors or to effect or maintain any such insurance, (iii) to see to the payment or discharge of any Tax, assessment or other governmental charge or any Lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Pledged Contracts, (iv) to confirm or verify the contents of any reports or certificates of the Servicer or the Borrower delivered to the Collateral Custodian pursuant to this Agreement believed by the Collateral Custodian to be genuine and to have been signed or presented by the proper party or parties or (v) to inspect the Financed Vehicles at any time or ascertain or inquire as to the performance or observance of any of the Borrower's or the Servicer's representations, warranties or covenants or the Servicer's duties and obligations as Servicer and as custodian of books, records, files and computer records relating to the Pledged Contracts under this Agreement.

(e) The Collateral Custodian shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there shall be reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability shall not be reasonably assured to it, and none of the provisions contained in this Agreement shall in any event require the Collateral Custodian to perform, or be responsible for the manner of performance of, any of the obligations of the Servicer under this Agreement.

(f) The Collateral Custodian may rely and shall be protected in acting or refraining from acting upon any resolution, Officer's Certificate, any Monthly Report, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(g) The Collateral Custodian may consult with counsel of its choice with regard to legal questions arising out of or in connection with this Agreement and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, omitted or suffered by the Collateral Custodian in good faith in accordance therewith.

(h) The Collateral Custodian shall be under no obligation to exercise any of the rights, powers or remedies vested in it by this Agreement (except to comply with its obligations

under this Agreement and any other Transaction Document to which it is a party) or to institute, conduct or defend any litigation under this Agreement or in relation to this Agreement, at the request, order or direction of the Administrative Agent pursuant to the provisions of this Agreement, unless the Administrative Agent, on behalf of the Secured Parties, shall have offered to the Collateral Custodian reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby.

(i) The Collateral Custodian shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing so to do by a Secured Party; provided, that if the payment within a reasonable time to the Collateral Custodian of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation shall be, in the opinion of the Collateral Custodian, not reasonably assured by the Borrower, the Collateral Custodian may require reasonable indemnity against such cost, expense or liability as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Borrower or, if paid by the Collateral Custodian, shall be reimbursed by the Borrower upon demand.

(j) The Collateral Custodian may execute any of the trusts or powers hereunder or perform any duties under this Agreement either directly or by or through agents or attorneys or a custodian. The Collateral Custodian shall not be responsible for any misconduct or negligence of any such agent or custodian appointed with due care by it hereunder.

Section 9.5. Certain Matters Affecting the Collateral Custodian.

(a) The Collateral Custodian shall have no duties or responsibilities except those that are specifically set forth herein and the Custodial Agreement, and no implied covenants or obligations shall be read into this Agreement against the Collateral Custodian. The Collateral Custodian shall be under no responsibility or duty with respect to the disposition of any Contract Files delivered to it hereunder while such Contract Files are not in its possession. If the Collateral Custodian shall request instructions from the Administrative Agent or the Servicer with respect to any act, action or failure to act in connection with and as set forth in this Agreement, the Collateral Custodian shall be entitled to refrain from taking such action and continue to refrain from acting unless and until the Collateral Custodian shall have received written instructions from the Administrative Agent or the Servicer, as applicable without incurring any liability therefor to the Administrative Agent, the Borrower, the Servicer or any other person.

(b) The Collateral Custodian may act in reliance upon any written communication of the Administrative Agent concerning the delivery of the Contract Files for any of the Pledged Contracts and other items of Collateral pursuant to this Agreement. The Collateral Custodian does not assume and shall have no responsibility for, and makes no representation as to, monitoring the value of the Contract Files relating to any of the Pledged Contracts and other Collateral. The Collateral Custodian shall not be liable for any action or omission to act hereunder, except for its own gross negligence, bad faith or willful misconduct. In no event shall the Collateral Custodian have any responsibility to ascertain or take action with respect to the

Contract Files relating to any of the Pledged Contracts or other Collateral, except as expressly provided herein.

THE FOREGOING PARAGRAPH SHALL APPLY WHETHER OR NOT SUCH LIABILITIES ARE IN ANY WAY OR TO ANY EXTENT OWED, IN WHOLE OR IN PART, UNDER ANY CLAIM OR THEORY OF STRICT LIABILITY, OR ARE CAUSED, IN WHOLE OR IN PART, BY ANY NEGLIGENT ACT OR OMISSION OF ANY KIND BY THE COLLATERAL CUSTODIAN.

(c) If the Collateral Custodian shall at any time receive conflicting instructions from the Administrative Agent and the Servicer or any other party to this Agreement and the conflict between such instructions cannot be resolved by reference to the terms of this Agreement, the Collateral Custodian shall be entitled to rely on the instructions of the Administrative Agent. In the absence of bad faith, gross negligence or willful misconduct on the part of the Collateral Custodian, the Collateral Custodian may rely and shall be protected in acting or refraining from acting upon any resolution, officer's certificate, any Monthly Report, certificate of auditors, or any other certificate, statement, instrument, opinion, report, notice request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Collateral Custodian may rely upon the validity of documents delivered to it, without investigation as to their authenticity or legal effectiveness, and the Servicer and the other parties to this Agreement will hold the Collateral Custodian harmless from any claims that may arise or be asserted against the Collateral Custodian because of the invalidity of any such documents or their failure to fulfill their intended purpose. The Collateral Custodian shall not be bound to ascertain or inquire as to the performance or observance of any of the terms of this Agreement or any other agreement on the part of any party, except as may otherwise be specifically set forth herein. The Collateral Custodian may consult with counsel of its choice with regard to legal questions arising out of or in connection with this Agreement and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, omitted or suffered by the Collateral Custodian in good faith in accordance therewith.

(d) In the event the Collateral Custodian loses or misplaces any Contract File related to any Pledged Contract or portion thereof, or if any such instruments, documents, or certificates are destroyed or damaged while in the possession of the Collateral Custodian, then, in addition to any other liability the Collateral Custodian may have in respect thereof pursuant to the terms of this Agreement or otherwise, the Collateral Custodian agrees to execute and deliver to the Administrative Agent, upon the Administrative Agent's written request, an affidavit stating that such instrument, document, or certificate has been lost or destroyed, as applicable, and, if necessary, such other affidavits or certificates as maybe reasonably necessary to obtain replacement certificates of title.

(e) The Collateral Custodian is authorized, in its sole discretion, to disregard any and all notices or instructions given by any other party hereto or by any other person, firm or corporation, except only such notices or instructions as are herein provided for and orders or process of any court entered or issued with or without jurisdiction. If any property subject hereto is at any time attached, garnished or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by

any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part hereof, then and in any of such events the Collateral Custodian is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree with which it is advised by legal counsel of its own choosing is binding upon it, and if it complies with any such order, writ, judgment or decree it shall not be liable to any other party hereto or to any other person, firm or corporation by reason of such compliance even though such order, writ, judgment or decree maybe subsequently reversed, modified, annulled, set aside or vacated.

Article X

Termination Events and Foreclosure Events

Section 10.1. Termination Events.

(a) Each of the following events shall constitute a “Termination Event”:

(i) failure on the part of the Borrower to make any payment, transfer or deposit required by the terms of this Agreement or any Transaction Document to which it is a party on the day such payment or deposit is required to be made and such failure continues for more than two (2) Business Days;

(ii) failure by the Borrower duly to perform or observe any term, covenant or agreement of the Borrower contained in this Agreement or the other Transaction Documents to which the Borrower is a party and such failure remains unremedied for thirty (30) calendar days after the earliest to occur of: (1) discovery by a Responsible Officer of the Borrower of such failure, (2) the date such Responsible Officer should have discovered such failure, and (3) receipt of a written notice of such failure from the Administrative Agent;

(iii) any representation, warranty or certification made or deemed to be made by the Borrower under this Agreement or any Transaction Document to which the Borrower is a party, or any Monthly Report or any information required to be given by the Borrower or the Originator to the Administrative Agent to identify Contracts pursuant to any Transaction Document to which Borrower is a party, shall prove to have been false or incorrect in any material respect when made or deemed made or delivered, and which remains unremedied for thirty (30) calendar days following the earliest to occur of: (1) discovery by a Responsible Officer of the Borrower of such failure, (2) the date such Responsible Officer should have discovered such failure, and (3) receipt of a written notice of such failure from the Administrative Agent;

(iv) an Event of Bankruptcy shall occur with respect to the Borrower;

(v) on any day a Borrowing Base Deficiency shall occur and, by the earlier of (A) the next Payment Date and (B) the fifth (5th) Business Day after such Borrowing Base Deficiency first occurs, such Borrowing Base Deficiency is not cured;

- (vi) the occurrence of a Material Adverse Effect with respect to the Borrower or the Servicer;
- (vii) 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 Servicer, 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 Servicer;
- (viii) the Administrative Agent shall fail for any reason to have a first priority perfected security interest in all or any portion of the Collateral;
- (ix) (A) any Transaction Document, or any Lien 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 or the Servicer, (B) the Borrower, the Servicer or any other Person shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability or (C) any security interest securing any obligation under any Transaction Document shall, in whole or in part, cease to be perfected first priority security interest;
- (x) a Change of Control shall occur with respect to the Borrower;
- (xi) failure to deliver any Monthly Report within five (5) Business Days of the date when due;
- (xii) the average of the Delinquency Ratio (Managed Contracts) for any Measurement Date and the two immediately preceding Measurement Dates exceeds 12.50%;
- (xiii) the average of the Delinquency Ratio (Pledged Contracts) for any Measurement Date and the two immediately preceding Measurement Dates exceeds 12.50%;
- (xiv) the average of the Net Losses Ratios (Managed Contracts) as of the last day of any Accounting Period and the last day of each of the two immediately preceding Accounting Periods exceeds 3.50%;
- (xv) the average of the Net Losses Ratios (Pledged Contracts) for any Accounting Period related to such Determination Date and the two immediately preceding Accounting Periods exceeds 3.50%;
- (xvi) the Extension Rate (Managed Contracts) for any Measurement Date and the two immediately preceding Measurement Dates exceeds 7.00%;
- (xvii) the Extension Rate (Pledged Contracts) for any Measurement Date and the two immediately preceding Measurement Dates exceeds 7.00%;
- (xviii) the Excess Spread for any Determination Date is less than 5.00%.

- (xix) Available Cash on the last Business Day of any Accounting Period is less than \$15 million;
- (xx) Available Liquidity on any day is less than \$20 million;
- (xxi) Net Worth on any day is less than the Required Net Worth;
- (xxii) the Leverage Ratio on the last day of any Collection Period exceeds 5.0:1.0;

(xxiii) the Borrower shall be required to be registered as an “Investment Company” under the Investment Company Act or the arrangements contemplated by the Transaction Documents shall require the Borrower to register as an “Investment Company” under the Investment Company Act;

(xxiv) on any Funding Date, the amount on deposit in the Reserve Account is less than the Reserve Account Required Amount (after giving effect to the related Loan or Loans); and

(xxv) the occurrence of a default under any Loan made by any Affiliate of the Lender to DTAC, DTAG or any DT Entity.

(b) In addition to and not in limitation of any other provision of this Agreement, upon the occurrence of any Termination Event (i) the Termination Date shall, without demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower, occur, (ii) the Lender shall have no further obligation hereunder to make any Loan, (iii) all proceeds from the Pledge Contracts and the other Collateral will be applied in accordance with the provisions of Section 2.7 and (iv) the Administrative Agent, on behalf of the Lender, may direct the application of funds from the Reserve Account to repay any portion or all of the Note Balance.

(c) Upon and following the occurrence of a Termination Event, the Administrative Agent may, without notice to the Borrower except as required by law and at any time or from time to time, charge, set-off and otherwise apply all or any part of the Note Balance, any Interest accrued thereon and or any other amount due and owing to any Secured Party against amounts payable to the Borrower from the Reserve Account, the Collection Account or any part of such accounts in accordance with and subject to the priorities required by Section 2.7.

(d) Upon and following the occurrence of a Termination Event, the Administrative Agent may take any action permitted under the Transaction Documents.

(e) Upon and following the occurrence of a Termination Event, the Lender may replace the Servicer with the Backup Servicer or another successor servicer.

Section 10.2. Foreclosure Events.

- (a) Each of the following events shall constitute a “Foreclosure Event”:

(i) on any day following the occurrence of a Termination Event, the percentage equivalent of a fraction, the numerator of which is the Note Balance at such time and the denominator of which is the Net Principal Balance as of the day such Termination Event occurs shall be greater than or equal to the sum of (A) the then current Advance Rate and (B) 5.00%;

(ii) the failure of the Borrower to make any payment or deposit (other than any principal payment) required by the terms of this Agreement or any Transaction Document to which it is a party on the day such payment or deposit is required to be made and such failure continues for more than two (2) Business Days;

(iii) the delivery of a Servicer Termination Notice to the Servicer as a result of the occurrence of (A) a Servicer Termination Event of the type described in any of Sections 7.14(a), (c) or (d) or (B) a Servicer Termination Event of the type described in Section 7.14(b) if such Servicer Termination Event occurred as a result of the failure of the Servicer to perform or observe any material term, covenant or agreement set forth in any of Sections 6.4 or 6.5 of this Agreement (except that the materiality standard in this clause (ii) shall not apply to any term, covenant or agreement set forth in any of Sections 6.4 or 6.5 of this Agreement that is qualified by a materiality standard or by reference to the existence or absence of a Material Adverse Effect by its terms)

(iv) reserved;

(v) any creditor of a DT Entity takes any action against its collateral;

(vi) (a) the occurrence of an Event of Bankruptcy of the type described in clause (i) of the definition thereof with respect to any DT Entity or the Borrower or (b) following the occurrence of an Event of Bankruptcy of the type described in clause (ii) of the definition thereof with respect to any DT Entity or the Borrower, any Person shall challenge the sales, contributions or other transfers from the Originator to the Borrower or the security interests created under the Transaction Documents, or contest or support any other Person in contesting, in any proceeding (including any insolvency or liquidation proceedings), the absolute characterization of such conveyances on any basis or legal theory, including, without limitation, on the grounds that such sales, contributions or transfers were financings or fraudulent conveyances or otherwise, or assert that any DT Entity and the Borrower should be substantively consolidated with any other Person;

(vii) reserved;

(viii) any creditor of a DT Entity gives notice of an intent to foreclose upon, forecloses upon, or otherwise exercises creditor's rights with respect to, its collateral;

(ix) any holder of Indebtedness with a principal amount in excess of \$20,000,000 (other than any lender party to the Inventory Facility or any replacement thereof) and principally secured by Contracts gives notice of an intent to foreclose upon, forecloses upon, or otherwise exercises its rights with respect to any portion of its collateral, including without limitation, as a result of the occurrence of a "Foreclosure

Event” under (A) the Loan and Servicing Agreement, dated as of April 1, 2010, by and among DT Warehouse III, LLC, the Servicer, the Backup Servicer, Paying Agent and Securities Intermediary, the lenders and managing agents party thereto and UBS Real Estate Securities Inc., (B) the Amended and Restated Loan and Servicing Agreement, dated as of July 31, 2009, by and among DT Warehouse, LLC, the Servicer, the Backup Servicer, Paying Agent and Securities Intermediary, the lenders and managing agents party thereto and Deutsche Bank AG, New York Branch, (C) the Loan and Servicing Agreement, dated as of July 23, 2010, by and among DT Warehouse IV, LLC, the Servicer, the Backup Servicer, Paying Agent and Securities Intermediary, the lenders and managing agents party thereto and The Royal Bank of Scotland plc, in each case as the same may have been or may be amended, restated, supplemented or otherwise modified from time to time, (D) any facility or Indebtedness similar to any of the facilities referred to in subclauses (A), (B) or (C) of this clause (ix) or (E) any amendment, modification, restatement, successor or replacement to or of any of the facilities referred to in this clause (ix);

(x) the Originator shall cease to own, directly or indirectly, 51% or more of the issued and outstanding membership interests of the Borrower; or

(xi) any of (A) the Performance Guaranty shall cease to be a legal, valid and binding obligation of DTAG or DTAC, enforceable in accordance with its terms or (B) any Person shall seek to render the Performance Guaranty unenforceable against DTAC or DTAG, as applicable.

(b) Upon the occurrence of a Foreclosure Event, (i) all Loans and all other amounts owing by the Borrower under this Agreement shall be accelerated and become immediately due and payable, (ii) the Termination Date shall, without demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower, occur, (iii) all proceeds from the Pledge Contracts and the other Collateral will be applied in accordance with the provisions of Section 2.7 and (iv) the Administrative Agent, on behalf of the Lender, may direct the application of funds from the Reserve Account to repay any portion or all of the Note Balance.

(c) In addition to and not in limitation of any other provision of this Agreement, upon the occurrence of a Foreclosure Event, the Administrative Agent may, or at the direction of the Lender, shall, exercise in respect of the Collateral, in addition to any and all other rights and remedies otherwise available to it, including rights available hereunder and all of the rights and remedies of a secured party upon default under the UCC (such rights and remedies to be cumulative and nonexclusive), including without limitation, the public or private sale in one or more parcels or transactions of any portion or all of the Collateral.

(d) The Administrative Agent may, without notice to the Borrower except as required by law and at any time or from time to time, charge, set-off and otherwise apply all or any part of the Note Balance, any Interest accrued thereon and or any other amount due and owing to any Secured Party against amounts payable to the Borrower from the Reserve Account, the Collection Account or any part of such accounts in accordance with and subject to the priorities required by Section 2.7;

(e) The Administrative Agent may take any action permitted under the Transaction Documents;

(f) Subject to the provisions of Section 2.5(b), consistent with the rights and remedies of a secured party under the UCC (and except as otherwise required by the UCC), the Administrative Agent may, without notice except as specified below, solicit and accept bids for and sell the Collateral or any part of the Collateral in one or more parcels at public or private sale, at any exchange, broker's board or at the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable, and the Administrative Agent shall apply the proceeds from the sale of the Collateral to any amounts payable by the Borrower with respect to the Obligations in accordance with the priorities required by Section 2.7. The Borrower agrees that, to the extent notice of sale shall be required by law, at least ten Business Days' notice to the Borrower (with a copy to each Secured Party) of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed for such sale, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Every such sale shall operate to divest all right, title, interest, claim and demand whatsoever of the Borrower in and to the Collateral so sold, and shall be a perpetual bar, both at law and in equity, against the Borrower or any Person claiming the Collateral sold through the Borrower and its successors or assigns.

(g) Upon the completion of any sale under Section 10.2(f), the Borrower will deliver or cause to be delivered all of the Collateral sold to the purchaser or purchasers at such sale on the date of sale, or within a reasonable time thereafter if it shall be impractical to make immediate delivery, but in any event full title and right of possession to such property shall pass to such purchaser or purchasers forthwith upon the completion of such sale. Nevertheless, if so requested by the Administrative Agent or by any purchaser, the Borrower shall confirm any such sale or transfer by executing and delivering to such purchaser all proper instruments of conveyance and transfer and release as may be designated in any such request.

(h) At any sale under Section 10.2(f), the Originator, the Administrative Agent or any Secured Party may bid for and purchase the property offered for sale and, upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability therefor. Any Secured Party purchasing property at a sale under Section 10.2(f) may set off the purchase price of such property against amounts owing to such Secured Party in payment of such purchase price up to the full amount owing to such Secured Party.

(i) The Administrative Agent may exercise at the Borrower's sole expense any and all rights and remedies of the Borrower under or in connection with the Collateral, including without limitation the Performance Guaranty.

Section 10.3. Exercise of Remedies.

No failure or delay on the part of the Administrative Agent to exercise any right, power or privilege under this Agreement and no course of dealing between the Borrower, the Secured

Parties or the Administrative Agent, on the one hand, and the Administrative Agent, on the other hand, shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies expressly provided in this Agreement are cumulative and not exclusive of any rights or remedies which the Administrative Agent or the Secured Parties would otherwise have pursuant to law or equity. No notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in similar or other circumstances, or constitute a waiver of the right of the other party to any other or further action in any circumstances without notice or demand.

Section 10.4. Waiver of Certain Laws.

The Borrower 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 any Collateral may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of any of the Collateral or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and the Borrower, 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 Administrative Agent or any court having jurisdiction to foreclose the security interests granted in this Agreement may sell the Collateral as an entirety or such parcels as the Administrative Agent or such court may determine.

Section 10.5. Power of Attorney.

The Borrower hereby irrevocably appoints the Administrative Agent 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 Article, including: (i) to give any necessary receipts or acquittance for amounts collected or received hereunder, (ii) to make all necessary transfers of the Collateral in connection with any sale or other disposition made pursuant hereto, (iii) 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 thereby ratifying and confirming all that such attorney (or any substitute) shall lawfully do hereunder and pursuant hereto and (iv) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document. Nevertheless, if so requested by the Administrative Agent or a purchaser of any of the Collateral, the Borrower shall ratify and confirm any such sale or other disposition by executing and delivering to the Administrative Agent or such purchaser all proper bills of sale, assignments, releases and other instruments as may be designated in any such request.

Article XI

Indemnification

Section 11.1. Indemnities by the Borrower.

Without limiting any other rights which the Collateral Custodian, the Backup Servicer, the Administrative Agent, the Lender or its assignee or any of their respective Affiliates may have hereunder or under applicable law, the Borrower hereby agrees to indemnify the Collateral Custodian, the Backup Servicer, the Administrative Agent, each Secured Party or its assignee and each of their respective Affiliates and officers, directors, employees and agents thereof (collectively, the “Indemnified Parties”) from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys’ fees and disbursements (collectively, the “Indemnified Amounts”) awarded against or incurred by, any such Indemnified Party or other non-monetary damages of any such Indemnified Party arising out of or as a result of this Agreement, excluding, however, Indemnified Amounts to the extent resulting from the breach, gross negligence, bad faith or willful misconduct on the part of any Indemnified Party. Without limiting the foregoing, the Borrower shall indemnify the Indemnified Parties for Indemnified Amounts relating to or resulting from:

- (i) any Pledged Contract represented by the Borrower to be an Eligible Contract which is not at the applicable time an Eligible Contract;
- (ii) reliance on any representation or warranty made or deemed made by the Borrower, the Servicer, any of their respective Affiliates or any of their respective officers under or in connection with this Agreement, which shall have been false or incorrect in any material respect when made or deemed made or delivered;
- (iii) the failure by the Borrower to comply with any term, provision or covenant contained in this Agreement or any other Transaction Document or a failure by the Borrower, the Originator or the Servicer to comply with any term, provision or covenant contained in any agreement executed in connection with this Agreement or any other Transaction Document, or with any Applicable Law with respect to any Pledged Contract, the related Financed Vehicle or the non-conformity of any Pledged Contract with any such Applicable Law and any failure by the Originator or any DT Entity to perform its respective duties under the Pledged Contracts;
- (iv) the failure to vest and maintain vested in the Administrative Agent a valid and enforceable first priority perfected security interest in any or all of the Collateral;
- (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 a Loan or at any subsequent time and as required by the Transaction Documents;
- (vi) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Pledged Contract comprising a portion of the Collateral which is, or is purported to be, an Eligible Contract

(including a defense based on the Pledged Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms);

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

(viii) any products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort arising out of or in connection with any Pledged Contract or the related Financed Vehicle;

(ix) the failure by the Borrower to pay when due any Taxes for which the Borrower is liable, including sales, excise or personal property taxes payable in connection with the Collateral;

(x) any repayment by the Administrative Agent or a Secured Party of any amount previously distributed in reduction of the Note Balance or payment of Interest, any obligation or any other amount due hereunder or under any Hedging Agreement, in each case which amount such entity believes in good faith is required to be repaid;

(xi) any litigation, proceeding or investigation before any Governmental Authority (A) in respect of any Pledged Contract included as part of the Collateral or the related Financed Vehicle included as part of the Collateral, (B) relating to the use of the proceeds of any Loan or (C) related to this Agreement (1) that is not commenced by the Indemnified Party or (2) if so commenced, in which such Indemnified Party is not the prevailing party; provided, that no Indemnified Party shall be entitled to any indemnification for any item described in this clause resulting from such Indemnified Party's gross negligence or willful misconduct;

(xii) the use of the proceeds of any Loan;

(xiii) 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 any of the Pledged Contracts and the related Collateral 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 any provision of any Insolvency Laws;

(xiv) the failure of the Borrower to remit to the Servicer or the Administrative Agent, Collections remitted to the Borrower in accordance with the terms hereof or the commingling by the Borrower of any Collections with other funds; or

(xv) any and all civil penalties or fines assessed by OFAC against, and all reasonable costs and expenses (including attorneys' fees and disbursements) incurred in connection with the defense thereof by the Administrative Agent or the Lender or Agent as a result of funding all or any portion of the Loans or the acceptance of payments or of Collateral due under the Transaction Documents.

Notwithstanding the foregoing, in no event shall any Indemnified Party be indemnified against:

(i) Excluded Taxes; or (ii) except as otherwise provided herein, (A) nonpayment by an

Obligor of an amount due and payable with respect to a Pledged Contract or (B) any loss in value of any Financed Vehicle or Eligible Investment due to changes in market conditions or for other reasons beyond the control of the Servicer or the Borrower.

Section 11.2. Indemnities by the Servicer.

Without limiting any other rights which the Collateral Custodian, the Backup Servicer, the Administrative Agent, the Lender or its assignee or any of their respective Affiliates may have hereunder or under applicable law, the Servicer hereby agrees to indemnify the Indemnified Parties from and against any and all Indemnified Amounts awarded against or incurred by, any such Indemnified Party or other non-monetary damages of any such Indemnified Party relating to or arising from any of the following, excluding, however, Indemnified Amounts to the extent resulting from the gross negligence, bad faith or willful misconduct on the part of any Indemnified Party:

- (i) any breach of representation or warranty made or deemed made by the Servicer under or in connection with this Agreement, in any material respect;
- (ii) the failure by the Servicer to comply with any term, provision or covenant contained in this Agreement or any other Transaction Document or a failure by the Servicer to comply with any term, provision or covenant contained in any agreement executed in connection with this Agreement or any other Transaction Document, or with any Applicable Law with respect to any Pledged Contract, the related Financed Vehicle or the non-conformity of any Pledged Contract with any such Applicable Law and any failure by the Originator or any DT Entity to perform its respective duties under the Pledged Contracts;
- (iii) any failure by the Servicer to perform any of its other duties or obligations in accordance with the provisions of this Agreement;
- (iv) any litigation, proceeding or investigation before any Governmental Authority with respect to the Servicer; or
- (v) the commingling by the Servicer of any Collections with other funds.

Article XII

The Administrative Agent

Section 12.1. Authorization and Action.

(a) The Lender and each Secured Party hereby designates and appoints WFS (and WFS accepts such designation and appointment) as Administrative Agent hereunder, and authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms of this Agreement together with such powers as are reasonably incidental thereto. In performing its functions and duties hereunder, the Administrative 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 Administrative Agent shall not be required to take any action which exposes it to personal liability or which is contrary to this Agreement or Applicable Law. The appointment and authority of the Administrative Agent hereunder shall terminate at the indefeasible payment in full of the Aggregate Unpaid.

(b) Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with the Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent.

(c) The Administrative Agent shall promptly distribute to the Lender all notices, requests for consent and other information received by the Administrative Agent under this Agreement.

Section 12.2. Delegation of Duties.

The Administrative Agent may execute any of its duties under any of the Transaction Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative 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.

Neither the Administrative 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, in the case of the Administrative Agent, the breach of its obligations expressly set forth in this Agreement) or (ii) responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Borrower, the Servicer, the Backup Servicer, the Originator or the Collateral Custodian 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 any other Transaction Document to which it is a party 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 Four. The Administrative 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 Administrative Agent shall not be deemed to have knowledge of any Termination Event, Foreclosure Event or Servicer Termination Event unless it has received written notice thereof from the Borrower, the Servicer or a Secured Party.

Section 12.4. Reliance.

(a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, cablegram,

telegram, telecopy, telex or teletype message, written statement, order or other 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 counsel to the Administrative Agent), independent accountants and other experts selected by the Administrative Agent.

(b) The Administrative Agent shall be fully justified in failing or refusing to take any action under any of the Transaction Documents unless it shall first receive such advice or concurrence of the Lender as it deems appropriate or it shall first be indemnified to its satisfaction by the Lender against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

(c) The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under any of the Transaction Documents in accordance with a request of the Lender and such request and any action taken or failure to act pursuant thereto shall be binding upon all present and future Lenders.

(d) The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under any of the Transaction Documents in accordance with a request of the Lender.

(e) The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any breach of this Agreement or the occurrence of any Termination Event; Foreclosure Event or Servicer Termination Event unless it has received notice from the Borrower, the Servicer, the Backup Servicer or the Lender, referring to this Agreement and describing such event. In the event that the Administrative Agent receives such a notice, it shall promptly give notice thereof to the Lender. The Administrative Agent shall take such action with respect to such event as shall be reasonably directed by the Lender and the Administrative Agent shall take such action with respect to such event as shall be reasonably directed by the Lender.

Section 12.5. Non-Reliance on Administrative Agent.

The Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrower, the Originator, the Servicer, the Backup Servicer, the Originator and the Collateral Custodian shall be deemed to constitute any representation or warranty by the Administrative Agent to the Lender. The Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower, the Servicer, the Originator, the Backup Servicer and the Collateral Custodian and the Contracts and made its own decision to purchase its interest in the Note hereunder and enter into this Agreement. The Lender also represents that it will, independently and without reliance upon the Administrative Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own

analysis, appraisals and decisions in taking or not taking action under any of the Transaction Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower, the Servicer, the Originator, the Backup Servicer and the Collateral Custodian and the Contracts. Except for notices, reports and other documents received by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to provide the Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower, the Servicer, the Originator, the Backup Servicer and the Collateral Custodian or the Contracts which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

Section 12.6. Indemnification.

The Lender agrees to indemnify the Administrative Agent in its capacity as such (without limiting the obligation (if any) of the Borrower or the Servicer to reimburse the Administrative Agent for any such amounts), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including at any time following the payment of the obligations under this Agreement, including the Note Balance) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that the Lender shall not be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of the Administrative Agent resulting from its own gross negligence or willful misconduct. The provisions of this Section shall survive the payment of the obligations under this Agreement, including the Note Balance, the termination of this Agreement, and any resignation or removal of the Administrative Agent.

Section 12.7. Administrative Agent in its Individual Capacity.

The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower and any other party to a Transaction Document as though it were not the Administrative Agent hereunder. None of the provisions to this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

Section 12.8. Successor Agents.

The Administrative Agent may resign as Administrative Agent upon thirty (30) days' notice to the Lender and the Borrower with such resignation becoming effective upon a successor agent succeeding to the rights, powers and duties of the Agent pursuant to this Section. If the Administrative Agent shall resign as Administrative Agent under this Agreement, then the

Lender shall appoint a successor administrative agent, which may be the Lender. Any successor administrative agent shall succeed to the rights, powers and duties of resigning Administrative Agent, and the term “Administrative Agent” shall mean such successor administrative agent effective upon its appointment, and the former Administrative Agent’s rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of the former Administrative Agent or any of the parties to this Agreement. After the retiring Administrative Agent’s resignation as Administrative Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

Article XIII

Assignments; Participations

Section 13.1. Assignments and Participations.

(a) The Lender agrees that the Note issued to the Lender pursuant to this Agreement will be acquired for investment only and not with a view to any public distribution thereof, and that such Lender will not offer to sell or otherwise dispose of the Note or the interest therein so acquired by it (or any interest therein) in violation of any of the registration requirements of the Securities Act or any applicable State securities laws. The Lender hereby confirms and agrees that, in connection with any syndication, offering, transfer or sale by it of any interest in the Note, it has not engaged and will not engage in a general solicitation or general advertising.

(b) The Lender may upon at least thirty (30) days’ notice to the Borrower and the Administrative 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 Lender’s rights and obligations under this Agreement, (ii) the amount of the Commitment of the assigning Lender 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) \$5,000,000 or an integral multiple of \$1,000,000 in excess of that amount and (B) the full amount of the assigning Lender’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 Administrative Agent, for its acceptance and recording in the Lender 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 Administrative Agent, (v) the parties to each such assignment shall have agreed to reimburse the Administrative Agent for all reasonable fees, costs and expenses (including the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent) incurred by the Administrative Agent in connection with such assignment, (vi) each Person that becomes a Lender under an Assignment and Acceptance shall agree to be bound by the confidentiality provisions of Article Fourteen and (vii) there shall be no increased costs, expenses or Taxes incurred by the Administrative Agent or the Borrower upon assignment or participation. Upon such execution, delivery and acceptance by the Administrative Agent and the recording by the Administrative 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 Administrative Agent, 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 a Lender hereunder and (ii) the Lender 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 Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(c) By executing and delivering an Assignment and Acceptance, the Lender 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 Lender 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 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; (iii) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender 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; (iv) such assigning Lender and such assignee confirm that such assignee is an Eligible Assignee; (v) such assignee appoints and authorizes the Administrative Agent 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 (vi) 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 a Lender.

(d) The Administrative Agent 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, addresses and Commitment of the Lender and the Principal Amount of each Loan made by the Lender from time to time (the "Lender Register"). The entries in the Lender Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Collateral Custodian and the Lender may treat each Person whose name is recorded in the Lender Register as a Lender hereunder for all purposes of this Agreement. The Lender Register shall be available for inspection by the Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Subject to the provisions of Sections 13.1(a) and (b), upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee, the Administrative Agent shall, if such Assignment and Acceptance has been completed, accept such Assignment and Acceptance, and the Administrative Agent shall then record the information contained therein in the Lender Register.

(f) The Lender may 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 all or a portion of

the Commitment and each Loan owned by it); provided, however, that (i) the Lender's obligations under this Agreement (including its Commitment hereunder) shall remain unchanged, (ii) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Servicer and the Administrative Agent shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement. Notwithstanding anything herein to the contrary, each participant shall have the rights of a Lender (including any right to receive payment) under Sections 2.12 and 2.13; 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 Lender granting its participation had such participation not been granted, and the Lender so granting a participation shall not be entitled to receive payment under either such Section in an amount which exceeds the sum of (i) the amount to which the Lender is entitled under such Section with respect to any portion of any Loan owned by the Lender which 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, the participant's rights as set forth in the agreement between such participant and the Lender to agree to or to restrict such Lender'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 which the Lender 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 13.1.

(g) The Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section, disclose to the assignee or participant or proposed assignee or participant any information, including Confidential Information, relating to the Borrower furnished to such Lender by or on behalf of the Borrower.

(h) Nothing herein shall prohibit the Lender 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 13.1(b).

Article XIV

Mutual Covenants Regarding Confidentiality

Section 14.1. Covenants of the Borrower, the Servicer, the Backup Servicer and the Collateral Custodian.

Each of the Borrower, the Servicer, the Backup Servicer, the Originator and the Collateral Custodian severally and with respect to itself only, covenants and agrees to hold in confidence, and not disclose to any Person, the terms of this Agreement (including any fees payable in connection with this Agreement or the identity of the Lender under this Agreement), except as the Administrative Agent or the Lender may have consented to in writing prior to any proposed disclosure and except it may disclose such information (i) to its officers, directors, employees, investors, potential investors, potential or existing lenders, agents, counsel, accountants, subservicers, auditors, advisors, any rating agency in connection with a

securitization transaction or representatives (such Persons, “Excepted Persons”), provided, that each Excepted Person shall, as a condition to any such disclosure, agree for the benefit of other parties hereto that such information shall be used solely in connection with such Excepted Person’s evaluation of, or relationship with, the Borrower and its Affiliates, and shall not be further disclosed by such Excepted Person, (ii) to the extent such information has become available to the public other than as a result of a disclosure by or through the Borrower, the Servicer, the Backup Servicer or the Collateral Custodian, (iii) to Wells Fargo or its Affiliates or (iv) to the extent it is (a) required by Applicable Law (including filing a copy of this Agreement and the other Transaction Documents (other than the Fee Letter and excluding from any such copy the identity of the Lender)) as exhibits to filings required to be made with the Securities and Exchange Commission, or in connection with any legal or regulatory proceeding or (b) requested by any Governmental Authority to disclose such information; provided, that, in the case of clause (iv)(a), the Borrower, the Servicer, the Backup Servicer and the Collateral Custodian, as applicable, will use all reasonable efforts to maintain confidentiality and will (unless otherwise prohibited by law) notify the Administrative Agent of its intention to make any such disclosure prior to making such disclosure.

Section 14.2. Covenants of the Administrative Agent, the Lender, the Backup Servicer and the Collateral Custodian.

(a) Each of the Administrative Agent, the Lender, the Backup Servicer, any Successor Servicer and the Collateral Custodian covenants and agrees that it will not disclose any of the Confidential Information now or hereafter received or obtained by it without the Borrower’s prior written consent; provided, however, that it may disclose any such Confidential Information to those of its employees or Affiliates directly involved in the transactions contemplated by the Transaction Documents.

(b) Each of the Borrower, the Originator, the Administrative Agent, the Lender, the Backup Servicer, any Successor Servicer and the Collateral Custodian may also disclose any such Confidential Information to its Advisors and to any Rating Agency, any commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to the Lender and to any officers, directors, employees, investors, outside accountants and attorneys of any of the foregoing, provided each such Person is informed of the confidential nature of such information.

(c) Notwithstanding anything herein to the contrary, nothing herein shall be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known; (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 Administrative Agent’s, the Lender’s, the Secured Parties’, the Collateral Custodian’s, the Backup Servicer’s, the Borrower’s or the Originator’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 Administrative Agent, the Lender, the Secured Parties, the Collateral Custodian, the Backup Servicer, the Borrower or the Originator or an officer, director, employer, shareholder or affiliate of any of the foregoing is a party, (d) in any preliminary or final offering circular, registration statement or contract or other document approved in advance by the Borrower, the Servicer or the Originator or (e) to any affiliate, independent or internal auditor, agent (including any

potential sub-or-successor servicer), employee or attorney of the Collateral Custodian or Backup Servicer having a need to know the same, provided that the Collateral Custodian or Backup Servicer advises such recipient of the confidential nature of the information being disclosed and such person agrees to the terms hereof for the benefit of the Borrower, the Servicer and the Originator; or (iii) any other disclosure authorized by the Borrower, the Servicer or the Originator.

(d) It is understood that the Administrative Agent and the Lender or its Affiliates may be required to disclose (and may so disclose, without liability hereunder) the Confidential Information or portions thereof at the request of a bank examiner or other regulatory authority or in connection with an examination of it or its Affiliates by a bank examiner or other regulatory authority, including in connection with the regulator compliance policy of Administrative Agent or the Lender.

Section 14.3. Non-Confidentiality of Tax Treatment and Tax Structure.

Notwithstanding anything to the contrary contained herein or in any document related to the transactions contemplated hereby, in connection with Treasury Regulations Section 1.6011-4T, Section 301.6111-1T and Section 301.6112-1T of the Code, the parties hereby agree that, from the commencement of discussions with respect to the transactions described herein, each party hereto (and each of its employees, representatives, Advisors, Affiliates or agents) is permitted to disclose to any and all persons of any kind (other than limitations imposed by State or federal securities laws), the structure and tax aspects of the transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to each such party related to such structure and tax aspects. In this regard, each party hereto acknowledges and agrees that this disclosure of the structure or tax aspects of the transactions is not limited in any way by an express or implied understanding or agreement, oral or written (whether or not such understanding or agreement is legally binding) except as is reasonably necessary to comply with state and federal securities laws. Furthermore, each party hereto acknowledges and agrees that it does not know or have reason to know that its use or disclosure of information relating to the structure or tax aspects of the transactions is limited in any other manner (such as where the transactions are claimed to be proprietary or exclusive) for the benefit of any other Person (other than as it may be limited by State or federal securities laws).

Article XV

Miscellaneous

Section 15.1. Amendments and Waivers.

Except as provided in this Section, no amendment, waiver, or other modification of any provision of this Agreement or any schedule or exhibit hereto shall be effective without the written agreement of the Borrower, the Servicer, the Collateral Custodian, the Backup Servicer, the Administrative Agent and the Lender. The Servicer shall, as soon as reasonably practicable, provide each Hedge Counterparty with written notice (which notice may take the form of an e-mail communication) of any proposed amendment, waiver, or other modification contemplated under this Section 15.1.

No amendment, waiver or other modification affecting the rights or obligations of any Hedge Counterparty shall be effective without the prior written agreement of such Hedge Counterparty.

Section 15.2. 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 or specified in such party's Assignment and Acceptance or at the address specified in the Hedging Agreement for the Hedge Counterparty 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 (i) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (ii) notice by telex, when telexed against receipt of answer back, (iii) notice by facsimile copy, when electronic communication of receipt is obtained or (iv) notice by overnight courier, one Business Day after being deposited with such overnight courier service, except that notices and communications pursuant to Article Two shall not be effective until received with respect to any notice sent by mail or telex.

Section 15.3. No Waiver, Rights and Remedies.

No failure on the part of the Administrative Agent or any Secured Party or any assignee of any 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 15.4. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the Borrower, the Servicer, the Backup Servicer, the Collateral Custodian, the Administrative Agent, the Secured Parties and their respective successors and permitted assigns and, in addition, the provisions of Section 2.7 shall inure to the benefit of each Hedge Counterparty, whether or not that Hedge Counterparty is a Secured Party.

Section 15.5. Term of this Agreement.

This Agreement shall remain in full force and effect until the Facility Termination 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 pursuant to Article Five and the indemnification and payment provisions of Article Eleven, the confidentiality provisions of Article Fourteen, the provisions of Section 15.10 and any other provision of this Agreement expressly stated to survive, shall be continuing and shall survive any termination of this Agreement.

Section 15.6. 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 (WITHOUT REFERENCE TO ITS CONFLICT OF LAWS PROVISIONS (OTHER THAN §§5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW)). EACH OF THE PARTIES HERETO HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, LOCATED IN THE BOROUGH OF MANHATTAN AND THE FEDERAL COURTS LOCATED WITHIN THE STATE OF NEW YORK IN THE BOROUGH OF MANHATTAN. 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.

Section 15.7. WAIVER OF JURY TRIAL.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO 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 15.8. Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted to the Administrative Agent, the Secured Parties, the Collateral Custodian, the Backup Servicer and its or their Affiliates and officers, directors, employees and agents thereof under Article Eleven, the Borrower agrees to pay on demand all reasonable costs and expenses of the Administrative Agent, the Collateral Custodian, the Backup Servicer and the Secured Parties incurred in connection with the amendment or modification of, or any waiver or consent issued in connection with, this Agreement and the other Transaction Documents, including the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent, the Collateral Custodian, the Backup Servicer and the Secured Parties with respect thereto and with respect to advising the Administrative Agent, the Collateral Custodian, the Backup Servicer and the Secured Parties as to their respective rights and remedies under this Agreement and the other documents to be delivered hereunder or in connection herewith, and all costs and expenses, if any (including reasonable counsel fees and expenses), incurred by the Administrative Agent, the Collateral Custodian, the Backup Servicer and/or the Secured Parties in connection with the enforcement of this Agreement and the other Transaction Documents.

(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 and the other Transaction Documents.

Section 15.9. Recourse Against Certain Parties.

No recourse under or with respect to any obligation, covenant or agreement (including the payment of any fees or any other obligations) of the Administrative Agent, the Collateral Custodian, the Backup Servicer or 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 manager or administrator of such Person or any incorporator, affiliate, stockholder, officer, employee or director of such Person or of any such manager or 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 the Administrative Agent, the Collateral Custodian, the Backup Servicer and any 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 Person, and that no personal liability whatsoever shall attach to or be incurred by any administrator of any such Person or any incorporator, stockholder, affiliate, officer, employee or director of such Person 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 Person 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 Person and each incorporator, stockholder, affiliate, officer, employee or director of such Person or of any such administrator, or any of them, for breaches by such Person 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 shall survive the termination of this Agreement.

Section 15.10. Patriot Act Compliance.

The Administrative Agent and the Collateral Custodian hereby notify the Borrower that pursuant to the requirements of the Patriot Act, they, and each other Lender, may be required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower, organizational documentation, director and shareholder information, and other information that will allow the Administrative Agent, the Collateral Custodian and the Lender to identify the Borrower in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for the Administrative Agent, the Collateral Custodian and the Lender.

Section 15.11. 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 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 contemplated hereby

Section 15.12. Third Party Beneficiary.

Each Hedge Counterparty is an express third party beneficiary of this Agreement.

[signatures appear on the following pages]

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:

DT WAREHOUSE V, LLC

By: /s/ Jon Ehinger

Name: Jon Ehlinger

Title: Secretary

Address for Notices:

DT Warehouse V, LLC

4020 East Indian School Road, Suite 680

Phoenix, Arizona 85018

Attention: General Counsel

Facsimile No.: N/A

Telephone No.: (602) 852-6600

With a copy to:

Snell & Wilmer L.L.P.

One Arizona Center

Phoenix, Arizona 85004

Attention: Brian William Burke

Facsimile No.: (602) 382-6070

Telephone No.: (602) 382-6379

THE SERVICER:

DT CREDIT COMPANY, LLC

By: /s/ Jon Ehinger

Name: Jon Ehlinger

Title: Secretary

Address for Notices:

DT Credit Company, LLC
4020 East Indian School Road
Phoenix, Arizona 85018
Attention: General Counsel
Facsimile No.: N/A
Telephone No.: (602) 852-6600

With a copy to:

Snell & Wilmer L.L.P.
One Arizona Center
Phoenix, Arizona 85004
Attention: Brian William Burke
Facsimile No.: (602) 382-6070
Telephone No.: (602) 382-6379

THE ADMINISTRATIVE AGENT:

WELLS FARGO SECURITIES, LLC, as Administrative Agent

By: /s/ Steven J. Ellis

Name: Steven J. Ellis

Title: Managing Director

Address for Notices:

Wells Fargo Securities, LLC
301 S. College Street, TW-8
Charlotte, North Carolina 28288-0610
Attention: Michael Schwartz
Facsimile No.: (704) 383-9106
Telephone No.: (704) 715-3570

THE BACKUP SERVICER

WELLS FARGO BANK, N.A.

By: /s/ Tara H. Anderson

Name: /s/ Tara H. Anderson

Title: Vice President

Address for Notices:

Wells Fargo Bank, N.A.
MAC N9311-161
Sixth Street and Marquette Avenue
Minneapolis, MN 55479

Attention: Corporate Trust Services - Asset-Backed Administration

Facsimile No.: (612) 667-3464

Telephone No.: (612) 667-8058

THE COLLATERAL CUSTODIAN

WELLS FARGO BANK, N.A.

By: /s/ Tara H. Anderson

Name: /s/ Tara H. Anderson

Title: Vice President

Address for Notices:

Wells Fargo Bank, N.A.

MAC N9311-161

Sixth Street and Marquette Avenue

Minneapolis, MN 55479

Attention: Corporate Trust Services - Asset-Backed
Administration

Facsimile No.: (612) 667-3464

Telephone No.: (612) 667-8058

THE LENDER

WELLS FARGO BANK, N.A.

By: /s/ Leah W. Miller

Name: Leah W. Miller

Title: Managing Director

Commitment: \$150,000,000

Address for Notices:

Wells Fargo Bank, N.A.
301 S. College Street
Charlotte, North Carolina 28288
Attention: Kevin McConnell
Telephone: (704) 383-7171
Telecopy: (704) 383-8417

SCHEDULE A

ELIGIBLE CONTRACT CRITERIA

An “Eligible Contract” means a Contract as to which all of the following conditions are satisfied:

- (a) as to which the information set forth in the Contract Receipt related to such Contract is complete, true and correct in all material respects;
- (b) that is in the form of Exhibit Q, or a different form consented to in writing by the Administrative Agent;
- (c) with respect to which the first Scheduled Payment is due within forty-five (45) calendar days after the date of such Contract;
- (d) that (i) is not a Defaulted Contract and (ii) as of the date transferred to the Borrower, was less than thirty-one (31) calendar days past due;
- (e) that the Servicer has not designated as out for or in repossession;
- (f) as to which any right of rescission arising out of the Contract of the Obligor has expired;
- (g) as to which the interest payable by the Obligor thereof is calculated using the simple interest method, the related interest rate is a fixed APR of at least 5.00% and the “Finance Charge” under such Contract was computed using a fixed rate;
- (h) that (i) has an original term to maturity that is not less than twelve (12) months and does not exceed sixty-two (62) months, or such other period as may be agreed to from time to time by the Borrower and the Administrative Agent, provided that for Contracts as to which the Obligor has an Obligor Rating of “A” or “B” the original term to maturity is not less than twelve (12) months and does not exceed seventy-two (72) months, (ii) the Scheduled Payments have equal periodic payments except for payments due during the first ninety (90) calendar days of the term of such Contract, and except for the final payment which may be different than the other payments, the sum of which payments shall be sufficient to fully amortize the principal balance of such Contract by its maturity date, assuming timely payment by the Obligor, and the payment obligation is in United States dollars, and (iii) is not a Contract for which the Principal Amount was in excess of \$30,000;
- (i) that provides that, in the event such Contract is pre-paid, the prepayment shall fully pay the Principal Balance and unpaid interest, including interest in the month of prepayment to the date of prepayment, at the APR;
- (j) that provides for the absolute sale of the Financed Vehicle to the Obligor, and the Financed Vehicle is not on approval or subject to any agreement between the

Obligor and DTCS or with the prior consent of the Administrative Agent, a Dealer, for the repurchase or return of the Financed Vehicle;

(k) that does not present a credit, collateral or documentation risk which is material and unacceptable to the Administrative Agent;

(l) that was originated by DTCS or the Originator in a Permitted State;

(m) that, if the Obligor is an employee, officer, agent, director, stockholder, supplier or creditor of any DT Entity or an Affiliate thereof, does not contain terms different than those in the most recent employee purchase program, a copy of which is attached as Exhibit P to the Agreement;

(n) that contains the original signature (including electronic original signature) of the Obligor and DTCS or with the prior consent of the Administrative Agent, the Dealer;

(o) that is the only unsatisfied original executed Contract for the purchase of the Financed Vehicle and accurately reflects all of the actual terms and conditions of the Obligor's purchase of the Financed Vehicle;

(p) as to which no DT Entity or any Affiliate thereof has made any agreement with the Obligor to reduce the amount owed on the Contract, or is required to perform any additional service for, or perform or incur any additional obligation to, the Obligor in order for any DT Entity to enforce the Contract;

(q) that, (i) if originated by DTCS, was transferred by DTCS to the Originator pursuant to the Origination Agreement, (ii) at the time originated by DTCS or the Originator, satisfied the creditworthiness and other advance criteria in the Credit and Collection Policy or was otherwise approved by the Administrative Agent, and (iii) was originated without any fraud or misrepresentation on the part of DTCS, the Originator, or any other Person;

(r) with respect to which, the Obligor's obligations under the Contract are secured by a validly perfected first priority security interest in the Financed Vehicle in favor of the Originator, which security interest has been validly assigned and transferred by the Originator to the Borrower, which has a valid, subsisting and enforceable first priority perfected security interest in such Financed Vehicle;

(s) which has not been, nor is it designated to be, terminated, satisfied, canceled, subordinated or rescinded in whole or in part; nor has the Financed Vehicle been released, or designated for release, from the security interest granted by the Contract; and all of the holder's obligations under the Contract have been performed except those which first arise subsequent to such Contract becoming a Pledged Contract;

(t) no provision of which has been waived, extended, altered or modified in any respect other than as provided in the Accepted Servicing Practices;

(u) as to which no claims of rescission, setoff, counterclaim, defense or other material disputes have been asserted with respect to the Contract or Financed Vehicle;

(v) as to which there are no unsatisfied Liens or claims for taxes, labor, materials, fines, confiscation, or replevin relating to the Contract or Financed Vehicle; there is no unsatisfied claim against the Obligor based on the operation or use of the Financed Vehicle; all taxes due for the purchase, use and ownership of the Financed Vehicle have been paid and all taxes due on the transfer of the Contract to the Borrower have been paid;

(w) with respect to which no DT Entity has repossessed the Financed Vehicle or commenced a replevin action or other lawsuit, against the Obligor or Financed Vehicle, except (i) vehicles repurchased at third-party auctions or (ii) vehicles sold directly to an Affiliate, provided that (A) any such sale to an Affiliate is for fair market value, (B) any such sale to an Affiliate does not have a Material Adverse Effect and (C) the aggregate proceeds from the sale to such Affiliates of repossessed Financed Vehicles not sold through auction securing any Pledged Contract in any calendar month does not exceed 10% of the aggregate proceeds from the sale of all repossessed Financed Vehicles securing the Pledged Contracts. The foregoing shall be subject to the provision that, in any case in which the Financed Vehicle shall have suffered damage, the Servicer shall not expend funds in connection with the repair or the repossession of such Financed Vehicle unless it shall determine in its reasonable discretion that such repair and/or repossession will increase the net liquidation proceeds by an amount greater than the amount of such expense;

(x) with respect to which the model year of the Financed Vehicle is not more than twelve (12) years earlier than the model year in effect at the time the Contract becomes a Pledged Contract;

(y) as to which the obligation of the original Obligor has not been released or assumed by another Person unless the release or assumption was properly documented and the Administrative Agent has consented in writing to such Contract being an Eligible Contract;

(z) as to which the down payment complies with the Credit and Collection Policy, and has been paid in full by the Obligor and not loaned to the Obligor by any DT Entity or an Affiliate thereof, and any trade-in has been delivered to DTCS, or with the prior consent of the Administrative Agent, the Dealer, with an endorsed Certificate of Title with respect to the related Financial Vehicle and as to which no amount has been loaned to the Obligor to keep payments thereunder current;

(aa) with respect to which the Collateral Custodian has delivered to the Administrative Agent the deliveries required under the Agreement that confirm that the Collateral Custodian is in physical possession of the Contract File;

(bb) that, together with the sale of the Financed Vehicle and the sale of any Insurance Policy, complied at the time such Contract was originated or made, and

continue to comply in all material respects with all requirements of applicable Federal, State and local laws, and regulations thereunder including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, the Servicemembers Civil Relief Act of 2003, the Texas Finance Code and other State adaptations of the Uniform Consumer Credit Code, and other consumer credit laws and equal credit opportunity and disclosure laws; the form of such Contract and the manner in which it was completed and executed and all documents delivered and disclosures made in connection therewith are in compliance with all requirements of applicable Federal, State and local laws, and all applicable regulations thereunder, except to the extent a failure to so comply would not have an adverse effect on (i) the collection and payment of the Contract, or (ii) the interests in such Contract of any DT Entity;

(cc) with respect to which none of the Obligor is the United States of America, or any State, or any agency, department, or instrumentality of the United States of America, any State or municipality;

(dd) that was not originated in, and is not subject to the laws of, any jurisdiction under which the sale, transfer, and assignment of such Contract, or the assignment and grant of a security interest pursuant to this Agreement, shall be unlawful, void or voidable, and with respect to which (i) no consent of any Obligor or other Person is required for the sale and assignment of or grant of security interest in such Contract and (ii) no DT Entity has entered into any agreement with any Obligor or any other Person that prohibits, restricts or conditions the sale, assignment, or grant of security interest in any portion of such Contract;

(ee) that constitutes "tangible chattel paper" or "electronic chattel paper" under Article 9 of the applicable UCC;

(ff) with respect to which, (A) if such Contract was originated in a State in which notation of security interest on the title document of the related Financed Vehicle is required or permitted to perfect such security interest, the title document for such Financed Vehicle shows DTCS or the Originator named as the original and only secured party under the related Contract as the holder of a first priority security interest in such Financed Vehicle; provided that any assumed name, designation or trade name may be used by DTCS or the Originator on the title document; provided further that the use of any such assumed name, designation or trade name by DTCS or the Originator shall result in a fully perfected first priority security interest in favor of DTCS or the Originator and a legal opinion has been delivered to the Administrative Agent by the Originator's legal counsel stating the foregoing, and (B) if such Contract was originated in a State in which the filing of a financing statement under the UCC is required to perfect a security interest in motor vehicles, such filings or recordings have been duly made and show DTCS or the Originator named as the secured party under the Contract; and if the title document has not yet been returned from the Registrar of Titles, the Originator has received and delivered to the Collateral Custodian written evidence that

such title document showing DTCS or the Originator as first lienholder has been applied for;

(gg) that represents the genuine, legal, valid and binding obligation of the Obligor thereunder and is enforceable by the holder thereof in accordance with its terms, except only as such enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, and all parties to such Contract had full legal capacity to execute and deliver such Contract and all other documents related thereto and to grant the security interest purported to be granted thereby;

(hh) with respect to which each Obligor is and continues to be domiciled in the United States;

(ii) with respect to which the related Financed Vehicle has not suffered a casualty or been materially damaged and not repaired, and such Financed Vehicle is not located outside of the United States;

(jj) with respect to which, at the time of origination of such Contract, to the knowledge of the Originator, the Borrower and the Servicer, the related Financed Vehicle is customarily used and garaged in the state issuing the Certificate of Title;

(kk) with respect to which the related Financed Vehicle was properly delivered to the related Obligor in good repair, without material defects and in satisfactory order, and such Financed Vehicle was accepted by the Obligor after reasonable opportunity to inspect and test same and, at the time of such delivery and acceptance, no Obligor informed any DT Entity of any material defect therein;

(ll) with respect to which no Obligor is involved in the business of leasing or selling any Financed Vehicles;

(mm) that does not constitute a "consumer lease" under either (A) the UCC as in effect in the jurisdiction whose law governs the Contract, or (B) the Consumer Leasing Act, 15 U.S.C. 1667;

(nn) that is included in the aggregate numbers reported in the Contract Receipt, (i) which is not listed as having an Exception by the Collateral Custodian, and (ii) for which the original Contract has not been delivered to the Borrower or Servicer pursuant to a Release Request;

(oo) which, at origination the related Financed Vehicle, was covered by a comprehensive and collision insurance policy (i) in an amount at least equal to the lesser of (a) its maximum insurable value or (b) the principal amount due from the Obligor under such Contract and (ii) naming DTCS or the Originator as a loss payee;

(pp) with respect to which the Servicer and the Originator have clearly marked their electronic records to indicate that the Contract has been transferred to and is owned by the Borrower;

(qq) with respect to which neither the related Obligor (nor the Contract itself) was, at the date of transfer of such Contract to the Borrower, the subject of an Insolvency Proceeding commenced after the execution of such Contract except if such Obligor has received a discharge or dismissal of such proceeding;

(rr) that is not subject to a forced placed insurance policy on the related Financed Vehicle;

(ss) that has not been modified as to credit terms in a manner adverse to the interests of the Lender (in the reasonable judgment of the Administrative Agent) or extended or deferred for a period greater than six (6) months (in aggregate) after its original maturity date; and

(tt) prior to the Indirect Contract Approval Date, such Contract is not an Indirect Contract.

SCHEDULE B

SCHEDULE OF CONTRACTS

(Original delivered to the Administrative Agent)

Sch B - 1

SCHEDULE C
LOCATION OF CONTRACT FILES

Wells Fargo Bank, N.A.
ABS Custody Vault
1055 10th Avenue SE
MAC N9401-011
Minneapolis, Minnesota 55414

Sch C - 1

SCHEDULE D
SCHEDULE OF DOCUMENTS

[See Closing Index]

Sch D - 1

SCHEDULE E
TRADENAMES

None.

Sch E - 1

EXHIBIT A
FORM OF FUNDING REQUEST

_____, _____
Wells Fargo Securities, LLC
301 S. College Street, TW-8
Charlotte, North Carolina 28288-0610

Re: DT Warehouse V, LLC – Loan and Security Agreement

Ladies and Gentlemen:

The undersigned is a Responsible Officer of DT Warehouse V, LLC (the “Borrower”) and is authorized to execute and deliver this Funding Request on behalf of the Borrower pursuant to the Loan and Security Agreement, dated as of December 23, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the “Loan and Security Agreement”), among the Borrower, DT Credit Company, LLC, as servicer, Wells Fargo Bank, N.A., as lender, Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., as backup servicer and collateral custodian. Capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Loan and Security Agreement.

(a) The Borrower hereby requests that a Loan be made under the Loan and Security Agreement on _____, ____ in the amount of \$____.

In connection with the foregoing, the undersigned hereby certifies, on behalf of the Borrower, as follows:

(b) As of the date hereof, the aggregate Borrowing Base (calculated as of the previous Determination Date, or, with respect to Contracts added to the Collateral following such Determination Date, but prior to or on such date of determination, the related Cut-Off Date, which is _____) is _____. Attached to this Funding Request is a true, complete and correct calculation of the Borrowing Base.

(c) All of the conditions applicable to the requested Loan as set forth in the Loan and Security Agreement have been satisfied as of the date hereof and will remain satisfied to the date of such Loan, including:

(i) Each of the representations and warranties contained in Article Five of the Loan and Security Agreement are true and correct in all respects on and as of the date hereof, before and after giving effect to the Loan and to the application of the proceeds therefrom as though made on and as of the date hereof;

(ii) No event has occurred, or would result from such Loan or from the application of the proceeds therefrom, which constitutes a Termination Event, an Unmatured Termination Event or a Foreclosure Event;

(iii) The Borrower is in compliance with each of its covenants set forth in the Loan and Security Agreement; and

(iv) No event has occurred which constitutes a Servicer Termination Event.

(d) The requested Loan will not, on the Funding Date, exceed the Available Amount.

(e) Attached hereto as Attachment 1 is a duly executed Solvency Certificate dated of even date herewith.

DT WAREHOUSE V, LLC

By: _____

Name: _____

Title: _____

Exh A - 2

EXHIBIT B
FORM OF NOTE

FOR VALUE RECEIVED, the undersigned, DT Warehouse V, LLC, a Delaware limited liability company (the “Borrower”), promises to pay to the order of Wells Fargo Securities, LLC, a Delaware limited liability company (the “Administrative Agent”), as the agent for Wells Fargo Bank, N.A. (the “Lender”), at the office of the Administrative Agent set forth in the Loan and Security Agreement, dated as of December 23, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the “Loan and Security Agreement”), among the Borrower, DT Credit Company, LLC, as servicer, Wells Fargo Bank, N.A., as lender, Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., as backup servicer and collateral custodian, on the Termination Date, in lawful money of the United States of America and in immediately available funds, the principal amount of One Hundred Fifty Million Dollars (\$150,000,000), or, if less, such Lender’s Note Balance under 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 such Lender’s Loans from time to time outstanding at the rates and on the dates specified in the Loan and Security Agreement.

The Lender is authorized to record, on the schedules annexed hereto and made a part hereof or on other appropriate records, the date and the amount each Loan made by such Lender under the Loan and Security Agreement, each continuation thereof, the funding period for such Loan 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 Lender to make any such recordation (or any error in such recordation) shall not affect the obligations of the Borrower hereunder or under the Loan and Security Agreement in respect of the Loans.

This Note is one of the Notes referred to in the Loan and Security Agreement, 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 Note is subject to periodic pay-downs, and optional and mandatory prepayment as provided in the Loan and Security Agreement.

Upon the occurrence of a Termination Event or a Foreclosure Event, the Administrative Agent, on behalf of 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 NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

DT WAREHOUSE V, LLC, the Borrower

By:

By:_____

Name:_____

Title:_____

Exh B - 2

Schedule 1 to
Note

<u>Principal Amount of Loans</u>	<u>Interest on Loans</u>	<u>Payments on Loans</u>	<u>Notation by Date</u>
_____	_____	_____	_____

EXHIBIT C
FORM OF ASSIGNMENT AND ACCEPTANCE

Dated _____, 20__

Reference is made to the Loan and Security Agreement, dated as of December 23, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the “Loan and Security Agreement”), among DT Warehouse V, LLC, as borrower, DT Credit Company, LLC, as servicer, Wells Fargo Bank, N.A., as lender, Wells Fargo Securities, LLC, as administrative agent (the “Administrative Agent”), and Wells Fargo, N.A., as backup servicer and collateral custodian. Capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Loan and Security Agreement.

_____ (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 Loan and Security 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 Loan and Security Agreement, including such interest in the Commitment of the Assignor and the Loans made by the Assignor. After giving effect to such sale and assignment, the Commitment and the amount of Loans made by the Assignee will be as set forth in Section 2 of Schedule 1.
2. The Assignor 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 Lien.
3. The Assignor and the Assignee confirm to and agree with each other and the other parties to Loan and Security Agreement that: (i) other than as provided herein, the Assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan and Security Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan and Security Agreement or any other instrument or document furnished pursuant thereto; (ii) the Assignee confirms that it has received a copy of the Loan and Security 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; (iii) the Assignee will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender party to the Loan and Security Agreement 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 and Security Agreement; (iv) the Assignor and the Assignee confirm that the Assignee is an Eligible Assignee; (v) the Assignee appoints and authorizes the Administrative Agent 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; (vi) the Assignee agrees that it will perform in accordance with their terms all

of the obligations which by the terms of the Loan and Security Agreement are required to be performed by it as a Lender, including the confidentiality provisions of Article Fourteen and (vii) this Assignment and Acceptance meets all other requirements for such an Assignment and Acceptance set forth in Article 13 of the Loan and Security Agreement.

4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to the Administrative Agent for acceptance. The effective date of this Assignment and Acceptance (the “Assignment Date”) shall be the date of acceptance thereof by the Administrative Agent, unless a later date is specified in Section 3 of Schedule 1.

5. The Assignor and the Assignee agree to reimburse the Administrative Agent for all reasonable fees, costs and expenses (including reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent) incurred by the Administrative Agent in connection with this Assignment and Acceptance.

6. Upon such acceptance by the Administrative Agent, (i) the Assignee shall be a party to the Loan and Security Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder, provided, however, that (ii) the Assignor shall, to the extent such rights have been assigned by it under this Assignment and Acceptance, relinquish its assigned rights and be released from its assigned obligations under the Loan and Security Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Assignor’s rights and obligations under the Loan and Security Agreement, Assignor shall cease to be a party thereto).

7. Upon such acceptance by the Administrative Agent, from and after the Assignment Date, the Administrative Agent shall make, or cause to be made, all payments under the Loan and Security Agreement in respect of the interest assigned hereby (including all payments of principal, interest and fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Loan and Security Agreement for periods prior to the Assignment Date directly between themselves.

8. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the Assignor and the Assignee have executed this Acceptance and Assignment as of the __ day of _____, 201__.

[ASSIGNEE], as Assignee

By: _____

Name: _____

Title: _____

[ASSIGNOR], as Assignor

By: _____

Name: _____

Title: _____

Exh C - 3

Schedule 1
to
Assignment and Acceptance
Dated _____, 20__

Section 1.

Percentage Interest: _____%

Section 2.

Assignee's Commitment: \$_____

Aggregate Loans Owing to the Assignee: \$_____

Section 3.

Assignment Date: _____, 20__

EXHIBIT D
CREDIT AND COLLECTION POLICY

[On file]

Exh D - 1

EXHIBIT E
FORM OF HEDGING AGREEMENT
(INCLUDING SCHEDULE AND CONFIRMATION)

[Intentionally Omitted]

Exh E - 1

EXHIBIT F

FORM OF POWER OF ATTORNEY

This Power of Attorney (this “Power of Attorney”) is executed and delivered by DT Warehouse V, LLC (“Grantor”) to Wells Fargo Securities, LLC, as Administrative Agent (“Attorney”), pursuant to (i) the Loan and Security Agreement, dated as of December 23, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the “Agreement”), among the Grantor, as borrower, DT Credit Company, LLC, as servicer, Wells Fargo Bank, N.A., as lender, Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., as backup servicer and collateral custodian, and (ii) the other Transaction Documents. Capitalized terms used herein that are not otherwise defined shall have the meanings ascribed thereto in the Agreement.

No person to whom this Power of Attorney is presented, as authority for Attorney to take any action or actions contemplated hereby, shall inquire into or seek confirmation from Grantor as to the authority of Attorney to take any action described below, or as to the existence of or fulfillment of any condition to this Power of Attorney, which is intended to grant to Attorney unconditionally the authority to take and perform the actions contemplated herein, and Grantor irrevocably waives any right to commence any suit or action, in law or equity, against any person or entity that acts in reliance upon or acknowledges the authority granted under this Power of Attorney. The power of attorney granted hereby is coupled with an interest and may not be revoked or canceled by Grantor until all Aggregate Unpays have been indefeasibly paid in full and Attorney has provided its written consent thereto.

Grantor hereby irrevocably constitutes and appoints Attorney (and all officers, employees or agents designated by Attorney), with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in its place and stead and in its name or in Attorney’s own name, from time to time in Attorney’s discretion, to take any and all appropriate action and to execute and deliver any and all documents and instruments that may be necessary or desirable to accomplish the purposes of the Agreement, and, without limiting the generality of the foregoing, hereby grants to Attorney the power and right, on its behalf, without notice to or assent by it, (i) to give any necessary receipts or acquittance for amounts collected or received hereunder, (ii) to make all necessary transfers of the Collateral in connection with any sale or other disposition made pursuant hereto, (iii) 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, Grantor thereby ratifying and confirming all that such attorney (or any substitute) shall lawfully do hereunder and pursuant hereto, (iv) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document, (v) to exercise all rights and privileges of Grantor under the Purchase Agreement (including each Transfer Agreement); (vi) pay or discharge any taxes, Liens or other encumbrances levied or placed on or threatened against Grantor or Grantor’s property; (vii) to defend any suit, action or proceeding brought against Grantor if Grantor does not defend such suit, action or proceeding or if Attorney believes that it is not pursuing such defense in a manner that will maximize the recovery to Attorney, and settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, give such discharges or releases as Attorney may deem appropriate; (viii) to file or prosecute any claim, litigation, suit or proceeding in any court of competent jurisdiction

or before any arbitrator, or take any other action otherwise deemed appropriate by Attorney for the purpose of collecting any and all such moneys due to Grantor whenever payable and to enforce any other right in respect of Grantor's property; (ix) to sell, transfer, pledge, make any agreement with respect to or otherwise deal with, any of Grantor's property, and execute, in connection with such sale or action, any endorsements, assignments or other instruments of conveyance or transfer in connection therewith; and (x) to cause the certified public accountants then engaged by Grantor to prepare and deliver to Attorney at any time and from time to time, promptly upon Attorney's request, any reports required to be prepared by or on behalf of Grantor under the Loan and Security Agreement or any other Transaction Document, all as though Attorney were the absolute owner of its property for all purposes, and to do, at Attorney's option and Grantor's expense, at any time or from time to time, all acts and other things that Attorney reasonably deems necessary to perfect, preserve, or realize upon its property or assets and the Liens of the Administrative Agent, as agent for the Secured Parties thereon, all as fully and effectively as it might do. Grantor hereby ratifies, to the extent permitted by law, all that said attorneys shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this Power of Attorney is executed by Grantor as of this _____ day of _____ 201__.

DT WAREHOUSE V, LLC

By: _____
Name: _____
Title: _____

Sworn to and subscribed before
me this __ day of _____, _____

Notary Public

[NOTARY SEAL]

EXHIBIT G

FORM OF PERMITTED TAKE-OUT RELEASE

Dated _____, 20__

Reference is hereby made to the Loan and Security Agreement, dated as of December 23, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the “Loan and Security Agreement”), among DT Warehouse V, LLC, as borrower (the “Borrower”), DT Credit Company, LLC, as servicer (the “Servicer”), Wells Fargo Securities, LLC, as administrative agent (the “Administrative Agent”), Wells Fargo Bank, N.A., as backup servicer and collateral custodian (the “Collateral Custodian”) and Wells Fargo Bank, N.A., as the lender. Capitalized terms not defined herein shall have the meaning given such terms in the Loan and Security Agreement.

The Borrower and the Servicer hereby represent and warrant that each condition in the Loan and Security Agreement and each other Transaction Document, to the consummation of the Permitted Take-Out to which this Permitted Take-Out Release relates, has been satisfied, including but not limited to delivery of the executed Permitted Take-Out Date Certificate, in substantially the form attached hereto as **Annex 1**. Upon deposit in the Collection Account of \$[•] in accordance with Section 2.15(a)(v) in immediately available funds, the Administrative Agent hereby releases all of its right, title and interest, including Lien, in and to the Pledged Contracts to be transferred by the Borrower in the related Permitted Take-Out and described in **Schedule I** hereto (the “Take-Out Contracts” and such Schedule, the “Schedule of Take-Out Contracts”), together with the other items of Collateral related to such Take-Out Contracts.

[signatures appear on the following page]

Exh G - 1

The Servicer and the Borrower hereby direct the Collateral Custodian to deliver the Contract Files for the Take-Out Contracts to [•].

Executed as of _____, 20__:

DT WAREHOUSE V, LLC, as Borrower

By: _____
Name: _____
Title: _____

DT CREDIT COMPANY, LLC, as
Servicer

By: _____
Name: _____
Title: _____

WELLS FARGO SECURITIES, LLC, as
Administrative Agent

By: _____
Name: _____
Title: _____

Acknowledged:

WELLS FARGO BANK, N.A., as
Collateral Custodian

By: _____
Name: _____
Title: _____

ANNEX 1

PERMITTED TAKE-OUT DATE CERTIFICATE PURSUANT TO SECTION 2.15(a) OF THE LOAN AND SECURITY AGREEMENT

DT Credit Company, LLC, as the servicer (the “Servicer”), delivers this certificate pursuant to Section 2.15(a) of the Loan and Security Agreement, dated as of October 24, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the “Loan and Security Agreement”) among DT Warehouse V, LLC, as borrower (the “Borrower”), the Servicer, Wells Fargo Securities, LLC, as administrative agent (the “Administrative Agent”), Wells Fargo Bank, N.A., as backup servicer and collateral custodian (the “Collateral Custodian”) and Wells Fargo Bank, N.A., as the lender, and hereby certifies, as of the date hereof, the following:

(i) the Borrower has sufficient funds on the related Permitted Take-Out Date to effect the Permitted Take-Out in accordance with the Loan and Security Agreement (taking into account, to the extent necessary, the proceeds of sales of the Collateral in the Permitted Take-Out);

(ii) (A) after giving effect of the Permitted Take-Out, the release of by the Administrative Agent of the related Contracts on the Permitted Take-Out Date and the transfer by the Borrower of the related Contracts on the Permitted Take-Out Date, (I) the representations and warranties contained in Sections 5.1 and 5.2 are true and correct on such date, except to the extent relating to an earlier date, (II) no Termination Event, Unmatured Termination Event, Servicer Termination Event, Overcollateralization Increase Event or Foreclosure Event has occurred, and (III) the Note Balance does not exceed the Borrowing Base, and (B) no selection procedures were utilized by the Borrower in connection with the Permitted Take-Out that are adverse to the interests of the Secured Parties;

(iii) the Borrower has provided for the payment to the Administrative Agent, on behalf of the Lender, on the Permitted Take-Out Date, in immediately available funds, of an amount equal to the sum of (A) the portion of the Note Balance to be prepaid, (B) all accrued and unpaid Interest attributable to that portion of the Note Balance to be prepaid on such day in connection with the Permitted Take-Out, (C) an aggregate amount equal to the sum of all other amounts then due and owing to the Administrative Agent or the Lender, as applicable, under this Agreement and the other Transaction Documents, to the extent accrued to such date and to accrue thereafter (including Breakage Costs), to the extent reasonably determined by the Administrative Agent or the Lender, as applicable, to be attributable to that portion of the Note Balance to be paid to such Secured Party in connection with the Permitted Take-Out and (D) all other Aggregate Unpays then due and owing to the extent reasonably determined by any Secured Party to be attributable to that portion of the Note Balance to be paid to such Secured Party in connection with the Permitted Take-Out;

(iv) the Borrower has provided for the payment to each Hedge Counterparty on the Permitted Take-Out Date, in immediately available funds, an aggregate amount

equal to all Hedge Breakage Costs attributable to that portion of the Note Balance to be prepaid in connection with the Permitted Take-Out;

(v) the Borrower has delivered to the Administrative Agent, the Collateral Custodian and each Lender (x) the List of Take-Out Contracts and (y) an updated Schedule of Contracts giving effect to such Permitted Take-Out, which has been confirmed in writing by the Collateral Custodian (which confirmation may take the form of an email to the Administrative Agent and the Lenders stating that the updated Schedule of Contracts delivered by the Borrower comports with the records maintained by the Collateral Custodian); and

(vi) no Termination Event, Unmatured Termination Event, Servicer Termination Event or Foreclosure Event shall occur as a result of such Permitted Take-Out.

Capitalized terms used herein that are not otherwise defined shall have the meanings ascribed to them in the Loan and Security Agreement.

IN WITNESS WHEREOF, the Servicer has caused this certificate to be executed on its behalf this _____ day of _____, 20__.

DT CREDIT COMPANY, LLC

By: _____
Name: _____
Title: _____

Exh G - 4

EXHIBIT H
FORM OF SOLVENCY CERTIFICATE

Wells Fargo Securities, LLC
301 S. College Street, TW-8
Charlotte, North Carolina 28288-0610

Re: DT Warehouse V, LLC – Loan and Security Agreement

Ladies and Gentlemen:

DT Warehouse V, LLC (the “Borrower”), hereby certifies, as of this ____ day of _____, 20__, with respect to the Borrower:

(i) the fair value of the property owned by the Borrower is greater than the amount of the Borrower’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 or any other Insolvency Law;

(ii) the present fair salable value of the property owned by the Borrower in an orderly liquidation of the Borrower is not less than the amount that will be required to pay the probable liability of the Borrower on its debts as they become absolute and matured;

(iii) the Borrower 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;

(iv) the Borrower does not intend to, and does not believe that it will, incur debts or liabilities beyond the Borrower’s ability to pay as such debts and liabilities mature; and

(v) the Borrower is not engaged in business or a transaction, and is not about to engage in a business or a transaction, for which the Borrower’s property would constitute unreasonably small capital.

Capitalized terms used herein without definition shall have the meanings given to such terms in the Loan and Security Agreement, dated as of December 23, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the “Loan and Security Agreement”), among the Borrower, DT Credit Company, LLC as servicer, Wells Fargo Bank, N.A., as lender, Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., as backup servicer and collateral custodian.

IN WITNESS WHEREOF, I have hereunto signed my name as of the date first written above.

DT WAREHOUSE V, LLC

By: _____

Name: _____

Title: _____

Exh H - 2

EXHIBIT I
FORM OF MONTHLY REPORT

Exh I - 1

EXHIBIT J
FORM OF MONTHLY BACKUP SERVICER CERTIFICATE

[On File with Backup Servicer]

Exh J - 1

EXHIBIT K

Form

of

RESIDUAL INTEREST CONVEYANCE AGREEMENT (APPROVED FORM)

[see attached]

Exh K - 1

EXHIBIT L
FORM OF PRINCIPAL REPAYMENT NOTICE
(Prepayment of Note Balance)
[Date]

(DT WAREHOUSE V, LLC)

To: Wells Fargo Securities, LLC
as the Administrative Agent
One Wachovia Center
301 S. College Street, TW-8
Charlotte, North Carolina 28288-0610
Telephone No.: (704) 715-3570
Facsimile No.: (704) 383-9106

Wells Fargo Bank, National Association
301 South College Street
Charlotte, North Carolina 28288
Attention: Kevin McConnell
Telephone: (704) 383-7171
Facsimile: (704) 383-8417

Wells Fargo Bank, National Association
MAC N9311-161
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479
Attention: Corporate Trust Services - Asset-
Backed Administration
Telephone: (612) 667-8058
Facsimile: (612) 667-3464

Re: Loan and Security Agreement dated as of December 23, 2011

Ladies and Gentlemen:

This Principal Repayment Notice is delivered to you pursuant to Section 2.5(a) of that certain Loan and Security Agreement, dated as of December 23, 2011 (the “*Loan and Security Agreement*”), by and among DT Warehouse V, LLC, as borrower (the “*Borrower*”), DT Credit Company, LLC, as servicer (the “*Servicer*”), Wells Fargo Bank, N.A., as lender (the “*Lender*”), Wells Fargo Securities, LLC, as administrative agent (the “*Administrative Agent*”), and Wells Fargo Bank, N.A., as backup servicer and collateral custodian (the “*Collateral Custodian*”). Capitalized terms used but not defined herein shall have the meanings provided in the Loan and Security Agreement.

The undersigned hereby certifies as follows:

1. Pursuant to Section 2.5(a) of the Loan and Security Agreement, the Borrower desires to reduce the Note Balance by the amount of \$[insert prepayment amount] (the “*Principal Repayment*”).
2. The Borrower hereby requests that such Principal Repayment be made as of [insert prepayment date - must be at least one Business Day after the date of this notice].

3. All of the conditions applicable to the Principal Repayment requested herein as set forth in the Loan and Security Agreement have been satisfied as of the date hereof and will remain satisfied to the date of such Principal Repayment, as applicable, including the following:

- (a) All Aggregate Unpaid then due and payable to any Indemnified Party have been paid;
- (b) No event has occurred or would result from such Principal Repayment or from the applicable of the proceeds therefrom, which constitutes a Termination Event or Unmatured Termination Event; and
- (c) The Borrower is in compliance with each of its covenants set forth in the Transaction Documents.

4. As of the date of this Principal Repayment (and prior to giving effect thereto), the Note Balance is \$*[insert Note Balance prior to Principal Repayment]*.

[signature appears on the following page]

Exh L - 2

IN WITNESS WHEREOF, the undersigned has executed this Principal Repayment Notice as of this
[*insert day*] of [*insert month*], [*insert year*].

DT WAREHOUSE V, LLC

By: _____

Name:

Title:

Exh L - 3

EXHIBIT M
FORM OF COLLATERAL CUSTODIAN FEE LETTER
Exh M - 1

EXHIBIT N
MASTER AGENCY AGREEMENT

Exh N - 1

EXHIBIT O
FORM OF MOTOR VEHICLE INSTALLMENT SALES CONTRACT

Exh O - 1

EXHIBIT P

COPY OF EMPLOYEE PURCHASE PROGRAM TERMS AND CONDITIONS

[To Be Provided]

Exh P - 1

CERTIFICATION

I, Raymond C. Fidel, certify that:

1. I have reviewed this annual report on Form 10-K of DriveTime Automotive Group, Inc. and DT Acceptance Corporation.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2012

By: /s/ Raymond C. Fidel
Raymond C. Fidel
Chief Executive Officer and President

CERTIFICATION

I, Mark G. Sauder, certify that:

1. I have reviewed this annual report on Form 10-K of DriveTime Automotive Group, Inc. and DT Acceptance Corporation.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2012

By: /s/ Mark G. Sauder
Mark G. Sauder
Chief Financial Officer and Executive VP

Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

This certification is not deemed filed pursuant to the Securities Exchange Act of 1934, as amended, and does not constitute a part of the Annual Report of DriveTime Automotive Group, Inc. and DT Acceptance Corporation on Form 10-K for the period ending December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report").

In connection with the Report, we, Raymond C. Fidel, as Chief Executive Officer and President of DriveTime Automotive Group, Inc. and DT Acceptance Corporation, and Mark G. Sauder, as Chief Financial Officer of DriveTime Automotive Group, Inc. and DT Acceptance Corporation, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of our knowledge, respectively, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of DriveTime Automotive Group, Inc. and DT Acceptance Corporation.

Dated: March 30, 2012

By: /s/ Raymond C. Fidel
Raymond C. Fidel
Chief Executive Officer and President

Dated: March 30, 2012

By: /s/ Mark G. Sauder
Mark G. Sauder
Chief Financial Officer and Executive VP