CONSUMER PORTFOLIO SERVICES, INC.

NON-FRANCHISED AUTOMOBILE DEALER AGREEMENT

As of_____, 20____, _____

_____ ("Dealer") and Consumer Portfolio Services, Inc., a California corporation ("CPS"), in consideration of the mutual covenants contained herein and for other valuable consideration, receipt of which is hereby acknowledged, agree as follows:

1. **Contracts** - Dealer may from time to time forward to CPS for review credit applications received from a prospective or actual purchaser ("Buyer") of a motor vehicle. Such review will be for the purpose of determining (i) whether CPS would purchase from Dealer an installment contract and security agreement, or other enforceable form of agreement accepted by CPS, (in either case, a "Contract") relating to the purchase of a motor vehicle ("Vehicle") by Buyer from Dealer, and (ii) the terms on which CPS would purchase such Contract. The terms and conditions under which CPS currently purchases Contracts are described in the Program Guidelines attached hereto as Schedule A, which are incorporated herein by this reference. Any variance from Schedule A must be disclosed to and approved by CPS. The decision whether to purchase any Contract offered by Dealer shall at all times be at the sole and absolute discretion of CPS.

   The purchase price of each such Contract shall be as specified by CPS at the time of purchase. Upon payment to Dealer of the purchase price, full title to the Contract shall pass to CPS. Each Contract will be sold on a "Non-Recourse" basis, subject to the terms and conditions of this Agreement.

2. **Representations and Warranties of Dealer** - Regarding each Contract sold to CPS, and the related Vehicle, Dealer represents and warrants that:

   (a) the Contract represents a *bona fide* absolute and unconditional sale by Dealer to Buyer of such Vehicle, in the ordinary course of the business of the Dealer, on a time price basis and not on a cash basis;

   (b) the Contract and the underlying sale of the Vehicle were completed in compliance with all applicable laws and regulations;

   (c) statements and information contained in the Contract and each other document submitted by Dealer to CPS are true and accurate;

   (d) the entire down payment described in the Contract was paid by the Buyer at the time and in the manner stated in such Contract;

   (e) the Contract and any Guaranty thereof are genuine, legally valid and enforceable in accordance with their terms;

   (f) there is no right of rescission, setoff, counterclaim or defense that exists or has been asserted or threatened with respect to the Contract, nor is there any valid basis for any such claim;

   (g) the Vehicle has been delivered to the Buyer in good condition and has been accepted by the Buyer;

   (h) the Vehicle is not a salvage vehicle, reconstructed vehicle, lemon law buyback, any vehicle as to which adverse notation is required on the certificate of title, or a structurally damaged vehicle;

   (i) the Buyer's obligations under the Contract are secured by a validly perfected first priority security interest in the Vehicle in favor of CPS, enforceable under state and federal law (including bankruptcy law), and CPS shall receive a certificate of title naming CPS as first priority lienholder within 60 days after the date of sale of the Vehicle to Buyer, and registered in Buyer's name exactly as shown on the Contract;

(j) as of the date of the sale of the Contract to CPS, all representations and warranties made by Dealer to Buyer with respect to the Contract or the underlying Vehicle, are also made by Dealer to CPS;

(k) Dealer has good title to the Vehicle, free and clear of all liens, encumbrances, and rights of any third parties, and has full right and authority to sell, transfer and assign the Contract;

(l) to the best of Dealer's knowledge, there is no fraudulent scheme, trick or device in connection with the Contract or the sale of the Vehicle that has the effect of evading any of the foregoing representations or warranties; and

(m) any service contract, credit insurance policy or other "finance add" that is sold to the Buyer and financed as part of the Contract is refundable at least to the extent required by law. Upon prepayment or default of the Contract within the term of any such item, the refund obligations set forth in Schedule "A" shall apply.

3. Remedies - Dealer understands that CPS has relied upon each representation, warranty, and agreement set forth in this Agreement as a material part of its decision to purchase any Contract, and agrees that each representation, warranty, and agreement is essential and integral to the terms of this Agreement. If any of these representations, warranties, or agreements is untrue or breached, CPS may recover any resulting damages, or may require (without election of remedies) that Dealer repurchase such Contract. The repurchase price shall be the unpaid Contract balance (including accrued interest) plus the costs and expenses of CPS, including attorney's fees. CPS shall have the right (without election of remedies) to set off against other amount(s) then or later due to Dealer such repurchase price or damages.

4. Agreed Interpretations - In interpreting this Agreement and any assignment of Contracts, it is agreed as follows:

(a) A down payment will not be considered to have been paid in the manner stated in a Contract if (i) any part thereof was a deferred obligation not properly disclosed as required by applicable law, (ii) any part thereof was lent or paid to the Buyer by Dealer or a representative of the Dealer, (iii) any part thereof is paid by a person other than Buyer (including, without limitation, a check guarantee service), (iv) any check or similar instrument tendered in payment or partial payment thereof was returned unpaid, or (v) Buyer has agreed to pay a deferred down payment (pick-up payment or hold check) prior to the due date of the first scheduled Contract payment, and Buyer fails or has failed to pay any such deferred payment as scheduled. CPS may waive any down payment irregularity described above, and Dealer agrees to advise CPS of the same, so as to enable CPS to decide whether to waive the same.

(b) A Contract and the underlying sale of the Vehicle will be considered to have been completed in violation of applicable law if (i) the Buyer did not receive a completely filled-in copy of such Contract at the time of its execution, (ii) any related goods or services, including, without limitation, accessories, credit or physical damage insurance and extended service agreements, were sold in violation of applicable law, or (iii) any of the names or signatures on such Contract are forged, fictitious or assumed, or otherwise not correct.

(c) If applicable state law does not provide for registration of a lien on a Vehicle, but does permit registration as a "legal owner," delivery of a certificate of title naming CPS as the original legal owner may take the place of delivery of a certificate of title naming CPS as lien holder. If applicable state law requires that only the Buyer may hold the certificate of title, then delivery of acceptable evidence of registration of the original first lien interest of CPS may take the place of delivery of a certificate of title.

(d) Devices that have the effect of evading the representations and warranties appearing above include (i) subsequent to execution of the Contract, and without the consent of CPS, Dealer agrees to any modification of the Contract, (ii) Buyer has agreed to make any payment or payments for purchase of the Vehicle that are not disclosed in the Contract, (iii) any trade-in vehicle whose equity was used as all or part of the down payment was acquired by Buyer in a Dealer-assisted buy-sell transaction having the effect of inflating the stated value of such trade-in vehicle, and (iv) more than one instrument in the nature of a Contract is executed respecting a single Vehicle.

5. **First Payment Default** - "First Payment Default" means a Buyer's failure to pay directly to CPS from Buyer's own funds the first payment due under a Contract after its purchase by CPS ("Contract Purchase"), or, in the case of a Contract to be paid by allotment, the failure to pay by allotment the first payment due after any payments that were made at or prior to Contract Purchase. In case of a First Payment Default, and provided that CPS within three months of Contract Purchase delivers to Dealer in good condition the Vehicle that secures such Contract, Dealer shall repurchase such Contract from CPS. The repurchase price shall be the amount CPS paid to purchase such Contract plus a repossession fee of $350.00, due upon delivery of the Vehicle. If Dealer should fail to pay such amount when due, then in addition to all other remedies available to CPS, such repurchase price shall accrue interest at the Contract rate, and CPS shall have the right, without having thus elected its remedy, to set off against other amount(s) then or later due to Dealer such repurchase price and accrued interest.

6. **Indemnification by Dealer** - Dealer shall indemnify, defend, and hold harmless CPS, its agents, successors, and assigns from and against all "Losses" from any "Claims" brought against CPS relating to the Contract or the underlying Vehicle; provided, however, that such indemnity shall only apply to Claims that arise out of Dealer's breach of its representations, warranties or covenants herein, or out of breach of Dealer's obligations to Buyer. "Losses" means liabilities assessed in a judicial, arbitral or administrative proceeding and include reasonable attorney fees and expenses incurred in such a proceeding or incurred in efforts to avoid such a proceeding. "Claims" means allegations that CPS has a legally enforceable liability, whether raised affirmatively or by way of defense. CPS may tender to Dealer the defense of any such indemnified Claim to Dealer, in which case Dealer, through its counsel, shall defend such Claim on behalf of Dealer and of CPS; alternatively, CPS at its sole discretion may retain its own counsel, in which case Dealer shall pay as incurred the costs and expenses of such defense.

7. **Dealer Reserve Programs** - CPS may, at its option, offer to purchase certain eligible Contracts for a purchase price greater than the "amount financed" that is stated in such Contracts. A portion of such purchase price is a "Dealer Reserve". The check stub or notice accompanying payment by check for the Contract, or notice accompanying payment by electronic funds transfer for the Contract, will identify a portion of the purchase price thereof as the Dealer Reserve.

   Dealer's right to retain the Dealer Reserve with respect to any particular Contract shall terminate (i) if CPS declares such Contract in default prior to receiving from Buyer full payment of the first three regular installments due CPS under the Contract, provided that CPS is entitled under the terms of the Contract to declare such Contract in default, or (ii) if the balance on that Contract is paid in full prior to receipt by CPS of full payment of the first three regular installments due CPS under the Contract. In either such event, Dealer shall repay to CPS the Dealer Reserve within ten days of Dealer's receiving notice from CPS requesting repayment.

   Declaration of default and request for repayment of Dealer Reserve shall not be an election of remedies, and the rights and obligations of Dealer and CPS with respect to a Contract shall otherwise be as set forth in this Agreement.

8. **Modification and Termination** - CPS may grant extensions of time for payment to be made under a Contract, without notice to Dealer and without affecting any obligations of Dealer under this Agreement or with respect to the Contract. The terms and conditions of this Agreement may be altered only by subsequent agreements in writing between Dealer and CPS, except that the Program Guidelines may be revised by CPS from time to time, effective only as to Contracts submitted for purchase after the effective date of such revisions. Any covenants, representations or warranties in the Contract or in the instrument by which Dealer assigns a Contract to CPS shall be in addition to, and shall not vary or limit, the covenants, conditions, representations and warranties contained in this Agreement. This Agreement may be terminated at any time by either party upon notice to the other party, provided, however, such termination shall not affect the responsibilities of CPS or of Dealer as to any Contract purchased prior to receipt of such notice.

9. **Changes in Dealer Schedule** – Additional Dealerships subject to this Agreement, if any, are listed in Schedule B. The parties agree that Dealer, from time to time, and as necessary because of dealership name changes, dealership closures, dealership divestitures, dealership acquisitions or other dealership status changes, may submit a list of additional Dealerships to be subject to this Agreement, or revise and update the list of additional Dealerships subject to this Agreement which are listed in Schedule B, as appropriate subsequent to the effective date of this Agreement by submitting a request in writing. Dealer hereby represents and warrants (i) that each additional Dealership that is added to Schedule B of this Agreement in accordance with this Section 9 is an affiliate of Dealer, (ii) that Dealer and each dealership are jointly and severally liable for any breach of this Agreement by such Dealership, and (iii) that each such Dealership agrees and understands that it is bound by the terms, conditions, covenants, warranties, and representations of this Agreement. The Dealer shall notify CPS in writing of any changes in Dealership control, ownership, or trade names, for any Dealership subject to this Agreement.

10. **Compliance** - Dealer will comply with all applicable federal, state and local laws, ordinances, regulations, and orders, including all applicable consumer financial protection laws. Dealer attests that it has appropriate policies and procedures to comply with such laws and this Agreement. Dealer agrees that CPS will have the right, after reasonable notice, to perform an onsite or offsite audit of Dealer for purposes of auditing the Dealer's compliance with applicable laws and this Agreement. Dealer will provide access, documents, and management personnel to assist CPS with the audit. Upon request Dealer will provide complaint information to CPS, and Dealer will immediately notify CPS of any regulatory or enforcement action or material litigation against the Dealer.

11. **Miscellaneous** - This Agreement is entered into in California, may be enforced in the courts of that State, and shall in all respects be interpreted, enforced and governed by the internal laws of that State. This Agreement shall bind and inure to the benefit of the legal successors and assigns of each party. This Agreement contains the entire agreement and understanding, written or oral, between the parties and concerning the subject matter hereof, and is effective as of the date first written above. All representations, warranties, and covenants contained herein shall apply to any Contract purchased by CPS from Dealer.

CONSUMER PORTFOLIO SERVICES, INC.
a California corporation

_____
(Dealer – *Legal Name of Dealership*)

_____
(Dealer – *DBA*)

_____
(Dealer – *Business Address*)

By: _____
(*Signature of Owner, Managing Partner, Corporate Officer or LLC Managing Member*)

Printed Name: _____

Title: _____

Date: _____

By: _____
(Counter Signature- if required)

Printed Name: _____

Title: _____

Date: _____

CPS: _____
(*Signature of CPS Officer*)

Title: _____

Date: _____

AUTHORIZATION CERTIFICATE

To: Consumer Portfolio Services, Inc. ("CPS")
19500 Jamboree Road, Suite 500
Irvine, CA 92612-2401

_____, 20 _____

Below find the signatures of individuals who are duly authorized for and on behalf of _____

_____

(whether a corporation, limited liability company or other entity, the "Dealer") to assign to CPS installment purchase contracts, conditional sale contracts, promissory notes, chattel paper, accounts receivable and other evidence of indebtedness, and security interests therein, and to execute agreements, assignments and other documents effecting such transfers. Their signatures shall be binding upon the Dealer until a written notice of change, is received by your office.

AUTHORIZED SIGNERS

NAME (Typed)	TITLE	SPECIMEN SIGNATURE
_____	_____	_____
or _____	_____	_____
or _____	_____	_____
or _____	_____	_____

The above authority is given in the following Resolution: "RESOLVED THAT THE SPECIFIED OFFICERS ARE AUTHORIZED FOR AND ON BEHALF OF THE COMPANY IN ITS NAME TO ASSIGN TO CPS INSTALLMENT PURCHASE CONTRACTS, CONDITIONAL SALE CONTRACTS, PROMISSORY NOTES, CHATTEL PAPER, ACCOUNTS RECEIVABLE AND OTHER EVIDENCE OF INDEBTEDNESS, AND SECURITY INTERESTS THEREIN, AND TO EXECUTE AGREEMENTS, ASSIGNMENTS AND OTHER DOCUMENTS EFFECTING SUCH TRANSFERS".

I,_____, hereby certify and declare that I have custody of the minute book for the Dealer, which Dealer according to all requirements of law and of its By-laws, properly passed and adopted the resolution set forth above, a full and accurate copy of which has been properly entered in the book of minutes for the Dealer; and that said Resolution has not been revoked, rescinded, or modified, and is now in full force and effect.

Dated:_____ By:_____

[SEAL]