

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**

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FILER

AEGIS CONSUMER FUNDING GROUP INC

CIK: **932278** | IRS No.: **223008867** | State of Incorpor.: **DE** | Fiscal Year End: **0630**

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United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 1996

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 Number 0-25714

THE AEGIS CONSUMER FUNDING GROUP, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

22-3008867
(IRS Employer
Identification No.)

525 Washington Blvd.,
29th Floor,
Jersey City, NJ
(Address of principal executive offices)

07310
(Zip Code)

(201) 418-7300
(Registrant's telephone number,
including area code)

FAX (201) 418-7393

Check whether the issuer (1) filed all reports required to be filed by
Section 13 or 15(d) of the Exchange Act during the past 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 X. No.

As of November 6, 1996, 15,981,644 shares of the issuer's common stock
were outstanding.

THE AEGIS CONSUMER FUNDING GROUP, INC.

FORM 10-Q

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PART I. FINANCIAL INFORMATION:

Item 1. Consolidated Condensed Statements

THE AEGIS CONSUMER FUNDING GROUP, INC.
Consolidated Condensed Statements of Financial Condition
(unaudited)

<TABLE>

<CAPTION>

ASSETS

	September 30, 1996	June 30, 1996
	-----	-----
<S>	<C>	<C>
Cash and cash equivalents	\$ 2,373,277	\$3,090,624
Automobile finance receivables, net	54,153,648	41,058,222
Retained interests in securitized receivables	82,138,886	70,242,773
Other assets	8,708,456	7,060,135
	-----	-----
	\$147,374,267	\$121,451,754
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Warehouse credit facilities	\$44,886,123	\$37,202,342
Notes payable	37,233,577	29,848,859
Accounts payable and accrued expenses	16,863,735	11,220,644
Income taxes payable	11,337,741	9,188,444
	-----	-----
Total liabilities	110,321,176	87,460,289
	-----	-----
Stockholders' equity:		
Common stock, \$.01 par value;		
30,000,000 shares authorized;		
15,455,958 issued and outstanding		
at June 30 and 16,002,606 issued and		
15,922,606 outstanding at September 30	160,026	154,560
Preferred stock, Series C, \$.10 par value;		
1,100 shares authorized; 920 shares issued;		
525 shares outstanding at June 30 and 325		
shares outstanding at September 30	33	53
Paid in capital	22,537,102	22,199,545
Retained earnings, since date of		
recapitalization (March 1,1992)	14,695,930	11,637,307
	-----	-----
Total capital and retained earnings	37,393,091	33,991,465
	-----	-----
Treasury stock	340,000	-
	-----	-----
Total stockholders' equity	37,053,091	33,991,465
	-----	-----
	\$147,374,267	\$121,451,754
	=====	=====

</TABLE>

See accompanying notes.

THE AEGIS CONSUMER FUNDING GROUP, INC.
Consolidated Condensed Statements of Income
Three months ended September 30, 1996 and 1995
(unaudited)

<TABLE>

<CAPTION>

	1996	1995
	----	----
<S>	<C>	<C>

Revenues:		
Fees and commissions earned	\$46,555	\$72,055
Gains on securitizations and securities sales	8,349,120	6,022,858
Interest income	5,142,854	2,990,301
Other income	150,249	72,939
	-----	-----
	13,688,778	9,158,153
	-----	-----
Operating expenses:		
Salaries and other employee costs	2,219,607	1,261,372
Provision for credit losses	536,175	753,775
Interest expense	3,013,473	2,124,347
Other expenses	2,604,790	1,371,177
	-----	-----
	8,374,045	5,510,671
	-----	-----
Net income before income taxes	5,314,733	3,647,482
Taxes on income	2,179,090	1,641,400
	-----	-----
Net income	\$3,135,643	\$2,006,082
	=====	=====
Net income available to common stockholders	\$3,135,643	\$2,006,082
	=====	=====
Primary Earnings Per Share:		
Net income available to common stockholders	\$3,135,643	\$2,006,082
	=====	=====
Net income per common and common equivalent share	\$0.19	\$0.15
	=====	=====
Weighted average common and common equivalent shares	16,484,713	13,738,109
	=====	=====
Fully Diluted Earnings Per Share:		
Net income available to common stockholders	\$3,135,643	\$2,006,082
	=====	=====
Net income per common and common equivalent share	\$0.19	\$0.14
	=====	=====
Weighted average common and common equivalent shares	16,491,910	14,821,219
	=====	=====

</TABLE>

See accompanying notes.

THE AEGIS CONSUMER FUNDING GROUP, INC.
Consolidated Condensed Statements of Cash Flows
Three months ended September 30, 1996 and 1995
(unaudited)

<TABLE>

	1996	1995
	----	----
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$3,135,643	\$2,006,082
Adjustments to reconcile net income to net cash used in operating activities:		
Amortization and depreciation expense	277,146	121,125
Provision for credit losses, net	536,175	753,775
Unrealized gains on securitization transactions	(12,109,339)	(9,923,586)
Write down of retained interest in securitized receivables	2,000,000	-
Increase in automobile finance receivables portfolio	(13,631,601)	(8,534,030)
Decrease in note receivable	-	7,651,985
Decrease in other assets	27,034	2,987,028

Increase (decrease) in accounts payable and accrued expenses	5,643,089	(572,190)
Increase in income taxes payable	2,149,297	1,574,263
	-----	-----
Net cash used in operating activities	(11,972,556)	(3,935,548)
	-----	-----
Cash flows from investing activities:		
Distributions from retained interests in securitized receivables	642,885	592,351
Additional payments to securitized receivable trusts	(2,429,659)	-
Purchases of fixed assets	(1,686,515)	(91,942)
	-----	-----
Net cash (used in) provided by investing activities	(3,473,289)	500,409
	-----	-----
Cash flows from financing activities:		
Proceeds from borrowing under warehouse credit facilities	221,308,450	68,453,403
Repayment of borrowing under warehouse credit facilities	(213,624,669)	(73,700,140)
Proceeds from borrowing under notes payable	14,522,975	4,884,225
Repayment of borrowing under notes payable	(7,138,258)	(1,262,042)
Purchase of treasury stock	(340,000)	-
	-----	-----
Net cash provided by (used in) financing activities	14,728,498	(1,624,554)
	-----	-----
Net decrease in cash and cash equivalents	(717,347)	(5,059,693)
Cash and cash equivalents, beginning of period	3,090,624	5,970,571
	-----	-----
Cash and cash equivalents, end of period	\$2,373,277	\$ 910,878
	=====	=====
Supplemental disclosures of cash flow information:		
Cash paid during the period:		
Interest	\$2,917,413	\$2,114,708
	=====	=====
Income taxes	\$91,800	\$77,700
	=====	=====

</TABLE>

See accompanying notes.

THE AEGIS CONSUMER FUNDING GROUP, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial data is unaudited; however, in the opinion of management, the interim data includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the interim periods. Results for interim periods are not necessarily indicative of the results for a full year. The consolidated condensed financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Pursuant to interim accounting disclosure rules and regulations, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The organization and business of the Company, accounting policies followed by the Company and other information are contained in the notes to the Company's consolidated financial statements filed as part of the Company's 10-K filing for the fiscal year ended June 30, 1996. This quarterly report should be read in conjunction with such annual 10-K filing.

2. WAREHOUSE AND OTHER CREDIT FACILITIES

In October 1996, the two separate two-year Loan and

Security Agreements (the "Auto Agreements") with III Finance Ltd ("III Finance") were amended to increase the borrowing limits to \$200.0 million, this limit is inclusive of the Auto Agreements and Loan and Security Agreements with III Finance (the "Financing Agreements"). Under the terms of the amended Auto Agreements, the rate of interest on loan borrowings in excess of \$50.0 million is LIBOR plus 2.75% compared to LIBOR plus 4.0%.

During the three months ended September 30, 1996, the Company borrowed \$2.0 million of the \$5.0 million available under a revolving credit agreement provided by Greenwich Capital Markets, Inc. ("Greenwich Capital"). In October, 1996, the Company borrowed the remaining \$3.0 million available under the revolving credit agreement.

3. NOTES PAYABLE

During the three months ended September 30, 1996, the Company entered into an additional Loan and Security Agreement with III Finance, whereby, the Company may borrow up to \$3,147,123. During the three months ended September 30, 1996, the Company borrowed \$2,197,411 under this agreement. As of September 30, 1996, the Company had notes payable aggregating \$34,889,839 and related interest payable of \$118,100 under all the Financing Agreements with III Finance. The notes bear interest at a rate of 12% per annum and are secured by certain of the Company's retained interests in securitized receivables with carrying values aggregating approximately \$81.6 million at September 30, 1996, which approximates their fair value.

In October 1996, the Company was unable to make a principal payment of \$4.2 million due under the note payable secured by its retained interest in securitized receivables created under the Aegis Auto Owner Trust 1995-A securitization as a result of the change in the recalculated borrowing base. As of September 30, 1996, the Company had borrowings of \$9.7 million under this note which is secured by retained interests in securitized receivables with an estimated fair value of \$22.7 million. In October, 1996, when the payment was due, the Company negotiated a 40 day extension on the \$4.2 million principal payment owed. Based on information available to the Company at the time it negotiated its extension, the Company believed it would have completed a transaction that would have raised the necessary capital to pay the amount owed. However, as of the date hereof, the consummation of such transaction is uncertain and the Company is therefore renegotiating the payment terms under this financing.

During the three months ended September 30, 1996, certain executive officers of the Company deferred payment of their bonuses earned for the year ended June 30, 1996. In connection therewith, the Company entered into notes payable (the "Executive Notes") with such officers in an aggregate amount of \$686,000. The Executive Notes expire no later than January 2, 1997 and bear interest at a rate of 15% per annum.

On July 29, 1996, Systems and Services Technologies, Inc., ("SST"), a wholly owned subsidiary of the Company, purchased a building and property (the "Property"), located at 4215 Pickett Road, St. Joseph, Missouri, formerly known as the Northwest Missouri Community College Facility. The Property will be utilized by SST as its loan servicing center after the completion of the refurbishments, which are expected to be finished by the end of the Company's second quarter.

The Company believes the purchase and refurbishment of the Property will cost \$2.2 million. Commerce Bank, N.A. ("Commerce") has executed a Loan Agreement with SST, dated as of July 29, 1996, whereby Commerce advanced SST \$1.4 million with interest of 8.2% per annum, expiring in August, 2001 for the purchase and refurbishment of the Property.

4. COMMITMENTS AND CONTINGENCIES

In December 1995, the Company entered into a commitment to sell \$175.0 million of sub-prime automobile finance contracts to be resold as asset-backed

securities through an Owners Trust Agreement (the "Agreement"). Through September 30, 1996, the Company sold approximately \$143.5 million of finance contracts in accordance with the Agreement and had a remaining commitment of approximately \$31.5 million. In October 1996, it was determined that the finance contracts underlying the securities were not performing in accordance with the levels required under the Agreement. This event terminated the Company's commitment to sell finance contracts under the terms of the Agreement of \$26.6 million (as of that date, the Company had sold \$148.4 million of finance contracts of the \$175.0 million total commitment).

The Company has a one-year commitment from Greenwich Capital Markets, Inc. ("Greenwich Capital") to purchase and securitize up to \$533.0 million of the Company's finance contract acquisitions until the commitment is filled, subject to customary conditions. Three securitizations aggregating \$307.0 million were completed as of September 30, 1996 pursuant to this commitment.

In connection with securitization transactions, the Company enters into pooling and servicing agreements. Certain of these agreements require the Company to increase its cash contribution to the underlying trusts when the delinquencies and default rates increase to certain levels defined in the agreements. As delinquencies and/or default rates increase or decrease, the Company's obligation varies. For the year ended June 30, 1996, the Company paid additional contributions to the trusts of approximately \$2.3 million and, in August 1996, paid \$2.4 million, which management believes to be, its final contribution under this obligation.

On April 28, 1996, a complaint was filed against the Company in the United States District Court for the Southern District of New York alleging that the complainant was entitled to certain fees under a finder's agreement entered into with the Company on January 2, 1996. The amounts alleged to be due were in connection with the Company's private placement of \$92 million of asset-backed securities in March 1996. On July 3, 1996, the complaint was amended to include fees allegedly due under the finder's agreement in connection with a series of financing arrangements entered into by the Company and in connection with a potential sale of common stock of the Company. The complainant seeks damages of \$15.8 million plus interest and punitive damages of at least \$545,000, together with costs, attorneys' fees and such other relief as the court deems appropriate. The Company believes it has meritorious defenses to the allegations in the complaint and intends to defend the matter vigorously.

The Company is subject to various other legal proceedings and claims that arise in the ordinary course of business. In the opinion of management of the Company, based in part on the advice of counsel, the amount of any ultimate liability with respect to these actions will not materially affect the results of operations, cash flows or financial position of the Company.

5. CAPITAL STOCK

No warrants that were issued and outstanding at June 30, 1996 have been exercised as of November 6, 1996.

During the three months ended September 30, 1996, the Company converted 200 shares of Series C Preferred Stock into 546,648 shares of common stock.

During the three months ended September 30, 1996 the Company purchased 80,000 shares of common stock from a former executive officer, who is currently the CEO of SST, for \$340,000.

Item 2. Managements Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of financial

condition and results of operations of the Company relates to the fiscal quarters ended September 30, 1996 and 1995 and should be read in conjunction with the Company's Consolidated Condensed Financial Statements and Notes thereto included elsewhere in this quarterly report. The unaudited results for the three months ended September 30, 1996 are not necessarily indicative of results to be expected for the entire fiscal year.

Overview

The Company is a specialty consumer finance company engaged in acquiring, securitizing and servicing finance contracts originated by Dealers in connection with the sale of late-model used and, to a lesser extent, new cars to consumers with sub-prime credit. Since commencing the acquisition of finance contracts in May 1992, through September 30, 1996, the Company has acquired approximately \$821 million of finance contracts, of which \$755 million have been securitized in fifteen offerings of asset-backed securities.

The following table illustrates the Company's finance contract acquisition volume, total revenue, securitization activity and servicing portfolio during the past nine fiscal quarters.

<TABLE>

<CAPTION>

For the Quarters Ended									
	Sept. 30, 1994	Dec. 31, 1994	Mar. 31, 1995	June 30, 1995	Sept. 30, 1995	Dec. 31, 1995	Mar. 31, 1996	June 30, 1996	Sept 30 1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
(dollars in thousands)									
Number of finance contracts acquired during period .	1,729	1,583	2,688	4,901	5,943	8,190	10,569	12,037	15,401
Average finance contract balance	\$12.0	\$12.1	\$12.2	\$12.2	\$12.2	\$12.3	\$12.2	\$12.4	\$12.4
Aggregate value of finance contracts acquired during period	20,712	19,188	32,785	59,609	72,562	100,582	128,781	149,612	190,843
Gains from securitization transactions(1)(2) .	1,600	741	1,984	5,197	6,023	7,424	12,759	10,824	8,349
Gains from whole loan sales.	87	124	604	40	48	64	111	290	-
Net interest (expense) income.	747	334	213	765	866	1,021	546	993	2,129
Revenue(3) . .	2,462	1,949	2,498	6,111	7,034	6,946	10,341	11,916	10,675
Finance contracts securitized during period. .	23,251	21,000	21,000	54,000	67,630	85,368	130,138	149,274	173,270
Finance contracts sold during period	998	1,750	8,561	1,000	1,000	1,801	2,752	2,250	-
Servicing portfolio(at period end) (4)	55,032	69,248	94,576	146,557	197,911	287,481	401,704	500,694	645,551

<FN>

<F1>

(1) Excludes gains from whole loan sales of finance contracts.

<F2>

(2) The quarters ended December 31, 1995, March 31, 1996, June 30, 1996 and September 30, 1996 are before write downs of \$3.1 million, \$1.5 million, \$3.5 million and \$2.0 million, respectively, taken on prior retained interests in securitized receivables.

<F3>

(3) Revenue is net of interest expense.

<F4>

(4) Excludes finance contracts in bankruptcy, authorized for repossession and in repossession and still eligible for reinstatement.

</FN>

</TABLE>

Revenues

The Company's primary sources of revenues consist of two components: gains from securitization transactions and interest income.

Gains from Securitization Transactions. The Company warehouses the finance contracts it acquires and periodically sells them to a trust, which in turn sells

asset-backed securities to investors. By securitizing its finance contracts, the Company is able to lock in the difference (gross spread) between the annual rate of interest paid by the consumer (APR) on the finance contracts acquired and the interest rate on the asset-backed securities sold (Certificate Rate). When the Company securitizes its finance contracts, it records a gain from securitization transactions and establishes an asset referred to as retained interest in securitized receivables. Gains from securitization transactions are equal to the retained interest on the securitized receivables plus the difference between the net proceeds from the securitization and the cost (including the cost of VSI Policy and credit default premiums) to the Company of the finance contracts sold.

The retained interest on securitized receivables represents the estimated present value of the estimated future cash flows to be received by the Company, discounted at a market-based rate, taking into consideration (i) contractual obligations of the obligors, (ii) amounts due to the investors in asset-backed securities, (iii) various costs of the securitizations, including the effects of hedging transactions, if any, and (iv) adjustments to the cash flows to reflect estimated prepayments of finance contracts and losses incurred in connection with defaults. Subsequent to securitization, the Company continues to service the securitized finance contracts, for which it recognizes servicing fees over the life of the securitization. Retained interest in securitized receivables represents the difference between the weighted average finance contract rate earned and the rate paid on certificates issued to the investors in the securitization, less servicing fees and other costs over the life of the securitization. Retained interest in securitized receivables is computed by taking into account certain assumptions regarding prepayments, defaults, servicing and other costs. The Company reviews on a quarterly basis the retained interest in securitized receivables. If actual experience differs from the Company s assumptions or to the extent that market and economic changes occur that adversely impact the assumptions utilized in determining the retained interest in securitized receivables, the Company records a charge against gains from securitization transactions. The discount rate utilized in determining the retained interest in securitized receivables and gain from securitization transactions is based on the Company's estimate of the yield required by a third party purchaser of such instrument. The Company also bases these assumptions on the performance characteristics of the Company's finance contract portfolio to date. The Company's default assumptions are based on estimated repossession rates, proceeds from the liquidation of repossessed vehicles, proceeds from VSI Policy coverage and recoveries from the Company s credit default insurance.

Interest Income. Interest income consists of: (i) interest income earned on finance contracts (ii) interest income earned on leases (the Company ceased funding leases in the quarter ended September 30, 1995), (iii) servicing fees net of expenses, (iv) the accretion of finance contract acquisition discounts net of related capitalized costs and (v) the amortization of capitalized costs net of origination discounts for leases. Other factors influencing interest income during a given fiscal period include (a) the annual percentage rate of the finance contracts acquired, (b) the aggregate principal balance of finance contracts acquired and funded through the Company's warehouse credit facilities prior to securitization, and (c) the length of time such finance contracts are funded by the warehouse credit facilities prior to securitization. Finance contract acquisition growth has a significant impact on the amount of interest income earned by the Company.

The following table provides information for each of the Company s rated securitizations:

<TABLE>
<CAPTION>

	Remaining	Weighted			
	balance at	Average	Weighted		
Original	September 30,	Finance	Average	Gross	Net

Securitizations	Balance	1996	Rate	Rate	Ratings	Spread (1)	Spread(2)
-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Aegis Auto Receivables Trust, Series:							
1994-A . .	\$18,539	\$5,200	20.28%	7.74%	A (3)	12.54%	8.70%
1994-2 . .	23,251	8,466	19.82	8.04	A+ (3)	11.78	8.12
1994-3 . .	21,000 (4)	8,834	19.66	9.46	A+ (3)	10.20	6.46
1995-1 . .	21,000 (4)	10,364	20.41	8.60	A+ (3)	11.81	8.46
1995-2 . .	54,000 (4)	30,633	19.94	7.16	A+ (3)	12.78	8.98
1995-3 . .	60,000 (4)	38,902	20.04	7.09	A+ (3)	12.95	10.12
1995-4 . .	70,000 (4)	51,808	19.88	6.65	A+ (3)	13.23	10.41
1996-1 . .	92,000 (4)	79,350	20.13	8.44 (5)	A+, BBB, BB/ A+, BBB+, BB (6)	11.69	8.89
1996-2 . .	105,000 (4)	100,983	20.10	8.93 (7)	A+, BBB, BB/ A+, BBB+, BB (8)	11.17	8.40
1996-3 . .	110,000 (4)	109,108	20.2	8.82 (9)	A+, BBB, BB/ A, BBB, BB (10)	11.40	8.75
Aegis Auto Owner Trust.							
	143,477	125,943	20.14	6.53	AAA/Aaa, Baa2 (11)	13.611	0.87 (12)

<FN>

<F1>

(1) Difference between the Weighted Average APR on finance contracts and the Weighted Average APR on the trust certificates (the "Weighted Average Certificate Rate").

<F2>

(2) Difference between Weighted Average APR on finance contracts and the Weighted Average Certificate Rate, net of servicing and trustee monthly fees and annualized issuance costs that include underwriting fees and hedging gains or losses, if any.

<F3>

(3) Indicates ratings by Duff & Phelps.

<F4>

(4) Includes prefunded amounts which were transferred to the related trust by the end of the quarter for 1995-1, 1995-2, 1995-3, 1995-4, 1996-1, 1996-2, 1996-3 and by the first week of the next quarter for 1994-3.

<F5>

(5) The Weighted Average Certificate Rate is composed of the following: The Class A certificate rate is 8.39%, the Class B certificate rate is 7.86% and the Class C certificate rate is 12.14%.

<F6>

(6) The 1996-1 Securitization has Class A Notes rated A+ by Duff & Phelps and A+ by Fitch; Class B Notes rated BBB by Duff & Phelps and BBB+ by Fitch and Class C Notes rated BB by Duff & Phelps and BB by Fitch.

<F7>

(7) The Weighted Average Certificate Rate is composed of the following: The Class A certificate rate is 8.9%, the Class B certificate rate is 8.4% and the Class C certificate rate is 11.65%

<F8>

(8) The 1996-2 Securitization has Class A notes rated A+ by both Duff & Phelps and Fitch; Class B Notes rated BBB by Duff and Phelps and BBB+ by Fitch and Class C Notes rated BB by both Duff & Phelps and Fitch.

<F9>

(9) The weighted average Certificate Rate is composed of the following: the Class A certificate is 8.8%, the Class B certificate is 8.3% and the Class C certificate is 11.1%.

<F10>

(10) The 1996-3 Securitization has Class A notes rated A+ by Duff & Phelps and A by Fitch; Class B notes rated BBB and Class C notes rated BB by both Duff & Phelps and Fitch.

<F11>

(11) The Company had a total funding commitment of \$175.0 million, of which \$15.4 million was funded in the second quarter of the fiscal year ended June 30, 1996, \$38.1 million was funded in the third quarter of the fiscal year ended June 30, 1996, \$44.3 million was funded in the fourth quarter of fiscal year ended June 30, 1996, \$45.7 million was funded in the first quarter of the fiscal year ending June 30, 1997. The Owner Trust Facility has Class A Notes rated AAA by Standard & Poor's and Aaa by Moody's and Class B Certificates rated Baa2 by Moody's.

<F12>
(12) Amortized over maximum \$175.0 million facility.
</FN>

</TABLE>
<TABLE>

Results of Operations

Three Months Ended September 30, 1996 Compared To
Three Months Ended September 30, 1995

Revenues

Revenues increased to \$13.7 million for the three months ended September 30, 1996 from \$9.2 million for the three months ended September 30, 1995, an increase of \$4.5 million or 49.5%.

Gains from Securitization Transactions. Gains from securitization transactions increased to \$8.3 million for the three months ended September 30, 1996 from \$6.0 million for the three months ended September 30, 1995, an increase of \$2.3 million or 38.6%. The increase in gains from securitization transactions was offset by write downs of \$2.0 million (described below) taken on the retained interests in securitized receivables from earlier securitizations. Additionally, the Company's securitization costs increased as a result of the inherent costs associated with issuing warrants to Greenwich Capital in connection with additional securitizations pursuant to the terms of the Securitization Facility. Quarterly, the Company revalues its retained interests in securitized receivables using actual experience on the respective underlying securitization trust's finance contract performance. When the actual experience differs from the original assumptions utilized in the initial valuation in a detrimental direction, the Company can incur permanent losses in the carrying value of these assets. During the three months ended September 30, 1996, the Company incurred \$2.0 million of, what management believes to be, permanent losses on its retained interests in securitized receivables portfolio. The cause of the permanent impairment was higher than expected default rates on the underlying finance contracts. As a result of these increases, current assumptions utilized in current valuations have been adjusted to reflect the higher default rates.

Interest Income. Interest income increased to \$5.1 million for the three months ended September 30, 1996 from \$3.0 million for the three months ended September 30, 1995, an increase of \$2.1 million or 72.0%, primarily as a result of the Company's increased finance contract volume. The Company's weighted monthly average outstanding balance of finance contracts owned increased to \$39.3 million for the three months ended September 30, 1996 from \$20.8 million for the three months ended September 30, 1995, an increase of \$18.5 million or 88.9%. Since the Company's weighted average APR on finance contracts has remained at approximately 20.5%, the increase in interest income is partially attributable to the increase in the weighted average outstanding balance. (Interest income is net of servicing fees paid and earned.)

Operating Expenses.

Operating expenses increased to \$8.4 million for the three months ended September 30, 1996 from \$5.5 million for the three months ended September 30, 1995, an increase of \$2.9 million or 52.0%.

Interest Expense. Interest expense increased to \$3.0 million for the three months ended September 30, 1996 from \$2.1 million for the three months ended September 30, 1995, an increase of \$0.9 million or 41.9%, as a result of the increased financing requirements for the increased finance contract acquisition activity. The increase in interest expense represents 31.1% of the total increase in operating expenses and is partially attributable to the Company's warehouse credit facilities, which are at fluctuating interest rates that ranged from as low as

9.4102% to as high as 9.5156% for the three months ended September 30, 1996 compared to a low of 9.8125% and a high of 10.125% for the three months ended September 30, 1995. In addition, the Company's monthly average outstanding balance on its warehouse credit facility increased to \$73.0 million for the three months ended September 30, 1996 from \$57.4 million for the three months ended September 30, 1995. The Company also incurred interest on notes payable at a 12% interest rate on a monthly average outstanding balance of \$31.3 million for the three months ended September 30, 1996 compared to a monthly outstanding average balance of \$14.2 million for the three months ended September 30, 1995.

Salaries and Other Employee Costs. Salaries and other employee costs increased to \$2.2 million for the three months ended September 30, 1996 from \$1.3 million for the three months ended September 30, 1995, an increase of \$0.9 million or 76.0%, due to an increase in the number of employees to approximately 350 at September 30, 1996 from approximately 210 employees at September 30, 1995. In addition temporary help charges incurred increased to \$541,000 for the three months ended September 30, 1996 from \$21,000 for the three months ended September 30, 1995, an increase of \$520,000 or 252.1%. Temporary employment agencies, specializing in providing collectors, are increasingly being utilized in the Company's California collections unit located in Irvine, CA as a screening process for hiring new collectors. The Collections unit continues to expand its operations in an effort to maintain the number of finance contracts per collector at levels acceptable to the Company.

Provision for Credit Losses. The provision for credit losses decreased to \$536,000 for the three months ended September 30, 1996 from \$754,000 for the three months ended September 30, 1995, a decrease of \$218,000 or 28.9%. The provision for credit losses for the three months ended September 30, 1996 includes an adjustment for \$500,000 for estimated recoveries of sales taxes paid on automobile finance contracts which became delinquent and/or defaulted. Exclusive of this adjustment, the provision for credit losses increased to \$1.0 million, an increase of \$300,000 or 39.8% from the three months ended September 30, 1995. The Company's provision for credit losses is affected by: (i) the Company's increased acquisition volume of finance contracts; (ii) the Company's decision to discontinue purchasing credit default insurance on its lease originations effective January 1995; (iii) the Company's decision, effective August 1995, to insure on a discretionary basis its finance contract acquisitions (to the extent finance contracts remain uninsured for default, the Company's loss ratio is higher); (iv) the increase in delinquent automobile finance receivables (as discussed below); (v) the higher amount of finance contracts and leases owned by the Company at September 30, 1996 (\$54.2 million) as compared to September 30, 1995 (\$47.6 million); and (vi) the ratio of current finance contracts to non-current finance contracts at September 30, 1996 (69.6%) compared to September 30, 1995 (45.6%). These changes also resulted in a decrease in the Company's reserve rate as a percentage of total automobile finance receivables held on the Company's balance sheet (i.e., original balance net of receivables repaid, sold or charged off) to 5.4% in 1996 from 6.2% in 1995. The Company maintains residual value insurance relating to its entire lease portfolio.

All Other Operating Expenses. All other operating expenses increased to \$2.6 million for the three months ended September 30, 1996 from \$1.4 million for the three months ended September 30, 1995, an increase of \$1.2 million or 90.0%. The significant components of the increase in all other operating expenses are increases in professional fees and general and administrative expenses. Professional fees increased to \$504,000 for the three months ended September 30, 1996 from \$194,000 for the three months ended September 30, 1995, an increase of \$310,000 (25.8% of the total increase) or 160.1% primarily due to increased legal fees incurred for defending the Company's on going litigation. In general, the Company's general and administrative expenses

increased to support the Company's increased finance contract acquisition levels.

Taxes on Income. Taxes on income increased to \$2.2 million (an effective tax rate of 41%) for the three months ended September 30, 1996 from \$1.6 million (an effective tax rate of 45%) for the three months ended September 30, 1995, an increase of \$0.5 million. The decrease in the Company's effective tax rate of 4% is a result of the state and local tax rate decreasing to an estimate of 4% for the three months ended September 30, 1996 from 9% for the three months ended September 30, 1995.

Net Income. Net income increased to \$3.1 million for the three months ended September 30, 1996 from \$2.0 million for the three months ended September 30, 1995, an increase of \$1.1 million or 56.3%. This increase resulted primarily from the increase in the size of automobile securitization transactions to \$173.3 million for the three months ended September 30, 1996 from \$67.6 million for the three months ended September 30, 1995.

Financial Condition

Automobile Finance Receivables, Net. Automobile finance receivables consists of finance contracts held for sale, finance contracts held for investment (including vehicles held for repossession) and the Company's lease portfolio. The Company suspended originating leases in the first quarter of its 1996 fiscal year.

Automobile finance receivables, net of allowance for credit losses, increased to \$54.2 million at September 30, 1996 from \$41.1 million at June 30, 1996, an increase of \$13.1 million or 31.9%. Finance contracts held for sale increased to \$28.1 million at September 30, 1996 from \$12.9 million at June 30, 1996, an increase of \$15.2 million or 117.8%. Finance contracts held for investment increased to \$12.0 million at September 30, 1996 from \$11.4 million at June 30, 1996, an increase of \$0.6 million or 5.2%. As of September 30, 1996, approximately \$4.0 million of finance contracts held for investment were in the repossession process. The increase in the finance contracts held for investment was due primarily to the increased volume of finance contract acquisitions. The increase was also due to a decrease in the allowance for credit losses to \$2.9 million at September 30, 1996 from \$3.1 million at June 30, 1996 and a decrease in automobile leases held for investment to \$17.4 million at September 30, 1996 from \$19.8 million at September 30, 1996, a decrease of \$2.4 million or 12.1%, primarily due to amortization and write offs.

The number and principal balance of finance contracts held are largely dependent upon the timing and size of the Company's securitizations. The Company plans to securitize finance contracts on a regular quarterly basis.

Retained Interests in Securitized Receivables. The following table provides historical data regarding the retained interests in securitized receivables for the periods shown:

	Year Ended June 30, ----- 1996 ----	Three Months Ended September 30, ----- 1996 ----
	(dollars in thousands)	
Beginning balance. .	\$23,985	\$70,243
Additions.	56,749	14,539
Amortization	(2,991)	(643)
Write downs.	(7,500)	(2,000)
	-----	-----
Ending balance . . .	\$70,243	\$82,139
	=====	=====

Delinquency Experience

The following table reflects the delinquency experience of all finance contracts acquired, including those sold in whole finance contract sales or securitizations, by the Company at the dates shown:

Finance Contract Portfolio					
	At June 30,			At September 30,	
	-----			-----	
	1996			1996	
	----			----	
	(dollars in thousands)				
<S>	<C>	<C>		<C>	<C>
Principal balance outstanding(1) .	\$500,694			\$645,551	
Number of finance contracts outstanding (1). . . .	44,600			57,404	
Delinquent loans					
31-59 days. . .	\$33,625	6.7%		\$46,145	7.2%
60-89 days . .	9,172	1.8%		13,157	2.0%
90 days and over.	2,054	0.4%		3,340	0.5%
	-----	-----		-----	-----
Total.	44,851	8.9%		62,642	9.7%
Finance contracts in repossession or bankruptcy(2) .	21,022	4.2%		40,048	6.2%
	-----	-----		-----	-----
Grand Total	\$65,874	13.1%		\$102,690	15.9%
	=====	=====		=====	=====

<FN>

<F1>

(1) Excludes contracts for which notice of intent to liquidate has expired and those having an outstanding balance less than or equal to \$500.

<F2>

(2) Excludes finance contracts in bankruptcy, authorized for repossession and in repossession and still eligible for reinstatement.

</FN>

Credit Loss Experience

An allowance for credit losses is maintained for all finance contracts held for sale and for all finance contracts held for investment. Management evaluates the reasonableness of the assumptions employed by reviewing credit loss experience, delinquencies, repossession trends, the size of the finance contract portfolio and general economic conditions and trends. If necessary, assumptions are changed to reflect historical experience to the extent it deviates materially from that which was assumed.

If a delinquency exists and a default is deemed inevitable or the collateral is in jeopardy, and in no event later than the 35th day of delinquency, the Company's collections department will initiate the repossession of the financed vehicle. Bonded, insured outside repossession agencies are used to secure involuntary repossessions. In most jurisdictions, notice to the borrower of the Company's intention to sell the repossessed automobile is required, whereupon the borrower may exercise certain rights to cure his or her default or redeem the automobile. Following the expiration of the legally required notice period, the repossessed vehicle is sold at a wholesale auto auction, usually within 150 days of the repossession. The Company monitors vehicles set for auction, and procures an appraisal under the VSI Policy prior to sale. Liquidation proceeds are applied to the borrower's outstanding obligation under the finance contract and loss deficiency claims under the VSI Policy and credit default insurance policy are then filed.

The Company reports the remaining deficiency as a net charge-off against the allowance for credit losses for automobile finance receivables owned by the Company. For finance contracts held in securitization trusts, charge-offs are accounted for in accordance with the underlying pooling and servicing agreements.

Because of the Company's limited operating history, its finance contract portfolio is unseasoned. Accordingly, delinquency and charge-off rates in the portfolio may not fully reflect the rates that may apply when the average holding period for finance contracts in the portfolio is longer. Increases in the delinquency and/or charge-off rates in the portfolio would adversely affect the Company's ability to obtain credit or securitize its finance contracts and would have an adverse effect on the Company's results of operations and financial condition.

The following table shows the Company's repossession and loss experience for its managed finance contract portfolio for the periods indicated:

</TABLE>
<TABLE>
<CAPTION>

	Year Ended June 30,	Three Months Ended September 30,
	1996	1996
	----	----
	(dollars in thousands)	
<S>	<C>	<C>
Average principal balance outstanding(1) .	\$333,183	\$617,400
Balance of finance contracts at the time of repossession . .	40,258	20,080
Number of repossessions(2)	3,494	1,759
Repossession ratio (3)	13.0%	13.0%
Default balance of fully liquidated vehicles .	\$15,920	\$19,942
Proceeds from liquidation, net of repossession costs . .	7,964	9,167
Gross charge offs(4)	7,956	10,775
Credit default insurance proceeds (5)	4,092	4,076
Net charge offs (6)	3,864	6,699
Net charge offs as a percentage of liquidations(7) . .	24.3%	33.6%
Net charge offs as a percentage of average principal balance outstanding . .	1.2%	1.1%

<FN>

<F1>

(1) Arithmetic mean of beginning and ending outstanding principal balance of all finance contracts acquired including those previously sold in securitization transactions.

<F2>

(2) Number of vehicles which have been repossessed and its notice of intent to liquidate ("NOI") has expired.

<F3>

(3) Balance of finance contracts at the time of repossession divided by average principal balance outstanding during the period, annualized for the three months ended September 30, 1996.

<F4>

(4) Gross charge offs equals the aggregate balance of finance contracts liquidated, including those previously sold in securitization transactions, less all recoveries from the sale of the financed vehicles. Repossession and liquidation expenses are included in gross charge offs.

<F5>

(5) Since August 1995, the Company no longer deposits money to a segregated account from which losses incurred under a policy would be paid.

<F6>

(6) Net charge offs are gross charge offs reduced by credit default insurance proceeds received relating to the defaulted finance contracts.

<F7>

(7) Net charge off amount divided by the aggregate balance of finance contracts relating to vehicles liquidated.

</FN>

</TABLE>

The Company has prepared analyses, based on its own credit experience and available industry data, to identify the relationship between finance contract delinquency and default rates at the various stages of a finance contract repayment term. The results of these analyses, which have been incorporated into the Company's methodology of determining gains from securitization transactions, suggest

that the probability of a finance contract becoming delinquent or going into default is highest during the "seasoning period" that occurs between the sixth to the eighteenth month payment period from the acquisition date.

If the rate of the Company's finance contract acquisition volume continues to escalate, an increasingly greater portion of the Company's finance contract portfolio is expected to fall into the "seasoning period" described above, which may cause a rise in the overall finance contract portfolio delinquency and default rates, without regard to underwriting performance. Assuming no changes in any other factors that may affect delinquency and default rates, the Company believes this trend should stabilize or reverse when the volume of mature finance contracts (with lower delinquency and default rates) is sufficient to offset the total finance contract portfolio delinquency and default rates.

The Company believes delinquencies and losses can be mitigated through an in-house collection program. Accordingly, the Company responded to the increased rates of delinquencies and losses in the fiscal year ended June 30, 1995 by entering into a sub-servicing agreement with its third-party servicer in April 1995, providing for the transfer of specific collection functions to the Company. Through this arrangement the Company assumed responsibility for all customer contact with respect to all existing leases and with respect to finance contracts that were included in the Company's December 1994 securitization transaction and all finance contracts acquired thereafter. In addition, the Company assumed responsibility for liquidation activities on its entire finance contract portfolio (including securitized finance contracts) at such time.

Because of the Company's limited operating history and the rapid growth of its finance contract acquisitions, a significant portion of its finance contract portfolio is unseasoned. Accordingly, delinquency and loss rates in the portfolio may not be indicative of rates the Company may experience over time. There can be no assurance that the performance of the Company's portfolio will be maintained, or that the rate of future defaults and/or losses will be consistent with prior experience or at levels that will not adversely affect the Company's profitability.

Repossession Experience - Static Pool Analysis

The Company's finance contract portfolio is continuing to grow rapidly. The Company does not record its provision for credit losses based on a percentage of the Company's finance contract portfolio outstanding because percentages can be favorably affected by large balances of recently acquired finance contracts. The Company utilizes actual dollar levels of delinquencies and charge-offs and analyzes the data on a "static pool" basis. The Company's goal is to complete the liquidation process as quickly as possible. All repossessed vehicles are sold at wholesale auction. The Company is responsible for the costs of repossession, transportation and storage. The Company's net charge-off per repossession equals the unpaid balance less the auction proceeds (net of associated costs) and less proceeds from insurance claims.

The following table provides static pool information regarding the Company's rated securitization transactions as of September 30, 1996:

<TABLE> <CAPTION>								
	Issuance Date	Original Amount	Current Amount	Percentage of Original Amount (1)	Cumulative Repossession Frequency (1) (2)	Gross Loss per Default Contract (1) (3)	Gross Loss Pool, Cumulative (1) (3) (4)	Net Loss Pool Cumulative, (1) (5)
	-----	-----	-----	-----	-----	-----	-----	-----
				(dollars in thousands)				
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Aegis Auto Receivable Trust Series 1994-A.	Jun-94	\$18,539	\$5,200	28.05%	17.71%	48.24%	7.90%	2.73%
Aegis Auto Receivable Trust Series 1994-2.	Sep-94	23,251	8,466	36.41	19.09	49.89	8.46	2.69

Aegis Auto Receivable Trust Series 1994-3.	Dec-94	21,000	8,834	42.07	18.36	49.78	8.15	3.47
Aegis Auto Receivable Trust Series 1995-1.	Mar-95	21,000	10,364	49.35	19.35	51.06	8.11	4.10
Aegis Auto Receivable Trust Series 1995-2.	Jun-95	54,000	30,633	56.73	18.47	51.02	7.47	3.96
Aegis Auto Receivable Trust Series 1995-3.	Sep-95	60,000	38,902	64.84	16.00	52.47	4.83	4.75
Aegis Auto Receivable Trust Series 1995-4.	Dec-95	70,000	51,808	74.01	13.88	51.28	2.94	0.25
Aegis Auto Receivable Trust Series 1996-1.	Mar-96	92,000	79,350	86.25	6.61	50.98	0.64	0.07
Aegis Auto Receivable Trust Series 1996-2.	Jun-96	105,000	100,983	96.17	0.95	0.00	0.00	0.00
Aegis Auto Receivable Trust Series 1996-3.	Sep-96	110,000	109,108	99.20	0.00	0.00	0.00	0.00
Aegis Auto Owners Trust 1995-A	Dec-95 - Jun-96	143,477	125,943	87.78	2.82	52.05	0.47	0.47
Total Managed Portfolio. .		\$820,284	\$664,081	0.96%	8.56%	50.73%	2.76%	1.39%

<FN>

<F1>

(1) Data computed from trustee reports of October 1996 reflecting servicer data of September 30, 1996 and from Company's records as of September 30, 1996.

<F2>

(2) Cumulative Repossession Frequency reflect the total dollar volume of finance contracts that have been liquidated, or are in the liquidation process (but in any event can no longer be reinstated), as a percentage of the original pool balance.

<F3>

(3) Receivable gross losses are calculated as losses after the proceeds from repossessed vehicle sales, service contract rebates, consumer insurance and VSI insurance, net of repossession and liquidation costs, as a percentage of the defaulted receivable balance.

<F4>

(4) Calculated as the receivable gross losses for the pool as a percentage of the original pool balance.

<F5>

(5) Net loss is calculated as the receivable gross losses for the pool less proceeds received from credit default insurance, as a percentage of the original pool balance.

</FN>

</TABLE>

Liquidity and Capital Resources

The Company's business requires substantial cash to support its operating activities. The principal cash requirements include (i) amounts necessary to acquire automobile finance contracts pending securitization and (ii) cash held from time to time in restricted spread accounts to support securitizations and (iii) other securitization expenses. The Company also uses material amounts of cash for operating expenses and debt service. The Company has operated on a negative operating cash flow basis and expects to continue to do so for so long as the Company's volume of finance contract acquisitions continues to grow. The Company has funded these negative operating cash flows principally through borrowings from financial institutions and sales of equity securities, among other resources. However, there can be no assurance that the Company will have access to capital markets in the future or that financing will be available to satisfy the Company's operating and debt service requirements or to fund future growth. If these resources are not available on terms acceptable to the Company, the Company may have to curtail its finance contract acquisition volume levels.

The Company's external capital resources primarily consist of the warehouse credit facilities and the Company's securitization program. When the Company securitizes finance contracts it repays a portion of its outstanding warehouse indebtedness with the proceeds from such securitizations, making such portion available for future borrowing. The Company expects to securitize its assets at least quarterly, although there can be no assurance that the Company will be able to do so. The Company also continues to seek additional arrangements with financial institutions with respect to the disposition of its portfolio assets. In addition, the Company has

borrowed against its retained interests to increase liquidity. The Company is exploring the feasibility of securitizing pools of its leases or selling whole leases as possible complements to its current financing arrangements. The Company ceased the funding of leases in the first quarter of fiscal 1996.

The following table sets forth the major components of the increase (decrease) in cash and cash equivalents for the periods shown:

	Three Months Ended September 30,	
	1995	1996
	----	----
	(dollars in thousands)	
	<C>	<C>
Net cash used in operating activities(1)	\$ (3,935)	\$ (11,972)
Net cash provided by (used in) investing activities	500	(3,473)
Net cash (used in) provided by financing activities(2)	(1,625)	14,728
	-----	-----
Net decrease in cash and cash equivalents	\$ (5,060)	\$ (717)
	=====	=====

<FN>

<F1>

(1) Includes net cash used in acquisition of automobile finance contracts of \$(8,534) in the three months ended September 30, 1995, and \$(13,632) in the three months ended September 30, 1996.

<F2>

(2) Includes net cash provided by (used in) warehouse credit facilities of \$5,247 in the three months ended September 30, 1995, and \$(7,684) in the three months ended September 30, 1996.

</FN>

</TABLE>

Net cash used in operating activities primarily represents cash flows utilized to support the Company's acquisition of finance contracts, including amounts representing capitalized acquisition costs, net of cash proceeds of sales, including through securitizations, and repayments from automobile finance receivables. The cash used to acquire finance contracts is generated primarily by financing activities under the Company's warehouse credit facilities.

A further significant source of cash used in operating activities is net income offset by non-cash revenue items, most notably unrealized gains on securitization transactions, which is expected to generate cash in future periods. The unrealized gains principally represent the discounted present value of the amount of anticipated collections from securitized receivables over the amounts due investors in the securitizations. These amounts were \$9.9 million and \$12.1 million for the three months ended September 30, 1995 and 1996, respectively. During the three months ended September 30, 1995 and 1996, the Company received cash proceeds of \$592,000 and \$643,000, respectively, from its retained interests in securitized receivables which were utilized in meeting its debt repayment requirements under the related financing agreements.

Other non-cash adjustments include depreciation and amortization, which amounted to \$121,000 and \$277,000 for the three months ended September 30, 1995 and 1996, respectively; and provision for credit losses, which amounted to \$753,000 for the three months ended September 30, 1995 and \$536,000 for the three months ended September 30, 1996. The Company also incurred non-cash charges of \$2.0 million for the three months ended September 30, 1996 for write downs on retained interests in securitized receivables with no such charge in the prior period.

To the extent that the foregoing activities were net users of cash, such cash was provided primarily by

borrowings under notes payable of \$4.9 million for the three months ended September 30, 1995 and \$14.5 million for the three months ended September 30, 1996, secured by retained interests in securitized receivables created in the Company's finance contract securitizations. Principal repayments under the notes payable are made from the Company's proceeds received from pay downs on retained interests in securitized receivables, which amounted to \$592,000 for the three months ended September 30, 1995 and \$643,000 for the comparable 1996 period. The borrowing base on the retained interests in securitized receivables is determined on each transaction through a monthly calculation that incorporates prevailing prepayment default and loss experience. As each securitization transaction becomes seasoned, it experiences a period of higher incidence of default and loss, resulting in repayments on the notes payable which are secured by the allocable retained interests in securitized receivables. The Company made principal payments of \$670,000 and \$6.5 million in excess of cash distributions received from the underlying collateral during the three months ended September 30, 1995 and 1996, respectively.

In October 1996, the Company was unable to make a principal payment of \$4.2 million due under the note payable secured by its retained interest in securitized receivables created under the Aegis Auto Owner Trust 1995-A securitization as a result of the change in the recalculated borrowing base. As of September 30, 1996, the Company had borrowings of \$9.7 million under this note which is secured by retained interests in securitized receivables with an estimated fair value of \$22.7 million. In October, 1996 when the payment was due, the Company negotiated a 40 day extension on the \$4.2 million principal payment owed. Based on information available to the Company at the time it negotiated the extension, the Company believed it would have completed a transaction that would have raised the necessary capital to pay the amount owed. However, as of the date hereof, the consummation of such transaction is uncertain and the Company is therefore, renegotiating the payment terms under this financing. If the Company is not successful in its efforts to raise capital in the form of cash, there can be no assurance that the Company will be successful in renegotiating its payment terms with its lender.

The Company's cash flows and results of operations may be affected adversely in the near term by rising interest rates, since not all costs of funds, which under the Company's warehouse credit facilities are at floating rates of interest, can be immediately passed on to consumers, whose finance contracts are at fixed rates of interest. In addition, rising interest rates would result in a decrease in the Company's net spreads on securitization transactions thereby decreasing future projected cash flows from retained interests in securitized receivables. Furthermore, the Company's discount rate utilized in determining its borrowing base may also rise, decreasing the amount available to borrow. Moreover, interest rates charged by the Company may be more significantly affected by factors other than prevailing interest rates, most notably geographic distribution and varying state interest rate limitations. The Company has a hedging policy which seeks to limit the risks associated with changes in interest rates.

In connection with its securitization transactions, the Company enters into pooling and servicing agreements (the "Agreements") in which its finance contracts are sold to a trust which, in turn, sells securities to investors. Generally, the Company is required to make an initial cash deposit to the trust as a form of credit enhancement for the securitization. The terms of the Agreements generally require that the excess servicing cash flows of the finance contracts be retained in a bank account under the control of the trustee (the "Reserve Fund") until the Reserve Fund meets predetermined deposit requirements. Any cash flows in excess of Reserve Fund requirements are released to the Company on a monthly basis. For the three months ended September 30, 1995 and 1996, the Company received \$592,000, and \$643,000 respectively, in excess servicing cash flows from Reserve Funds. In the event that the finance contracts owned by the trusts fail to meet predetermined delinquency and loss

performance measures, the Agreements require that the trustee retain excess servicing cash flows until the Reserve Fund attains pre-set incrementally higher levels of credit enhancement. The predetermined performance measures are not always maintained on a consistent monthly basis, thus deferring the release of the cash flows to the Company from the Reserve Fund of the applicable trust. In addition, certain of the Agreements require the Company to deposit additional cash into the Trust's Reserve Fund if its initial minimum required levels were not met within a predetermined time frame. For the three months ended September 30, 1996, the Company paid additional cash contributions to certain Reserve Funds of \$2.4 million, which management believes to be the Company's final payment to Reserve Funds under the existing Agreements.

The Company's warehouse credit facility with III Finance Ltd. for automobile finance contracts was amended during the three months ended September 30, 1996 to provide that the Company may borrow the lesser of \$200 million (less amounts outstanding under the Company's lease warehouse credit facility with III Finance Ltd. described below (\$12.5 million as of October 21, 1996) and its retained interests in securitized receivables financing (\$32.6 million as of October 21, 1996)) or the sum of (A) 100% of the outstanding principal amount of performing, insured, finance contracts and (B) the lesser of 90% of the outstanding principal amount of delinquent finance contracts (which percentages are reduced to 80% and 70%, respectively, if the Company's automobile insurer fails to maintain an A.M. Best Company rating of "A" or better (defined by A.M. Best Company as an "excellent" rating regarding the insurer's financial strength and ability to meet its obligations to policyholders)) and \$1.0 million plus 92% (declining 1% per month for each month the receivable is outstanding past 180 days) of the outstanding principal amount of uninsured automobile finance contracts for the purpose of acquiring automobile finance contracts in accordance with the Company's underwriting guidelines. The Company has a warehouse credit facility for originating its lease transactions, which provides the Company with a \$50.0 million credit line on substantially the same terms as the automobile finance contract facility. These facilities are secured primarily by the Company's finance contract receivables and bear interest for the first \$50 million of funding of finance contracts at the rate of the one-month LIBOR plus 4.0%, adjusted monthly (9.375% for October, 1996) and for any outstanding balance in excess of \$50 million, at the rate of the one-month LIBOR plus 2.75%, adjusted monthly. Under the amended agreement, when the Company's borrowings under the finance contract portion of the warehouse exceeds \$50.0 million, the rate of interest charged decreases to LIBOR plus 2.75%. Under these warehouse credit facilities, principal payments are made monthly to the extent of principal payments received on the underlying collateral, and interest payments are made quarterly in arrears and on the date of any prepayment of principal on the underlying collateral. The Company's ability to continue to borrow under these warehouse credit facilities is dependent upon its compliance with the terms thereof, including the maintenance by the Company of certain minimum capital levels. Under each warehouse credit facility, the Company is required to prepay 5% of the outstanding principal balance of finance contracts held by the Company for more than 180 days. In addition, each warehouse credit facility requires a prepayment fee of 0.25% of the outstanding principal balance of the finance contracts voluntarily prepaid, including in connection with the sale of finance contracts. In the event the prepayment occurs within the same month of the borrowings, the prepayment fee is 0.125% of the outstanding principal balance. As of September 30, 1996, the Company had approximately \$120.8 million of borrowings available through the warehouse credit facility arrangements with III Finance Ltd. In addition, the Company has a \$50.0 million warehouse credit facility with III Finance Ltd. dedicated to the purchase of HUD Title I Loans, which the Company does not anticipate utilizing at this time. All three warehouse credit facilities with III Finance, Ltd. expire in November 1997.

In May 1996, the Company secured an additional warehouse credit facility with Greenwich Capital, for \$100.0 million, which provides the Company with additional flexibility to purchase greater volumes of finance contracts or warehouse finance contracts for longer periods. The facility is secured primarily by the Company's finance contracts and bears interest at the rate of the one-month LIBOR plus 3.0% (8.375% at October 22, 1996), adjusted monthly. Principal payments are made to the extent that principal is paid on the underlying collateral, and are required to be made if the underlying collateral does not meet certain specified conditions. Prepayment of principal is not permitted, except in connection with securitization transactions and whole loan sales. The Company's ability to continue to borrow under this facility is dependent on its compliance with the terms thereof, including the maintenance by the Company of certain minimum capital levels. As of September 30, 1996, the Company had approximately \$99.4 million of borrowings available through this facility. In addition to the warehouse financing, the Company also secured a one-year \$5.0 million revolving credit facility (with a six-month renewal option) from Greenwich Capital (the Company utilized \$2.0 million of the revolving credit facility in August 1996 and borrowed the remaining 3.0 million in October 1996) and a one-year commitment from Greenwich Capital to purchase and securitize up to \$533.0 million of the Company's finance contract acquisitions until the commitment is filled, subject to customary conditions. Three securitizations aggregating \$307.0 million were completed as of September 30, 1996 pursuant to this commitment. In connection with these facilities, the Company granted warrants to Greenwich Capital to purchase 1,116,335 shares of common stock at an exercise price of \$6.50 per share (subject to adjustment as defined in the agreement). The Greenwich Capital warehouse credit facility is for a one year term with a one year renewal option. In addition, the agreement provides the Company, at its option (expiring in December 1996), to increase the facility up to \$150 million with a 90 day notice. In October 1996, as a result of credit deterioration in the Company's finance contract portfolio, the Company experienced a Portfolio Event as such term is defined in and contemplated by, both the warehouse credit facility and the revolving credit facility. As a result, Greenwich Capital, at its discretion, may terminate its commitment to the Company under either facility, and may accelerate the payment of any outstanding balance under each facility (\$0 and \$5.0 million, respectively, as of the date hereof) which would then become immediately due and payable. As of the date hereof, Greenwich Capital has not terminated its commitment or accelerated the due date of either facility, although they have reserved their right to do so at any time.

In the quarters ended June 1994, September 1994, December 1994, March 1995, June 1995, September 1995, December 1995, March 1996, June 1996 and September 1996, the Company securitized approximately \$18.5 million, \$23.3 million, \$21.0 million, \$21.0 million, \$54.0 million, \$60.0 million, \$85.4 million, \$130.1 million, \$149.3 million and \$173.3 million, respectively, of finance contracts and used the net proceeds to pay down borrowings under its warehouse credit facilities. In each of its last eight securitizations, the Company has utilized a "pre-funding account" that enabled the Company to fund certain finance contract acquisitions without committing its warehouse credit facility for an extended period of time. Additionally, the Company directly sold, in the form of whole finance contract sales, approximately \$20.1 million of automobile finance contracts as of September 30, 1996 and used part of the proceeds to pay down borrowings under its warehouse credit facilities.

In December 1995, the Company entered into a commitment to sell \$175.0 million of sub-prime automobile finance contracts to be resold as asset-backed securities through Rothschild, Inc. Through September 30, 1996, the Company sold approximately \$143.5 million of automobile receivables into this facility. This facility requires the Company to directly sell between \$8.0 million and \$15.0 million of finance contracts per month for a fifteen-month funding period subsequent to

the initial funding date. If the Company fails to meet the minimum target, the terms of the facility provide that the Company may not be able to sell future finance contracts to the facility. As of September 30, 1996 the Company had a remaining commitment of \$31.5 million; however, in October 1996, the Company experienced the occurrence of certain performance- related events within this facility. As a result, under the terms of the facility (i) the Company was required to cease future funding to this facility (as of that date, the Company had sold \$148.4 million of the \$175.0 million commitment leaving the remaining \$26.6 commitment unfulfilled), and (ii) the amount of the required reserve has been increased and the facility will capture all payments otherwise due to the Company with respect to its retained interest in excess spread cash flows until the required reserve is filled. As a result, the Company will not receive any excess spread cash flows from this facility for some time. Additionally, MBIA Insurance Corporation ("MBIA"), a guarantor of principal and interest to the Class A noteholders under this facility, retains the right at any time to require early amortization of the Class A notes from cash flows generated by the collateral sold into the facility. If MBIA chooses to require early amortization, the event could have an additional material adverse affect on cash flows available to the Company and on the valuation of the retained interest in securitized receivables carried on the books of the Company relating to this facility.

In February 1996, the Company issued \$9,200,000 of Series C Convertible Preferred Stock (the "Preferred Stock") under Regulation S of the Securities Act. The Preferred Stock is convertible into Common Stock at the lower of \$6.425 per share of Common Stock or 85% of the fair market value of the Common Stock at the time of conversion. The Company can redeem the Preferred Stock upon conversion at the fair market value of the Common Stock into which such Preferred Stock is convertible. The Preferred Stock has an 8.0% annual dividend payable in Common Stock at the time of conversion. Any outstanding shares of Preferred Stock will automatically convert into Common Stock on the third anniversary of its issuance. As of September 30, 1996, the Company redeemed 88 shares of Preferred Stock for \$1.1 million and converted 595 shares of Preferred Stock into 1,225,762 shares of Common Stock.

Management believes that cash flows from operations, available lines of credit and its warehouse credit facilities are adequate to support its operation needs at current levels only into the end of third fiscal quarter, ending March 31, 1997. The Company is currently in the process of seeking additional capital; or other sources of available cash; however, there can be no assurance as to the availability or timing of such transactions or the terms and conditions upon which any such transactions would be made available to the Company. If the Company is not successful in raising additional capital or other similar financing by the beginning of its third fiscal quarter, it will have to materially curtail its operations.

Inflation

While inflation has not had a material impact upon the Company's results of operations, there can be no assurance that the Company's business will not be affected by inflation in the future. Increases in the inflation rate generally result in increased interest rates and can be expected to result in increases in the Company's operating expenses. As the Company borrows funds at variable rates and generally acquires finance contracts at an average interest rate of approximately 20.2%, increased interest rates will increase the borrowing costs of the Company, and such increased borrowing costs may not be offset by increases in the interest rates with respect to finance contracts acquired.

Seasonality

The Company's operations are affected to some extent by seasonal fluctuations. Finance contract acquisitions tend to increase in March through June and September and October, while finance contract acquisitions are lowest in December and January. Delinquencies also tend to be higher during certain

holiday periods, particularly at calendar year end.

PART II. OTHER INFORMATION

- Item 1. Legal Proceedings - Not Applicable
- Item 2. Changes in Securities - Not Applicable
- Item 3. Defaults Upon Senior Securities - Not Applicable
- Item 4. Submission of Matters to a Vote of Security Holders - None
- Item 5. Other Information - None
- Item 6. (a) Exhibits -

Exhibit No.	Description	Page No.
10.9.3	Termination of Employment Agreement with Matthew B. Burns.	
10.97	Purchase Agreement dated as of September 1, 1996 by and between Aegis Auto Finance, Inc. as Seller and Aegis Auto Funding Corp. as Purchaser.	
10.97.1	Servicing Agreement dated as of September 1, 1996 among Aegis Auto Finance, Inc., as Servicer Norwest Bank Minnesota, National Association in its capacity as Backup Servicer and Norwest Bank Minnesota, National Association as Trustee.	
10.97.2	Pooling and Servicing Agreement Dated as of September 1, 1996 by and between Aegis Auto Funding Corp., as Seller and Norwest Bank Minnesota, National Association as Trustee and Backup Servicer.	
10.98	Loan and Security Agreement dated as of September 12, 1996 by and between Aegis Auto Finance, Inc. as Borrower and III Finance, Inc. as Lender.	
10.98.1	Note relating to 10.98.	
10.99	Pooling and Servicing Agreement dated as of September 1, 1996 by and between Aegis Auto Funding Corp., as Seller and Norwest Bank Minnesota, National Association, as Trustee and Backup Servicer.	
10.100	Servicing Agreement dated as of September 1, 1996 among Aegis Auto Finance, Inc., as Servicer, Norwest Bank Minnesota, National Association in its capacity as Backup Servicer and Norwest Bank Minnesota, National Association in its capacity as Trustee.	
10.101	Employment Agreement Agreement by and between Systems and Services Technologies, Inc. and Matthew B. Burns.	
10.102	Employment Agreement by and between Systems and Services Technologies, Inc. and John Chapell.	
10.103	Deed of Trust for Systems and Services Technologies, Inc. dated as of the 29th day of July, 1996, for the property known as 6700 Antioch, Suite 400, Merriam, Kansas 66204.	
10.103.1	Note relating to 10.103	
10.102.2	Assignment of Rents and Leases by Systems and Services Technologies, Inc. to Commerce Bank, N.A.	
10.104	Note relating to loan from Commerce Bank, N.A.	
10.105	Deed of Trust and Security Agreement dated as of October 2, 1996, between Systems and Services Technologies, Inc. and the First Bank of Missouri.	
10.105.1	Addendum to that certain Deed of Trust and Security Agreement dated as of October 2, 1996, between Systems and Services Technologies, Inc. and the First Bank of Missouri.	
10.105.2	Note relating to loan from First Bank of Missouri.	

- (b) Reports on Form 8-K - No reports on Form 8-K were filed by the Company during the quarter ended September 30, 1996.

SIGNATURES

In accordance with the requirements of the Exchange Act,
the registrant caused this report to be signed on its behalf
by the undersigned, thereunto duly authorized.

THE AEGIS CONSUMER FUNDING GROUP,
INC.

Date: November 14, 1996 By: /S/ DINA L. PENEPEPENT

Dina L. Penepent
Chief Financial Officer,
Executive Vice-President and
Secretary
Signing on behalf of the registrant
and as principal financial and
accounting officer.

SERVICING AGREEMENT
Dated as of September 1, 1996

Among
AEGIS AUTO FINANCE, INC.,
Servicer

NORWEST BANK MINNESOTA, NATIONAL
ASSOCIATION
in its capacity as Backup Servicer

and

NORWEST BANK MINNESOTA, NATIONAL
ASSOCIATION
in its capacity as Trustee

Relating to
Aegis Auto Receivables Trust 1996-A

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SERVICING AGREEMENT

This SERVICING AGREEMENT is entered into as of September 1, 1996 (this "Servicing Agreement") among AEGIS AUTO FINANCE, INC., a Delaware corporation, as servicer (hereinafter referred to as "Servicer" and, in its separate capacity as the originator of the Receivables described herein, the "Originator"), NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, a national banking association, in its capacity as backup servicer (hereinafter referred to as "Backup Servicer") and NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, in its capacity as trustee (hereinafter referred to as "Trustee") in both cases under that certain Pooling and Servicing Agreement dated as of September 1, 1996 by and among Aegis Auto Funding Corp., a Delaware corporation, as Seller, Norwest Bank Minnesota, National Association in its capacity as Backup Servicer, and Norwest Bank Minnesota, National Association in its capacity as Trustee (such agreement, the "Pooling and Servicing Agreement").

I. RECITALS

WHEREAS, Servicer provides portfolio management services, including collection assistance, loan administration and financial reporting to financial institutions in connection with motor vehicle retail installment sales contracts, and

WHEREAS, Norwest Bank Minnesota, National Association, in its capacity as Trustee, is or will become the holder of those motor vehicle retail installment sales contracts referred to in Exhibit C to the Pooling and Servicing Agreement (hereinafter referred to as "Receivables") which were originated by the Originator, subsequently sold to Aegis Auto Funding Corp. pursuant to a Purchase Agreement dated as of September 1, 1996 (the "Purchase Agreement") between the Originator and Aegis Auto Funding Corp., and subsequently deposited by Aegis Auto Funding Corp. with the Trustee pursuant to the terms of the Pooling and Servicing Agreement, and

WHEREAS, pursuant to the Pooling and Servicing Agreement, the Backup Servicer and the Trustee, on behalf of the Trust created under the Pooling and Servicing Agreement, desire

to avail themselves of the services provided by Servicer, then

Let this be the terms and conditions of this Servicing Agreement:

II. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Pooling and Servicing Agreement. Whenever used in this Servicing Agreement, the following terms shall have the following meanings.

Credit Agency. A recognized agency to which Servicer reports delinquencies, repossessions and redemptions.

Independent Public Accountants. Means any of (a) Arthur Andersen & Co., (b) Deloitte & Touche, LLP, (c) Coopers & Lybrand, (d) Ernst & Young LLP, (e) KPMG Peat Marwick and (f) Price Waterhouse, or such other nationally recognized firm of independent accountants as shall be acceptable to the parties hereto and the Rating Agencies; provided, that such firm is independent with respect to the Servicer within the meaning of the Securities Act of 1933, as amended.

Loan Documents. Has the meaning set forth in paragraph III.B.9.

III. SERVICING RELATIONSHIP

A. NATURE AND SCOPE OF RELATIONSHIP

The Servicer hereby agrees to service and administer the Receivables for the Trust and render those services described in this Servicing Agreement and in the attached Schedule A. In performing its duties under this Servicing Agreement, the Servicer shall have full power and authority to do or cause to be done any and all things in connection with such servicing and administration which it may deem necessary or desirable, within the terms of the Pooling and Servicing Agreement and this Servicing Agreement. Servicer acknowledges receiving a copy of the Pooling and Servicing Agreement. Servicer shall report in writing solely to such officers or other employees of Backup Servicer and Trustee as Backup Servicer and Trustee may designate from time to time in writing.

Nothing in this Servicing Agreement shall be construed as establishing an agency, an employment or a partnership or joint venture between Backup Servicer, Trustee, any

third party contract purchaser and Servicer.

Furthermore, Backup Servicer shall not use or permit the use of Servicer's name or the names of any of Servicer's affiliates in any advertising or promotional materials prepared by Backup Servicer or on Backup Servicer's behalf without the prior written consent of Servicer.

Compensation payable to the Servicer under this Servicing Agreement shall be payable by the Trustee solely from the Trust Property in accordance with the terms of the Pooling and Servicing Agreement, and except as provided in the Pooling and Servicing Agreement, none of the Trust, the Trustee or the Certificateholders will have any liability to the Servicer with respect thereto. In accordance with Section 4.04 of the Pooling and Servicing Agreement, such compensation shall be paid to the Servicer and/or one or more subservicers as the Servicer may from time to time direct in writing to the Trustee.

In the event the Backup Servicer shall for any reason no longer be acting as such (including by reason of resignation or an Event of Backup Servicing Default as specified in Section 4.02 or 10.01, respectively, of the Pooling and Servicing Agreement), the successor Backup Servicer shall thereupon assume all of the rights and obligations of the outgoing Backup Servicer under this Servicing Agreement; provided, however that the successor Backup Servicer shall not be liable for any acts, omissions or obligations of the outgoing Backup Servicer prior to such succession or for any breach by the outgoing Backup Servicer of any of its representations and warranties contained in this Servicing Agreement or in any related document or agreement and the outgoing Backup Servicer shall not be relieved of any liability or obligation hereunder to the extent such obligation or liability arose prior to the assumption by the successor Backup Servicer of the obligations of the Backup Servicer hereunder.

B. GENERAL CONDITIONS

1. Servicer agrees to provide the services hereunder during the term hereof. Servicer, Backup Servicer and Trustee each represent and warrant that it is duly authorized to enter into the arrangements contemplated hereby with respect to the Receivables.

2. Servicer may make such communications with third parties and the ultimate Obligor as are necessary and proper to perform the services provided for hereunder.

3. The Servicer hereby agrees to act for the Trust as custodian of all the documents or instruments delivered to the Servicer with respect to each Receivable, and any and all other

documents that Servicer receives, creates, generates, or otherwise possesses which relate to a Receivable, an Obligor or a Financed Vehicle, provided, however, that the Custodian Files, including the original of the motor vehicle installment sale contract and the original certificate of title or such documents evidencing the security interest of the Trust in the Financed Vehicle or efforts made by the Trustee or its assignor to perfect such security interest shall be held by the Custodian, which shall be the Trustee. The Servicer shall maintain in its files copies, computer records or originals of each of the following documents with respect to each Receivable and the Financed Vehicle related thereto:

- (i) application of the Obligor for credit;
- (ii) a copy (but not the original) of the retail installment sale contract and any amendments thereto; provided, however, that the Servicer shall deliver any original amendments to the retail installment sale contract to the Trustee immediately following execution thereof;
- (iii) a copy (but not the original) of a certificate of title with a lien notation or an application therefor;
- (iv) copies of the Risk Default Insurance Policy and the VSI Insurance Policy; and
- (v) such other documents as the Servicer may reasonably request in order to accomplish its duties under this Servicing Agreement.

Items (i), (ii), (iii), (iv) and (v) shall be referred to collectively as the "Servicer Files."

4. Upon receipt of the documentation indicated in Paragraph III.B.3, Servicer shall establish a physical file for each Receivable, which shall contain the Servicer Files, as well as copies of all reports developed by or information received by Servicer with respect to the Receivable, including insurance certificates and reports of collection activities.

In its capacity as custodian of such files, Servicer shall hold the Servicer Files and all related files and documents on behalf of the Trust, and maintain such accurate and complete accounts, records, and computer systems pertaining to the Receivables using reasonable care and that degree of skill and attention with respect to the Receivables and the files and documents as is customary with other companies in the industry that service motor vehicle installment sales contracts for themselves as well as for others.

The Servicer shall keep satisfactory books and records pertaining to each Receivable and shall make periodic reports in accordance with this Servicing Agreement. Such records may not be destroyed or otherwise disposed of except as provided herein and as allowed by applicable laws, regulations or decrees; provided, that, such records may be released to the Seller if the related Receivable is paid in full, the related Financed Vehicle is repossessed, the Receivable has been either repurchased or replaced pursuant to the Purchase Agreement with a Substitute Receivable (as defined therein) or the Receivable otherwise is no longer being serviced by the Servicer pursuant to this Servicing Agreement. All documents, whether developed or originated by the Servicer or not, reasonably required to document or to properly administer any Receivable shall remain at all times the property of the Trust. 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 Servicing Agreement. The Servicer shall bear the entire cost of restoration in the event any Loan Documents (as defined below) shall become damaged, lost or destroyed.

5. Servicer shall make available to the Backup Servicer, the Trustee and the Certificateholders, or their duly authorized representatives, attorneys, or auditors, the Servicer Files and any related accounts, records, and computer systems maintained by the Servicer, at such times as the Backup Servicer, the Trustee or any Certificateholder shall reasonably instruct, but without disrupting Servicer's operations. Without otherwise limiting the scope of the examination, the Backup Servicer, the Trustee or any Certificateholder may, upon at least two (2) Business Days' prior notice and at its own expense, using generally accepted audit procedures, verify the status of each Receivable and review the Loan Documents and records relating thereto for conformity to monthly reports prepared pursuant to paragraph IV.I. and compliance with the standards represented to exist as to each Receivable in this Servicing Agreement. Nothing herein shall require the Backup Servicer, the Trustee or any Certificateholder to conduct any inspection pursuant to this Section.

6. Within five (5) Business Days following the last day of each Collection Period, the Servicer shall forward to the Backup Servicer, via electronic transfer in a format mutually acceptable to the Servicer and the Backup Servicer, its computerized records reflecting (i) all collections received during such Collection Period with respect to the Receivables and (ii) information as of the last day of each Collection Period regarding repossessed Financed Vehicles and sales of repossessed Financed Vehicles. Within three (3) Business Days of receipt of the foregoing information, the Backup Servicer shall input such

information onto its computer system such that such information is immediately available to the Backup Servicer. The Backup Servicer shall then review such information within five (5) Business Days of its input onto the Backup Servicer's computer system and compare it to the information reported by the Servicer in its Monthly Servicing Certificate delivered to the Backup Servicer, Trustee and each Rating Agency in the form of Schedule B (the "Monthly Servicing Certificate"). Any discrepancies shall then be immediately reported to the Servicer, who shall have ten (10) Business Days from receipt of notice of discrepancies to correct all such discrepancies. Any discrepancies which cannot be corrected in such time period shall be reported by the Servicer to the Trustee, each Rating Agency and the Certificateholders.

7. On Monday of each week beginning October 7, 1996, the Servicer shall forward to the Backup Servicer, via electronic transfer in form mutually acceptable to the Servicer and the Backup Servicer, its computerized records reflecting (i) all collections received during the preceding calendar week with respect to the Receivables and (ii) a listing of all Receivables with the date through which payments have been made by the Obligor.

8. Other than the duties specifically set forth in this Servicing Agreement, the Backup Servicer shall have no obligation hereunder. The Backup Servicer shall have no liability for any action taken or omitted by the Servicer. The duties and obligations of the Backup Servicer shall be determined solely by the express provisions of this Servicing Agreement and the Pooling and Servicing Agreement and no implied covenants or obligations shall be read into this Agreement against the Backup Servicer.

9. Unless otherwise specified herein, the Servicer shall maintain physical possession, or computerized records, of good and legible copies of the Servicer Files received by it; such other instruments or documents that modify or supplement the terms or conditions of any of the foregoing; and, all other instruments, documents, correspondence and memoranda generated by or coming into the possession of the Servicer (including, but not limited to, insurance premium receipts, ledger sheets, payment records, insurance claim files, correspondence and current and historical computerized data files) that are required to document or service any Receivable. Collectively, all of the documents described in this paragraph III.B.9 with respect to a Receivable are referred to as "Loan Documents." The Servicer shall hold all Loan Documents in trust for the benefit of the Certificateholders and the Trust; all Loan Documents shall remain the property of the Trust. The Servicer shall respond to all third party inquiries concerning ownership of the Receivables by indicating that the Receivables have been assigned to the Trust.

10. The Servicer may employ or otherwise utilize

subservicers and enter into subservicing agreements in carrying out its duties and obligations under this Servicing Agreement. An affiliate of the Servicer, Aegis Consumer Finance, Inc. ("ACF"), has heretofore entered into a Master Servicing Agreement dated as of April 6, 1996 (the "Subservicing Agreement") with American Lenders Facilities, Inc. ("ALFI") pursuant to which ALFI has agreed to perform certain subservicing duties as therein described. The Servicer shall cause ALFI to act as subservicer of the Receivables with respect to the receipt of collections on the Receivables, custody and application of payments from Obligors and for the maintenance of individual records for each Receivable in accordance with the terms of such Subservicing Agreement or the terms of any new subservicing agreement subsequently entered into with ALFI for the performance of such duties. The Subservicing Agreement and any such other subservicing agreement hereafter entered into by the Servicer and/or ACF shall provide that the Backup Servicer, at the direction of the Majority Certificateholders and each Rating Agency, shall have the right to direct the Servicer to terminate such subservicing arrangement if (a) the Majority Certificateholders and each Rating Agency reasonably determine that the subservicer is failing to perform its obligations thereunder and (b) such failure materially reduces the amount recovered on defaulted loans. The Servicer agrees to promptly terminate a subcontracting arrangement if directed to do so by the Backup Servicer. In addition, should ALFI's employment as subservicer of the Receivables as described above be terminated at any time, ALFI shall be entitled to a fee of \$5.00 per Receivable.

IV. ADMINISTRATION AND SERVICING OF RECEIVABLES

A. DUTIES OF SERVICER

The Servicer shall service and administer the Receivables in compliance with all applicable Federal and State laws and regulations governing the Servicer and the Receivables, and shall act prudently and in accordance with customary and usual servicing procedures for other institutional servicers and applicable law, and, to the extent not inconsistent with the foregoing, shall exercise that degree of skill and care it uses for servicing assets held for its own account.

The Servicer's duties shall include collection and posting of all payments, responding to inquiries by Obligors or by Federal, State, or local governmental authorities on the Receivables, investigating delinquencies, sending payment books or monthly statements to Obligors, responding to inquiries by Obligors with respect to the Receivables and furnishing Monthly Servicing Certificates to the Trustee with respect to distributions and any additional information reasonably requested by the Trustee

to enable the Trustee to make distributions and produce reports required under the Pooling and Servicing Agreement.

Without limiting the generality of the foregoing, the Servicer shall be authorized and empowered to execute and deliver any and all instruments of satisfaction or cancellation, and all other comparable instruments, with respect to the Receivables or the Financed Vehicles.

If the Servicer shall commence a legal proceeding to enforce a Receivable, the Trustee, acting on behalf of the Trust, shall thereupon be deemed to have automatically assigned such Receivable to the Servicer which assignment shall be solely for the purpose of collection. The Trustee, acting on behalf of the Trust, shall furnish the Servicer with any powers of attorney and other documents necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder.

B. MAINTENANCE OF RECORDS

The Servicer shall maintain accounts and records as to each Receivable accurately and in sufficient detail to permit: (i) the reader thereof to know at any time the status of such Receivable, including payments and recoveries made and payments owing (and the nature of each); (ii) reconciliation between payments or recoveries on (or with respect to) each Receivable and the amounts from time to time owing in respect of such Receivable.

To the extent that such records are maintained on a computer system, the Servicer shall also maintain such computer system so that the Servicer's master computer records (including archives) that shall refer to each Receivable indicate that such Receivable is owned by the Trust.

Such accounts and records shall be kept only for as long as Servicer is servicing the Receivables for the Trust.

At all times during the term hereof, for so long as Aegis Auto Finance, Inc. is acting as Servicer, the Servicer shall keep available at its office located at 525 Washington Boulevard, Jersey City, New Jersey 07310 (or such other location as to which it shall give written notice to the Trustee and each Certificateholder), for inspection by Certificateholders a copy of the list of Receivables, and shall mail a copy of such list to a Certificateholder upon written request.

C. MAINTENANCE OF SECURITY INTEREST

The Servicer shall cooperate with the Seller in taking such steps as are necessary to maintain perfection of the security

interest created by each Receivable in the respective Financed Vehicle. The Trustee, on behalf of the Trust, hereby authorizes and the Servicer hereby agrees to take such steps (and at the Trust's expense) as are necessary to re-perfect such security interest on behalf of the Trust in the event such re-perfection is necessary or advisable for any reason. The title to each Financed Vehicle relating to a Receivable included in the Trust initially shall bear a notation of a lien in the name of the Originator.

D. COLLECTION OF RECEIVABLE PAYMENTS

The Servicer shall use its best efforts to collect all payments called for under the terms and provisions of the Receivables as and when the same shall become due.

In addition, the Servicer, on behalf of the Trust, shall use its best efforts to repossess or otherwise recover the Financed Vehicle securing any Receivable as to which the Servicer shall have determined, after consultation with Seller if Servicer so requests, that eventual payment in full is unlikely and such repossession or recovery is permitted under the terms of the Receivable and any applicable law. The Servicer shall be entitled to recover all reasonable expenses incurred by it in the course of repossessing and liquidating the Financed Vehicle into cash proceeds.

Subject to the provisions of paragraph IV.A. above, the Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of automotive receivables, which may include selling the Financed Vehicle at public or private sale in accordance with applicable state law. 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 the Servicer shall determine in its discretion that such repair and/or repossession will increase the Liquidation Proceeds or Insurance Proceeds by an amount greater than the amount of such expenses.

E. PHYSICAL DAMAGE INSURANCE

1. The Servicer, in accordance with its customary servicing procedures, shall use its best efforts to ensure that each Obligor maintains physical damage insurance covering the Financed Vehicle throughout the lesser of the term of the Trust or the Receivable.

2. In the event of any physical loss or damage to a Financed Vehicle 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 policies directly or indirectly related to any physical loss or damage to a Financed Vehicle.

3. The Servicer will administer the filings of claims under the VSI Insurance Policy and the Risk Default Insurance Policy as provided under paragraph IV.L. hereof.

F. COVENANTS OF THE TRUSTEE AND SERVICER; NOTICES

1. The Servicer shall (1) prior to a default with respect to a Receivable, not release any Financed Vehicle securing any Receivable from the security interest granted by such Receivable in whole or in part except in the event of payment in full by the Obligor thereunder or upon transfer of the Financed Vehicle to a successor purchaser following repossession by the Servicer, (2) not impair the rights of the Certificateholders or the Trustee in the Receivables, (3) not increase the number of Scheduled Payments due under a Receivable except as permitted in paragraph A.3.e of Schedule A, (4) prior to the termination of the Trust, not sell, pledge, assign, or transfer to any other Person, or grant, create, incur, assume, or suffer to exist any Lien on any Receivable transferred to the Trust or any interest therein, except for assignment to the Risk Default Insurer upon its request after the Risk Default Insurer has paid a claim in full, (5) immediately notify the Trustee of the existence of any material Lien on any Receivable, (6) defend the right, title, and interest of the Trust in, to and under the Receivables transferred to the Trust, against all claims of third parties claiming through or under the Servicer, (7) deposit into the Lock-Box Account all payments received by the Servicer with respect to the Receivables in accordance with this Servicing Agreement, (8) comply in all respects with the terms and conditions of this Servicing Agreement relating to the obligation of Seller to repurchase Receivables from the Trust pursuant to the Pooling and Servicing Agreement, or the obligation of the Originator to repurchase Receivables from the Seller pursuant to the Purchase Agreement, (9) promptly notify the Trustee of the occurrence of any Event of Servicing Default and any breach by the Backup Servicer of any of its covenants or representations and warranties contained herein, (10) with the cooperation of the Seller, make any filings, reports, notices, or applications and seek any consents or authorizations from any and all government agencies, tribunals, or authorities in accordance with the UCC and any state vehicle license or registration authority on behalf of the Trust as may be necessary or advisable or reasonably requested by the Trustee to create, maintain, and protect a first-priority security interest of the Trustee in, to, and on the Financed Vehicles and a first-priority security interest of the Trust in, to, and on the Receivables transferred to it and (11) take all reasonable action necessary to maximize the returns pursuant to the Risk Default

Insurance Policy and the VSI Insurance Policy.

2. The Trustee shall promptly notify the Servicer of any actual knowledge on its part (i) of any abandonment of any Financed Vehicle by an Obligor, (ii) of any material change in the condition or value of any Financed Vehicle, (iii) of any waste committed with respect to any Financed Vehicle; (iv) of any failure on the part of an Obligor to keep the Financed Vehicle insured or in good condition and repair, (v) of any permanent or substantial injury to a Financed Vehicle caused by unreasonable use, abuse or neglect or (vi) of any other matter which would adversely affect or result in diminution of the value of any Financed Vehicle.

3. The Servicer will promptly advise the Trustee of any inquiry received from an Obligor which contemplates the consent of the Trustee. Inquiries contemplating consent of the Trustee shall include, but not be limited to, inquiries about settlement of any unasserted claim or defense, or compromise of any amount an Obligor owes or any other matters the Servicer should reasonably understand are not within the Servicer's authority under this Servicing Agreement.

4. Notwithstanding any other provision of this Servicing Agreement, the Trustee and the Backup Servicer (except if and when the Backup Servicer is acting as the Servicer hereunder) shall be under no duty or obligation to investigate or inquire into the status of any Obligor or Financed Vehicle and "actual knowledge" referred to in subparagraphs 2 and 3 of this paragraph IV.F. shall be limited to actual knowledge of a Trustee Officer.

G. PURCHASE OF RECEIVABLES UPON BREACH

The Servicer shall inform each Rating Agency, the Trustee, the Backup Servicer and each Certificateholder promptly, in writing, upon the discovery of any breach pursuant to Section 3.01 of the Pooling and Servicing Agreement. The Servicer has no duty to investigate or determine the existence of any breach except as specified herein. Unless the breach shall have been cured within the time periods specified in Section 3.02 of the Pooling and Servicing Agreement, the Trustee shall use all reasonable efforts to cause the Seller to repurchase or replace the affected Receivables in accordance with Section 3.02 of the Pooling and Servicing Agreement, and enforce the repurchase or substitution obligations of the Originator under Section 7.02 of the Purchase Agreement. In consideration of the purchase of such Receivable, the Trustee shall use all reasonable efforts to cause the Seller or the Originator to remit the Purchase Amount or the substitute Receivable to the Trustee. The Trustee's rights with

respect to this paragraph IV.G. shall not subject the Trustee to any duty or obligation upon a breach by the Seller or the Originator of its representations, warranties or covenants as set forth above, other than to take action as described herein and as may be directed by the Certificateholders in accordance with and subject to the condition and limitation set forth in the Pooling and Servicing Agreement.

H. SERVICING FEE

The Servicer shall be paid a monthly servicing fee ("Servicing Fee") with respect to each Receivable serviced under this Servicing Agreement during a Collection Period in accordance with paragraph III of Schedule A hereto. The Servicing Fee shall be due on the succeeding Distribution Date. In the event this Servicing Agreement is terminated on a date other than the last day of a Collection Period, then the Servicing Fee for such period shall be determined on a pro rata basis. In the event that the Backup Servicer assumes the responsibilities and obligations of the Servicer under this Servicing Agreement, the Backup Servicer shall be entitled to receive its normal and customary fee for such services with respect to comparable quality Receivables, not to exceed those set forth in the Fee Schedule set forth in paragraph III of Schedule A attached hereto.

I. MONTHLY SERVICING CERTIFICATES

The Servicer shall deliver to the Backup Servicer, the Trustee (which shall deliver a copy to each Certificateholder), each Rating Agency and the Seller, on each Determination Date, a Monthly Servicing Certificate substantially in the form of Schedule B hereto containing all information necessary for the Trustee to calculate and make the distributions pursuant to Section 5.06 of the Pooling and Servicing Agreement.

J. ANNUAL STATEMENT AS TO COMPLIANCE; ACCOUNTANTS' SERVICING REPORT

1. The Servicer shall deliver to the Backup Servicer, the Trustee, each Certificateholder, and each Rating Agency, on or before March 31 of each year, an Officer's Certificate, dated effective as of December 31 of the preceding year beginning with the calendar year ended December 31, 1996, stating that (i) a review of the activities of the Servicer during the preceding 12-month period and of its performance under this Servicing Agreement has been made under such officer's supervision and (ii) based on such review, the Servicer has materially fulfilled all its obligations under this Servicing Agreement throughout such year, 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.

A copy of such certificate may be obtained by any Certificateholder by a request in writing to the Servicer from any such Certificateholder.

2. Unless required more frequently by each Rating Agency, on each yearly anniversary of the Closing Date, the Servicer at the expense of the Trust, shall cause a firm of Independent Public Accountants to furnish a statement to the Trustee, each Rating Agency and each Certificateholder to the effect that such firm has examined certain documents and records relating to the servicing of the Receivables and the reporting requirements with respect thereto as set forth in this Agreement, and that, on the basis of such examination, such servicing and reporting requirements have been conducted in compliance with 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 statement.

3. If an Event of Servicing Default shall have occurred and be continuing, then, at the request of the Majority Certificateholders not more frequently than once every six months, the Trustee, within 30 days of such request, shall cause a firm of Independent Public Accountants to review certain documents and records of the Servicer relating to the servicing of the Receivables and the reporting requirements with respect thereto as set forth in this Agreement, and furnish a statement to the effect specified in paragraph IV.J.2 above.

4. The Servicer shall deliver to the Trustee, the Backup Servicer and each Certificateholder, promptly after having obtained actual knowledge thereof, but in no event later than five (5) Business Days thereafter, written notice in an Officer's Certificate of the Servicer of any event which with the giving of notice or lapse of time, or both, would become an Event of Master Servicing Default under Section 10.01 of the Pooling and Servicing Agreement or an Event of Servicing Default under paragraph VI hereof.

K. ACCESS TO CERTAIN DOCUMENTATION
AND INFORMATION REGARDING
RECEIVABLES

The Trustee and the Servicer shall, upon written request, each provide to or cause the Certificateholders to have access to its Custodian Files or Servicer Files, as the case may be, relating to the Receivables. Access shall be afforded without charge, but only upon reasonable request and during the normal business hours at the offices of the Trustee or the Servicer, as the case may be. Nothing in this Section shall affect the obligation of the Trustee or the Servicer to observe any applicable law prohibiting disclosure of information regarding the Obligor, and

the failure of the Trustee or the Servicer to provide access to information as a result of such obligation shall not constitute a breach of this paragraph IV.K.

L. RESPONSIBILITY FOR INSURANCE POLICIES;
PROCESSING OF CLAIMS UNDER INSURANCE
POLICIES; DAILY RECORDS AND REPORTS

1. The Servicer, on behalf of the Trust, will administer and enforce all rights and responsibilities of the holder of the Receivables provided for in the Insurance Policies relating to the Receivables. The Servicer, on behalf of the Trust, shall verify that an endorsement listing each Receivable has been issued with respect to each Receivable under the Risk Default Insurance Policy, that each Receivable is listed by the VSI Insurer as covered under the VSI Insurance Policy, and that the Risk Default Insurance Policy names the Trustee as the insured and the VSI Insurance Policy names the Trustee as an additional insured.

2. The Servicer will administer the filings of claims under the VSI Insurance Policy and Risk Default Insurance Policy by filing the appropriate notices related to claims as well as claims with the respective carriers or their authorized agents, all in accordance with the terms of the VSI Insurance Policy and Risk Default Insurance Policy. The Servicer shall file all such claims regardless of whether a Receivable may have become a Purchased Receivable or a Liquidated Receivable. The Servicer shall file such claims on a timely basis after obtaining knowledge of the events giving rise to such claims, subject to the servicing standard set forth in paragraph IV.A. hereof. The Servicer will utilize such notices, claim forms and claim procedures as are required by the respective insurance carriers. The Servicer shall notify the Trustee and Seller of (i) any such claims actually denied under the applicable Risk Default Insurance Policy or VSI Insurance Policy and (ii) those claims which would have been denied under such Risk Default Insurance Policy or VSI Insurance Policy had the Receivable(s) not been repurchased from the Trust, and in both cases, the reasons for such denials. The Servicer shall cause all Insurance Proceeds to be deposited to the Lock-Box Account within two (2) Business Days of receipt thereof.

The Servicer shall not be required to pay any premiums or, other than administering the filing of claims and performing reporting requirements specified in the VSI Insurance Policy and Risk Default Insurance Policy in connection with filing such claims, perform any obligations of any named insured under the foregoing VSI Insurance Policy and Risk Default Insurance Policy, and shall not be required to institute any litigation or proceeding or otherwise enforce the obligations of any insurer thereunder. Notwithstanding any provision to the contrary in the Pooling and Servicing Agreement, the Servicer shall not be

responsible to any Certificateholder or the Seller (i) for any act or omission to act done in order to comply with the requirements or satisfy any provisions of the VSI Insurance Policy or Risk Default Insurance Policy or (ii) for any act or omission to act, absent willful misconduct or gross negligence, done or omitted in compliance with this Servicing Agreement. In the case of any inconsistency between this Servicing Agreement and the terms of any VSI Insurance Policy or Risk Default Insurance Policy, the Servicer shall comply with the latter.

3. Notwithstanding any other provision in this Servicing Agreement to the contrary, the Trustee and the Backup Servicer, unless it is acting as Servicer, shall not be under any obligation to administer the Receivables as required by the VSI Insurance Policy and/or Risk Default Insurance Policy.

M. ENFORCEMENT

1. The Servicer will, consistent with the standard of care required by paragraph IV.A. hereof, act with respect to the Receivables and the Insurance Policies in such manner as will, in the reasonable judgment of the Servicer, maximize the amount to be received by the Trust with respect thereto.

2. The Servicer may and shall, at the direction of the Trustee, sue to enforce or collect upon the Receivables and the Insurance Policies (including unpaid claims), with the prior approval of the Trustee, in the name of and as agent for the Trust. If the Servicer commences a legal proceeding to enforce a Receivable or an Insurance Policy, the act of commencement shall be deemed to be an automatic assignment of the Receivable and the related rights under the Insurance Policies by the Trustee to the Servicer for purposes of collection only. If, however, in any enforcement suit or legal proceeding it is held that the Servicer may not enforce a Receivable or an Insurance Policy on the grounds that it is not a real party in interest or a holder entitled to enforce the Receivable or the Insurance Policy, the Trustee, on behalf of the Trust, shall, at the Servicer's request, take such steps as the Servicer deems reasonably necessary to enforce the Receivable or the Insurance Policy, including bringing suit in its name or the names of the Certificateholders. The Servicer shall be entitled to reimbursement for expenses incurred in connection with enforcement or collection activities with respect to the Receivables pursuant to this paragraph IV.M.2.

3. The Servicer shall exercise any rights of recourse against third persons that exist with respect to any Receivable in accordance with the Servicer's usual practice and the standard of care required by paragraph IV.A hereof. In exercising such recourse rights, the Servicer is hereby authorized on the Trustee's behalf to reassign the Receivable and to deliver the certificate of

title to the Financed Vehicle to the person against whom recourse exists at the price set forth in the document creating the recourse.

4. The Servicer may not permit any rescission or cancellation of any Receivable nor may it take any action with respect to any Receivable or Insurance Policy which would materially impair the rights or interest of the Trust or the Certificateholders therein or in the proceeds thereof.

5. Except as otherwise provided in paragraph I.A.3 of Schedule A hereto, neither the Backup Servicer nor the Servicer may increase or reduce the amount of any Scheduled Payments, change any Receivable, APR, extend the maturity date of or rework any Receivable, modify or change any Obligor with respect to any Receivable or modify any other material term of a Receivable.

N. PAYMENT IN FULL ON RECEIVABLE

Upon payment in full on any Receivable, the Servicer shall notify the Custodian pursuant to Section 3.03 of the Pooling and Servicing Agreement, prior to the next succeeding Distribution Date, by a certificate of a Servicing Officer substantially in the form of Schedule C hereto and request for release of the related Custodian File (which certificate shall include a statement to the effect that all amounts received in connection with such payment in full which are required to be deposited in the Collection Account or the Lock-Box Account pursuant to Section 5.02 of the Pooling and Servicing Agreement have been so deposited). Upon receipt of such request, the Custodian shall promptly release or cause to be released such Receivable and the related Custodian File by executing a release and assignment in the form of Schedule D hereto, which shall be without recourse to the Trustee. The Custodian shall be authorized, upon receipt of a request for release from the Servicer in the form of Schedule C hereto, to execute an instrument in satisfaction of such Receivable and to take such other actions and execute such other documents as the Servicer deems necessary to discharge the Obligor thereunder and eliminate the security interest in the Financed Vehicle related thereto. Upon request of a Servicing Officer, the Trustee shall perform such other acts as reasonably requested by the Servicer and otherwise cooperate with the Servicer in enforcement of the Certificateholders' rights and remedies with respect to the Receivables.

O. SUBSTITUTION OF COLLATERAL

In the event a Financed Vehicle sustains significant physical damage such that the insurance company carrying the physical damage insurance covering such Financed Vehicle determines that the Financed Vehicle is not repairable, the

Servicer, the Trustee or the Seller may permit the Obligor to pledge a vehicle of equal or greater market value than that of the Financed Vehicle immediately prior to sustaining the physical damage, provided, that any such substitution shall not be made if to do so would void coverage of the related Receivable under the VSI Insurance Policy or the Risk Default Insurance Policy, and provided further that the value of Financed Vehicles (prior to sustaining the physical damage) for which substitutions may be made shall not exceed in the aggregate ten percent (10%) of the Original Pool Balance. The second vehicle shall be substituted as the collateral ("Substituted Financed Vehicle") for the Receivable and the terms of the Receivable shall not be amended or modified except to reflect the substituted collateral. The Servicer shall, within 90 days of the purchase of the Substituted Financed Vehicle, cause the certificate of title for the Substituted Financed Vehicle to be delivered to the Trustee as Custodian pursuant to Section 3.03 of the Pooling and Servicing Agreement; provided, however, that if the certificate of title is not delivered to the Trustee within such 90-day period, the Seller shall be deemed to be in breach of its representations and warranties in the Pooling and Servicing Agreement. In accordance with Section 3.03 of the Pooling and Servicing Agreement, the Servicer shall make appropriate notation in its records of the substitution of the collateral.

P. FIDELITY BOND AND ERRORS AND OMISSIONS INSURANCE

The Servicer shall maintain, at its own expense, (i) an errors and omissions insurance policy and (ii) a blanket fidelity bond (but only to the extent ALFI or any other subservicer appointed by the Servicer to perform the collection activities and related services specified to be performed by ALFI in paragraph III. B. 10 hereof does not maintain a blanket fidelity bond with respect to such servicing functions to be performed hereunder; provided if the Servicer does participate in performing any such functions, it shall maintain a blanket fidelity bond), in each case with broad coverage with responsible companies on all officers, employees or other persons acting on behalf of the Servicer in any capacity with regard to the Receivables to handle funds, money, documents and papers relating to the Receivables. Any such fidelity bond and errors and omissions insurance shall protect and insure the Servicer against losses, including forgery, theft, embezzlement, fraud, 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 institutional motor vehicle installment sales contract servicers. No provision of this paragraph IV.P. requiring such fidelity bond and errors and omissions insurance shall diminish or relieve the Servicer from its duties and obligations as set forth in this Agreement. The Servicer shall be deemed to have complied with this provision if one of its

respective Affiliates has such fidelity bond and errors and omissions policy coverage and, by the terms of such fidelity bond and errors and omission policy, the coverage afforded thereunder extends to the Servicer. The Servicer shall cause each and every subservicer for it to maintain a policy of insurance covering errors and omissions and a fidelity bond which would meet such requirements. Upon request of the Trustee, the Servicer shall cause to be delivered to the Trustee a certification evidencing coverage under such fidelity bond and insurance policy. Any such fidelity bond or insurance policy shall not be cancelled or modified in a materially adverse manner without ten days' prior written notice to the Trustee, each Rating Agency and the Certificateholders.

V. REPRESENTATIONS AND WARRANTIES

A. REPRESENTATIONS AND WARRANTIES OF SERVICER

1. Servicer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has full corporate power and authority to enter into this Agreement and to carry out the provisions of this Agreement.

2. This Agreement and all other instruments or documents to be delivered hereunder or pursuant hereto, and the transactions contemplated hereby, have been duly authorized by all necessary corporate proceedings of Servicer; this Agreement has been duly and validly executed and delivered by Servicer; and, assuming due authorization, execution and delivery by Backup Servicer and the Trustee, this Agreement is a valid and legally binding agreement of Servicer enforceable in accordance with its terms.

3. The execution and delivery of this Agreement by Servicer hereunder and the compliance by Servicer with all provisions of this Agreement do not conflict with or violate any applicable law, regulation or order and do not conflict with or result in a breach of or default under any of the terms or provisions of any contract or agreement to which Servicer is subject or by which it or its property is bound, nor does such execution, delivery or compliance violate the certificate of incorporation or bylaws of Servicer.

4. During the term of this Agreement, Servicer will maintain fire and theft, general liability, business interruption and employee fidelity insurance coverage in such amounts and upon such terms as shall be customary given the nature and extent of Servicer's business activities.

5. The Servicer is not in violation of, and the execution, delivery and performance of this Servicing Agreement by the Servicer will not constitute a violation with respect to, any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which violation might have consequences that would materially and adversely affect the condition (financial or other) or operations of the Servicer or its properties or might have consequences that would affect the performance of its duties hereunder;

6. No proceeding of any kind, including but not limited to litigation, arbitration, judicial or administrative, is contemplated by or, to the Servicer's knowledge, pending or threatened against the Servicer which would under any circumstance have a material adverse effect on the execution, delivery, performance or enforceability of this Servicing Agreement;

7. To the best of Servicer's knowledge all electronic data provided by the Servicer will be at the time of delivery thereof true and correct;

8. No information, certificate of an officer, statement furnished in writing or report delivered to the Backup Servicer by the Servicer will, to the knowledge of the Servicer, contain any untrue statement of a material fact or omit a material fact necessary to make the information, certificate, statement or report not misleading; and

9. The Servicer is an Eligible Servicer as of the Closing Date and shall remain an Eligible Servicer throughout the term of this Servicing Agreement.

B. REPRESENTATIONS AND WARRANTIES OF BACKUP SERVICER

1. Backup Servicer is a national banking association in good standing under the laws of the United States, and has full corporate power and authority to enter into this Agreement and to carry out the provisions of this Agreement. Backup Servicer has all licenses, approvals and consents to conduct its business as contemplated by this Agreement, except to the extent that the failure to possess such licenses, approvals and consents does not have a material adverse effect on the ability of the Backup Servicer to perform its duties under this Agreement.

2. This Agreement and all other instruments or documents to be delivered hereunder or pursuant hereto, and the transactions contemplated hereby, have been duly authorized by all necessary corporate proceedings of Backup Servicer; this Agreement has been duly and validly executed and delivered by

Backup Servicer; and, assuming due authorization, execution and delivery by Servicer, this Agreement is a valid and legally binding agreement of Backup Servicer enforceable in accordance with its terms.

3. The execution and delivery of this Agreement by Backup Servicer hereunder and the compliance by Backup Servicer with all provisions of this Agreement do not conflict with or violate any applicable law, regulation or order and do not conflict with or result in a breach of or default under any of the terms or provisions of any contract or agreement to which Backup Servicer is subject or by which it or its property is bound, nor does such execution, delivery or compliance violate the Certificate of Incorporation or Bylaws of Backup Servicer.

C. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations and warranties set forth in this paragraph V are made as of the date of this Servicing Agreement and shall survive the date of this Servicing Agreement. Upon discovery by the Backup Servicer, the Trustee or the Servicer of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other parties.

VI. EVENTS OF SERVICING DEFAULT

If any one of the following events ("Events of Servicing Default") shall occur and be continuing:

- (i) Any failure by the Servicer to deliver to the Trustee any proceeds or payment required to be so delivered under the terms of this Servicing Agreement that shall continue unremedied for a period of two (2) Business Days after the earlier to occur of (a) the date on which written notice of such failure shall have been received by the Servicer or (b) a Servicing Officer shall have actual knowledge thereof or, with reasonable diligence, should have had knowledge thereof; or
- (ii) Failure on the part of the Servicer to observe or to perform in any material respect any other covenants or agreements set forth in this Servicing Agreement which continue unremedied for a period of thirty (30) days after the earlier to occur of (a) the date on which written notice of such failure

shall have been received by the Servicer or
(b) a Servicing Officer shall have actual
knowledge thereof or, with reasonable
diligence, should have had knowledge
thereof; or

- (iii) The entry of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver, trustee, or liquidator for the Servicer in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings, or for the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of thirty (30) consecutive days; or
- (iv) The consent by the Servicer to the appointment of a trustee, conservator, receiver, or liquidator in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of or relating to the Servicer and involving substantially all of its property; or
- (v) The Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition of any applicable bankruptcy, insolvency, or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations; or
- (vi) The failure by the Servicer to provide true and correct electronic data, in violation of representations and warranties made by the Servicer in paragraph V.A. hereof, which violation shall be material and shall continue unremedied for a period of 30 days after the date on which written notice of such failure requiring the same to be remedied, shall have been sent (1) to the Servicer by the Trustee, or (2) to the Servicer and to the Trustee by the Holders of Certificates evidencing not less than 20% of the Voting Interests thereof; or
- (vii) The assignment by the Servicer to a delegate

of its duties or rights hereunder, except as specifically permitted hereunder, or any attempt to make such an assignment; or

- (viii) The failure to provide the Trustee at least thirty (30) days prior written notice of a merger or consolidation involving the Servicer or assumption of obligations of the Servicer, or the failure to receive the approval by each Rating Agency (such approval not to be unreasonably withheld) of such merger or consolidation involving the Servicer or assumption of obligations of the Servicer pursuant to paragraph XXIII of this Servicing Agreement; or
- (ix) Any fraud, gross negligence or willful misconduct on the part of the Servicer with respect to the Receivables or its duties hereunder.

Then, and in each and every case and so long as an Event of Servicing Default described above shall not have been remedied in the period, if any, provided for in the applicable subsection, the Trustee may, and upon the direction of the Majority Certificateholders or, in the case of an Event of Servicing Default described in subsections (iii), (iv) or (v) above, at the direction of the Risk Default Insurer, the Trustee shall terminate all of the rights and obligations of the Servicer under this Servicing Agreement.

On or after the receipt by the Servicer of such written notice, all authority and power of the Servicer under this Servicing Agreement, with respect to the Receivables or otherwise, shall pass to and be vested in the Backup Servicer or in any successor Servicer to be appointed by the Trustee at the direction of the Majority Certificateholders or at the direction of the Risk Default Insurer, provided that the direction of the Risk Default Insurer shall be subject to the consent of the Majority Certificateholders and each Rating Agency. The Backup Servicer is hereby 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 or accomplish all other acts with things necessary to effect the purposes of such notice of termination, whether to complete the transfer and endorsement of the Receivable files, or otherwise. Anything to the contrary herein notwithstanding, the Backup Servicer may appoint agents to perform its duties as successor Servicer hereunder.

The Servicer shall cooperate with the Backup Servicer in effecting the termination of the responsibilities and

rights of the Servicer under this Servicing Agreement, including the transfer to the Backup Servicer or any successor Servicer for administration by it of all cash amounts that shall at the time be held by the Servicer or shall have been deposited by the Servicer in any account or that shall thereafter be received by the Servicer with respect to a Receivable.

The Backup Servicer or the successor Servicer appointed by the Trustee (including by reason of an Event of Servicing Default under this Section or resignation pursuant to Section XXII) shall be successor in all respects to the Servicer in its capacity as Servicer and custodian under this Servicing Agreement; provided, however that the Backup Servicer or successor Servicer shall not be liable for any acts, omissions or obligations of the Servicer that arose prior to such succession or for any breach by the outgoing Servicer of any of its representations and warranties contained in this Servicing Agreement or in any related document or agreement, and the outgoing Servicer shall not be relieved of any liability or obligations hereunder to the extent such obligation or liability arose prior to such succession. The Servicer shall be entitled to receive all Servicing Fees and recovery of all costs up to the date of the transfer to the successor Servicer of all functions referenced under this Servicing Agreement.

VII. REMEDIES

In addition to the right to terminate contained in Section VI, the Servicer agrees that upon the happening of any Event of Servicing Default (as defined herein), the Backup Servicer or the successor Servicer may avail itself of any other relief to which the Backup Servicer or the successor Servicer may be legally or equitably entitled, subject only to the provision of Section XIII of this Servicing Agreement.

VIII. RESPONSIBILITY AND AUTHORITY OF SERVICER

Subject to the limitations set forth herein or in the Pooling and Servicing Agreement, the Servicer shall have the full power and authority, acting alone and without the consent of the Trustee or the Backup Servicer, to do any and all things in connection with such servicing and administration that it may deem reasonably necessary or desirable, to collect the Receivables, to disburse the proceeds and to protect the interests of the Trustee and the Certificateholders in the Receivables.

IX. COLLECTIONS; LOCK-BOX ACCOUNT AND RELATED BANK ACCOUNTS

Any amounts received by the Servicer, including all

payments by or on behalf of the Obligors (other than Purchased Receivables), all Liquidation Proceeds, Insurance Proceeds and other Recoveries, all as collected during the Collection Period in respect of a Receivable being serviced by the Servicer, shall be remitted to the Lock-Box Account as soon as practicable, but in no event later than the close of business on the Business Day after receipt thereof by the Servicer.

The Servicer shall maintain the Lock-Box Account and shall collect and hold in trust (for the benefit of the Trust) in such account all funds received on account of the Obligors until such funds are transferred to the Trustee or in accordance with its instructions. On a daily basis the posted balance (in excess of \$2,000) related to the Receivables in the Lock-Box Account shall be transferred by wire transfer to the Trustee.

Such funds shall not be commingled with the funds of any other person; provided that there may be deposited in the Lock-Box Account moneys collected on other motor vehicle installment sales contracts originated by Aegis Finance and its affiliates. The Servicer shall be responsible for all charges with respect to the Lock-Box Account and, insofar as such charges relate to the Receivables, shall be reimbursed in accordance with the instructions set forth in the Monthly Servicer Certificate. The Servicer shall provide written notice to the Trustee of the location and account number of the Lock-Box Accounts promptly after establishing or changing the same.

Wells Fargo Bank, N.A. will serve as the initial Lock-Box Account Depository with respect to the Receivables. The Servicer shall provide thirty (30) days' prior notice to the Trustee of its appointment of a successor Lock-Box Account Depository, which such successor Lock-Box Account Depository shall be an Eligible Institution.

The Servicer shall deposit into the Lock-Box Account all amounts (including late payments) remitted by Obligors to the Servicer under the terms of the Receivables within one (1) Business Day after receipt thereof. The Servicer shall provide the Lock-Box Account Depository with a report providing instructions related to distributions of funds from the Lock-Box Account to the Collection Account.

The Servicer shall deposit in the Collection Account the aggregate Purchase Amount with respect to Purchased Receivables. All such deposits shall be made in Automated Clearinghouse Corporation next-day funds or immediately available funds, on the Business Day following receipt thereof.

X. DOCUMENTS AND RECORDS

A. SERVICING DOCUMENTS AND RECORDS

1. All documents with respect to an Obligor account and delivered to Servicer hereunder will be held in trust and kept safely by Servicer as delivered.
2. The Servicer shall hold in trust and keep safely for the benefit of the Trust the computer records relating to the Obligor accounts and the proceeds thereof.
3. The Servicer will furnish copies of any audit reports prepared for the Servicer (either internal or otherwise) with respect to the Receivables to the Trustee promptly upon the receipt thereof by Servicer.
4. All data, documents and information held by the Servicer on behalf of the Trust shall be held in confidence and not used or disclosed for any purpose other than as contemplated by this Servicing Agreement or as required by law or as may be necessary to enforce their respective rights under this Servicing Agreement.

B. REPORTS AND CREDIT AGENCIES

1. In addition to its normal reporting, the Servicer shall also furnish Backup Servicer upon request with such reports as are required by this Servicing Agreement and such additional information underlying the data in the aforesaid reports as may be reasonably pertinent to Backup Servicer's needs and that can be generated by the Servicer's existing data processing system without undue effort or expense. The reports required by this Servicing Agreement shall be substantially in the form of Schedule B hereto.
2. Backup Servicer and Trustee understand that all transactions with respect to an Obligor account will be reported by Servicer to one or more Credit Agencies in the name of the Seller or its applicable affiliate as required by contract and by law. Servicer will comply with all Credit Agency agreements.

XI. INDEMNIFICATION

The Servicer agrees to indemnify the Backup Servicer and the Trustee and hold the Backup Servicer and the Trustee, their respective officers, employees and agents harmless against any and all claims, losses, penalties, fines, forfeitures, legal fees and related costs, judgments, and any other costs, fees and expenses that the Backup Servicer or the Trustee, as the case may be, may sustain in any way related to failure of the Servicer to perform its duties and service the Receivables in compliance

with the terms of this Servicing Agreement. The Servicer shall immediately notify the Backup Servicer and the Trustee if a claim is made by a third party with respect to this Servicing Agreement or the Receivables, assume (with the consent of the Backup Servicer and the Trustee) the defense of any such claim and pay all expenses in connection therewith, including counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against it or the Backup Servicer or the Trustee in respect of such claim. This right to indemnification shall survive the termination of this Servicing Agreement.

XII. TERM AND TERMINATION

1. The Servicer agrees to service all Receivables for their full term and until their expiration or earlier termination.

2. In the event the Trustee, on behalf of the Trust, transfers any Receivable(s), the transferee shall have the option to terminate the servicing of the respective Obligor account(s) by providing thirty (30) days written notice to Servicer.

3. The holder of the Residual Interest may at any time replace the Servicer with a substitute Eligible Servicer upon the delivery of written notice of such substitution stating the name and address of such substitute Servicer to the Master Trustee, the Trustee, each Rating Agency and the predecessor Servicer at least 90 days prior to the change in Servicer, provided (1) the holder of the Residual Interest delivers to the Trustee in connection with such substitution evidence of the consent of at least the Majority Certificateholders to the change and (2) provided further that such substitute Servicer shall have executed an agreement of assumption, acceptable to the Trustee and each Rating Agency, under which it assumes every obligation and duty of the Servicer under this Servicing Agreement. Upon the occurrence of the foregoing, such substitute Servicer shall be deemed the Servicer for all purposes under this Servicing Agreement.

Should the transferee or holder of the Residual Interest elect to terminate the servicing as indicated above, the Servicer shall be entitled to a five (\$5.00) dollars per Receivable transfer fee, such fee to be paid by the transferee or holder of the Residual Interest on the date of transfer.

XIII. ARBITRATION AND ATTORNEYS' FEES

1. It is understood that this Servicing Agreement is made in good faith and should there arise, from any unforeseen cause, a difference of opinion or of interpretation of this Servicing Agreement which cannot be settled amicably

between the Trustee, the Backup Servicer and the Servicer, such difference or interpretations shall be submitted to a decision of a board of arbitration.

2. The aforementioned board of arbitration shall be composed of two (2) arbitrators and an umpire meeting in the State of Minnesota, unless otherwise agreed to by the Trustee, the Backup Servicer and the Servicer.

3. The members of the board of arbitration shall be active or retired disinterested officials of insurance companies or financial institutions. Each party shall appoint its arbitrator, and the two arbitrators shall choose an umpire before instituting the hearing. If the respondent fails to appoint its arbitrator within thirty (30) days after being requested to do so by the claimant, the latter shall also appoint the second arbitrator.

If the two arbitrators fail to agree upon the appointment of an umpire within two (2) weeks after their nominations, each of them shall name three (3), of whom the other shall decline two (2) and the decision shall be made by drawing lots. The claimant shall submit its initial brief within twenty (20) days from appointment of the umpire. The respondent shall submit its brief within twenty (20) days thereafter, and the claimant may submit a reply brief within ten (10) days after filing of the respondent's brief.

4. The board shall make an award with regard to the custom and usage of the business contemplated by this Servicing Agreement. The board shall issue its award in writing based upon a hearing at which evidence may be introduced without following strict rules of evidence but in which cross-examination and rebuttal shall be allowed.

The board shall make its award within thirty (30) days following the termination of the hearing unless the parties consent to an extension. A decision by the majority of the members of the board shall become the award of the board and shall be final and binding upon all parties to the proceeding. Either party may apply to the United States District Court, sitting in the State of Minnesota, for an order confirming the award. If such an order is issued, the attorneys' fees of the party so applying and the court cost will be paid by the party against whom confirmation is sought.

5. Each party shall bear the expense of its arbitrator and shall jointly and equally bear with the other party the expense of the umpire. The remaining costs of the arbitration proceeding (including attorneys' fees of the parties) shall be allocated by the board in its award. Notwithstanding any other provision hereof, any expenses (including attorney's fees) incurred

by the Trustee or the Backup Servicer shall be reimbursed from the Trust.

XIV. WAIVERS

No failure or delay on the part of the Servicer, the Trustee or the Backup Servicer in exercising any power, right or remedy under this Servicing Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy, preclude any other or further exercise thereof or the exercise of any other power, right or remedy, except by a written instrument signed by the party to be charged or as otherwise expressly provided herein.

XV. NOTICES

Except as otherwise provided herein, all notices, requests, consents, demands and other communications given hereunder shall be in writing. All notices of whatever kind shall be either personally delivered or sent by telecopy or other form of rapid transmission and confirmed by United States mail, properly addressed and with full postage prepaid, addressed as follows:

To Servicer: Aegis Auto Finance,
Inc.
525 Washington
Boulevard
Jersey City, NJ
07310
Attn: Joseph F.
Battiato, President
Telecopy No. (201)
418-7339

To Backup Servicer: Norwest Bank
Minnesota,
National Association
Corporate Trust
Services
Asset Backed
Administration
Sixth Street and
Marquette Ave.
Minneapolis, MN
55479-0070
Telecopy No. (612)
667-3539

To Trustee: Norwest Bank
Minnesota,
National Association

Corporate Trust
Services
Asset Backed
Administration
Sixth Street and

Marquette Ave.

Minneapolis, MN

55479-0070

Telecopy No. (612)

667-3539

or to such other address as such party shall have specified in writing in the manner set forth above. All notices to the Certificateholders shall be sent in the manner specified in the Pooling and Servicing Agreement.

XVI. ASSIGNABILITY

No party may assign any of its rights or obligations hereunder without the prior written consent of the other parties. Nothing in this Servicing Agreement is intended to confer, expressly or by implication, upon any Person other than the Trustee, the Backup Servicer and the Servicer any rights or remedies under or by reason of this Servicing Agreement.

XVII. FURTHER ASSURANCES

Each party agrees, if reasonably requested by another party, to execute and deliver such additional documents or instruments and take such further actions as may be reasonably necessary to effect the transactions contemplated by this Agreement.

XVIII. COUNTERPARTS

This Servicing Agreement may be executed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute but one and the same document.

XIX. ENTIRE AGREEMENT; AMENDMENTS

This Servicing Agreement, including the Schedules attached hereto and the documents referred to herein, contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes all prior understandings, negotiations, commitments and writings with respect thereto. This Servicing Agreement may not be modified, changed or supplemented except upon the express written consent of each of the parties hereto. The Trustee shall not agree to any

amendment of this Servicing Agreement without the prior written consent of the Majority Certificateholders. In the event of any conflict between this Servicing Agreement and a Schedule hereto, the Schedule shall govern.

XX. INSPECTION

Any party hereto or its designated agents, and any Certificateholder, may, during ordinary business hours and after reasonable notice, inspect, audit, check and make abstracts from any party's books, accounts, records and other papers directly pertaining to the subject matter of this Servicing Agreement or the Schedules hereto. All costs and expenses of such activities shall be borne by the inspecting party. Each party shall use reasonable efforts to facilitate any such inspection.

XXI. LIMIT ON TRUSTEE'S PAYMENT
OBLIGATIONS

Neither the Trustee, nor Norwest Bank Minnesota, National Association, nor any of its affiliates, shall have any obligation to make any payment to the Servicer in respect of any payment obligation of the Trustee to the Servicer under this Servicing Agreement, any Schedules, riders or amendments hereto otherwise than from funds held by the Trustee pursuant to the Pooling and Servicing Agreement. The Servicer hereby specifically consents to the same and agrees that under no circumstances will it offset or otherwise withhold amounts owing to it from remittances made by it to the Trustee pursuant to this Servicing Agreement, or any Schedules hereto or any riders or amendments hereto.

XXII. SERVICER NOT TO RESIGN

1. The Servicer shall not resign from the obligations and duties imposed on it as Servicer under this Servicing Agreement except (i) in the event that the performance of its duties under this Servicing Agreement shall no longer be permissible under applicable law or it shall no longer be an Eligible Servicer or (ii) if the Backup Servicer has taken over the duties of the Servicer in accordance with the terms hereof or upon the appointment of a successor or substitute Servicer (other than the Backup Servicer) to take over the duties and obligations of the Servicer hereunder. Notice of any such determination permitting the resignation of the Servicer shall be communicated in writing to the Trustee, the Backup Servicer and each Rating Agency at the earliest practicable time and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Trustee concurrently with or promptly after such notice. No such resignation shall become effective until an Eligible Servicer shall have assumed the responsibilities and obligations of the Servicer;

provided, however, in the event that the Backup Servicer is unable to act as Servicer hereunder and a successor Eligible Servicer has not been appointed within thirty (30) days, the Trustee may petition a court of competent jurisdiction for the appointment of a successor Eligible Servicer acceptable to the Majority Certificateholders.

2. Upon the Servicer's receipt of notice of termination pursuant to paragraph VI. or upon the Servicer's resignation pursuant to this paragraph, the Backup Servicer shall perform as Servicer until such time, if ever, as a successor Servicer who is an Eligible Servicer reasonably acceptable to each Rating Agency and the Majority Certificateholders shall have been appointed by the Trustee and shall have assumed the duties and responsibilities of the Servicer.

3. Upon appointment, the successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter relating thereto placed on the predecessor Servicer, and shall be entitled to the applicable portion of the Servicing Fee and all of the rights granted to the predecessor Servicer, by the terms and provisions of the Pooling and Servicing Agreement.

XXIII.

MERGER OR CONSOLIDATION OF, OR ASSUMPTION OF
THE
OBLIGATIONS OF, OR RESIGNATION OF
SERVICER.

Any Person (a) into which the Servicer may be merged or consolidated, (b) which may result from any merger or consolidation to which the Servicer shall be a party, (c) which may succeed to the properties and assets of the Servicer substantially as a whole, or (d) which may succeed to the duties and obligations of the Servicer under this Servicing Agreement which Person executes an agreement of assumption to perform every obligation of the Servicer hereunder, shall be the successor to the Servicer under this Servicing Agreement without further act on the part of any of the parties to this Servicing Agreement; provided, however, prior to any merger or consolidation of, or assumption of the obligations of, the Servicer, each Rating Agency shall have delivered to the Servicer, the Backup Servicer, the Trustee and each Certificateholder a statement that such transaction shall not have an adverse effect on the ratings assigned to the Rated Certificates; further provided, however, that (i) immediately after giving effect to such transaction, no Event of Servicing Default (as defined in paragraph VI.), and no event which, after notice or lapse of time, or both, would become an Event of Servicing Default shall have happened and be continuing, (ii) the Servicer

shall have delivered to the Trustee an Officer's Certificate stating that such consolidation, merger or succession and such agreement of assumption comply with this paragraph XXIII. and that all conditions precedent provided for in this Servicing Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have delivered to the Trustee an Opinion of Counsel either (A) stating that, in the opinion of such counsel, all financing statements, continuation statements and amendments and notations on certificates of title thereto have been executed and filed that are necessary fully to preserve and protect the interest of the Trustee in the Receivables and the Financed Vehicles, and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest. Without receipt by the Trustee of written notice from the Servicer of such merger, consolidation or succession at least thirty days prior to such action by the Servicer and approval by each Rating Agency and the Majority Certificateholders, which approval shall not be unreasonably withheld, such merger, consolidation or succession shall constitute an Event of Servicing Default with respect to the Servicer.

XXIV. GOVERNING LAW.

This Servicing Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard or reference to principles of conflicts of laws of such State.

IN WITNESS WHEREOF, the parties hereto have caused this Servicing Agreement to be executed as of the date first written above.

SERVICER:
AEGIS AUTO
FINANCE,
INC.

By:

Battiato Joseph F.
President

[Signatures continue on following page]

BACKUP
SERVICER:
NORWEST
BANK
MINNESOTA
, NATIONAL
ASSOCIATIO
N, in its
capacity as
Backup
Servicer under
the Pooling
and Servicing
Agreement

By:

Name:

Stephen Seitz

Title:

Corporate Trust Officer

BANK MINNESOTA,
ASSOCIATION, in its
Trustee under the
Servicing Agreement

TRUSTEE:
NORWEST

NATIONAL

capacity as

Pooling and

By:

Stephen Seitz

Corporate Trust Officer

Name:

Title:

[Counterpart signature page to Servicing Agreement]

ACKNOWLEDGEMENT AND AGREEMENT OF SELLER

The undersigned hereby acknowledges this Servicing Agreement and agrees, in its capacity as Seller, to be bound by the applicable provisions hereof.

AEGIS AUTO FUNDING CORP.,

In its capacity as Seller under the
Pooling and Servicing Agreement

By:

Brendan Meyer
Vice President

SCHEDULE A - SUMMARY OF SERVICES

I. SERVICES

A. CONTRACT SERVICES - COLLECTIONS

1. Prior to the execution of this Agreement Servicer has established a Lock-Box Account at Wells Fargo Bank, N.A.
2. Servicer shall be responsible for the mailing of payment coupon books or monthly statements. Payment books shall contain coupons in sufficient quantity to allow Obligor to enclose a coupon with each scheduled payment per the terms of the related contract. Each payment coupon book may contain up to 36 coupons.

For those Obligor accounts whose contract term exceeds 36 months a new coupon book for the remaining term will be sent in the 35th month.

3. Servicer shall process Obligor accounts for which the Obligor fails to make a payment on the applicable payment due date (a "Delinquency") on the following basis:
 - a. Commencing on the first business day on which an Obligor is delinquent by more than ten (10) days, Servicer shall, at the Servicer's discretion, either (1) phone the Obligor, (2) if no contact is made after phoning, the Servicer may send a letter to the Obligor asking the Obligor to immediately contact the Servicer, or (3) order a field call by an outside agency to the Obligor.
 - b. Servicer may request the Seller's authorization to repossess an Obligor's vehicle at any time after an

Obligor is delinquent and Servicer has satisfactory reason to believe that Obligor will not pay. However, such authorization will be deemed given if Servicer cannot obtain timely authorization, provided Servicer has determined that any delay would impede the Servicer's ability to service the Obligor's vehicle. Servicer shall create and maintain a report of any Obligor's vehicle it repossesses and all events leading to such action.

- c. If an Obligor requests a change to his normal monthly due date (a "Due Date Change") and if the Obligor has defaulted on his obligations under a Receivable or if the Servicer reasonably believes such default is imminent, Servicer may grant such Due Date Change to the extent the Servicer deems in the best interest of the Certificateholders; however, no Due Date Change shall be granted beyond the currently due month.
- d. Except as otherwise provided in this agreement, if an Obligor has been delinquent for more than thirty-five (35) days, Servicer shall request Seller's authorization to repossess pursuant to Section IA3.b. of this Schedule A.
- e. If an Obligor requests an extension of the currently required monthly payment to extend the end of the loan term (a "Loan Extension") and if the Obligor has defaulted on his obligations under a Receivable or if the Servicer reasonably believes such default is imminent, Servicer may to the extent the Servicer deems in the best interest of the Certificateholders grant such Loan Extension once each year.

Servicer shall grant a Loan Extension only to those Obligors who have made at least six (6)

regularly scheduled payments; and in no case shall the number of Loan Extensions per loan exceed the number of years in the loan term. In no event may any modification cause the final payment date to extend beyond the Final Scheduled Distribution Date for the Receivables.

B. CONTRACT SERVICES - CUSTOMER SERVICE

1. If Servicer receives written or oral notice from an Obligor of such Obligor's refusal to make payments on the Obligor's account, Servicer shall enter such notice into its computer records.
2. The Seller shall have the responsibility to apply for title to the motor vehicle covered by the contract. Servicer shall send, or cause to be sent, to Trustee all titles to such motor vehicles. With respect to titles received, Servicer shall verify that Aegis Finance is noted as lien holder.
3. Servicer shall notify Originator and/or Custodian of any discrepancies with respect to the lien holder indicated on received titles. Servicer shall further notify Originator and/or Custodian of missing titles. Originator shall be responsible for correcting title discrepancies and obtaining missing titles.
4. Servicer shall not release any title to a vehicle except upon the full payment of the remaining obligor principal balance by the Obligor or others, or the repossession and sale of the related vehicle, or the release of the title to Originator for the correcting of title problems, or as required by law, or as directed by Custodian. Custodian will release title to Servicer on a timely basis, pursuant to Section 3.04(c) of the Pooling and Servicing Agreement.
5. Servicer shall perform the following insurance tracking functions with respect to a contract until the earlier of the repossession and sale of the vehicle or the

remaining obligor principal balance is paid in full by the Obligor or others:

- a. Seller shall provide initial physical damage insurance information at the time of portfolio boarding.
 - b. Servicer shall notify Seller and/or Custodian if Servicer has not received a copy of a physical damage insurance policy for an Obligor's vehicle within twenty (20) days of the receipt of a Notice of Cancellation/Non-Renewal.
 - c. Servicer shall produce a monthly Insurance Expiration report showing those Obligor accounts for whom a Notice of Cancellation/Non-Renewal has been received or the expiration date for an Obligor's insurance policy in Servicer's computer records has elapsed.
 - d. Servicer shall not be liable for any loss or liability resulting from the lack of insurance coverage on any Obligor vehicles if it has complied with the foregoing.
6. Servicer shall negotiate and settle any claims relating to physical damage to a vehicle and endorse any insurance company drafts for such claim subject to the following conditions:
- a. Servicer shall endorse a draft for payment of a claim to body shop or other auto repair service.
 - b. If the Obligor's account is more than thirty (30) days delinquent, Servicer shall attempt to collect all currently due amounts. If unable to make such collection, Servicer shall request Seller's authorization to repossess vehicle from the repair facility pursuant to Section I-A-3.b. of this Schedule A. To effect such repossession, Servicer may negotiate for the release of the vehicle from

the repair facility in exchange for the endorsed draft in the amount of the repairs and an agreement to hold the repair facility harmless for the release of the vehicle.

7. Servicer shall calculate early payoffs of remaining obligor principal balance per the terms of the related sales contract. Seller authorization is required for any payoff amount other than the full calculated amount. Notwithstanding any condition in this Agreement, Servicer, however, shall have the right (in the event of early payoff) to waive any remaining obligor principal balance of twenty-five dollars (\$25.00) or less.
8. Upon receipt by Servicer of the full payment of the remaining Obligor principal balance by the Obligor, the Custodian shall release to the Servicer which in turn shall release and forward to the Obligor the original of the installment sales contract.

II.

A. SPECIAL COLLECTION ACTIVITIES

1. Repossession and Sale

The following terms shall govern the repossession and sale of the vehicle:

- a. Servicer shall order repossession services from licensed, bonded agents.
- b. Within five (5) business days after repossession or sooner if required by law, Servicer shall prepare and mail a Notice of Intent (the "NOI") to the Obligor and send a copy of the NOI once per month together with their monthly reports to the Seller.
- c. Servicer shall cause the repossessed vehicle to be delivered to a location as designated by Seller for the amount of time required by applicable State law for Obligor

redemption (the "Obligor Redemption Period").

- d. After the expiration of the Obligor Redemption Period, Seller may authorize Servicer to arrange for the sale and disposition of the vehicle.

2. Credit Enhancement Claims Filing

Within the provisions of the Fee Schedule set forth in paragraph III of this Schedule, Servicer shall perform the following insurance functions with respect to a Receivable and will comply with all necessary operating and claims filing procedures (which may be modified by the insurance company from time to time and by mutual consent of the Seller and the Servicer) pursuant to each Credit Enhancement:

- a. With respect to the Risk Default Insurance Policy, Servicer shall: (1) file notice of loss within the earlier of (a) 60 days from the date of expiration of the Obligor Redemption Period or (b) 30 days from the date the Financed Vehicle was sold at auction, (2) maintain claim data components, (3) calculate the claim amount and (4) submit to the Insurer all supporting documents for each claim required by the Risk Default Insurance Policy.

- b. With respect to the VSI Insurance Policy, Servicer shall:

(1) if appropriate, prior to liquidation and within ninety (90) days of date of loss, file an initial notice of loss which shall mean the following for purposes of this Section only:

(A) For physical damage, the date of repossession;

(B) For instrument non-filing insurance, the date of

filing of a superior lien;

(C) For a skip, the date of the first delinquency plus 150 days; and

(D) For a repossession, the date the damage occurred.

(2) maintain physical and electronic information, (3) calculate the claim amount, (4) prepare physical and electronic information and complete claim form and (5) in the case of a claim dispute, select an independent appraiser and file an appraisal report within thirty (30) days of initial claim filing rejection.

3. Deficiency

- a. After the repossession and sale of a vehicle, in order to calculate a deficiency, if any, Servicer shall request the cancellation of any financed product related to the vehicle (e.g., credit life, disability insurance, etc.), file for any refunds associated therewith and furnish a cancellation report to Custodian.
- b. After taking into account any cancellation refunds, Servicer shall compute any deficiency resulting from the repossession and sale of a vehicle and notify Obligor of any such deficiency.
- c. At the discretion and instruction of the Seller, Servicer shall commence collection activities on any such established Obligor deficiency accounts.

4. Bankruptcies

If Servicer receives written notice that an Obligor has become subject to bankruptcy proceedings under Federal or State law,

Servicer or its designee (attorney if required) shall provide the following services as necessary:

- a. Servicer shall immediately cease all collection activity and otherwise comply with the Bankruptcy Code and all related laws and regulations.
- b. Servicer shall file a claim with the applicable court.
- c. Servicer shall obtain legal services for the prosecution of the claim when necessary.
- d. Servicer shall monitor the receipts of funds being paid through the applicable bankruptcy plan.
- e. Upon dismissal of an action under bankruptcy, Servicer shall service the Obligor's account pursuant to the standard collection procedures of Section I of this Schedule A.
- f. Should the Obligor account be the subject of a reaffirmation or court ordered modified payment schedule, Servicer shall administer and collect the account in the same fashion as that prior to the bankruptcy proceedings.

5. Disability

If Servicer is notified in writing of an Obligor's disability claim and evidence of the Obligor's disability insurance policy is on file, Servicer shall suspend all collection activity on such Obligor's account until such time as Obligor resumes his normal payment schedule, however:

- a. Servicer shall continue to monitor such Obligor's account until the earlier of the date on which:
 - 1) A claim approval or denial has been received; or

2) The Obligor resumes payment, at which time Servicer will resume collection activity pursuant to Section III of this agreement.

- b. If Obligor's disability claim is denied, Servicer shall resume collection activity pursuant to Section I of this Agreement and the terms and conditions of the related sales contract.
- c. Servicer's collection procedures for a disability account shall comply with the terms stipulated on the related sales contract.

6. Allotments

Servicer shall have been notified at the time of loan boarding if an Obligor will be subject to military allotment processing. If Servicer has not received an allotment verification on a designated allotment account within 60 days of any subsequent allotment establishment and the designated Obligor's account is greater than 45 days delinquent, Servicer shall request Seller's authorization to repossess pursuant to Section I.A.3.b of this Schedule A.

7. Skips

If Servicer determines that Obligor has become a skip, Servicer shall conduct skip-tracing efforts for a period of 30 days. If such skip-tracing efforts prove unsuccessful, Servicer will file (if applicable) the necessary claim forms with Seller's insurance carriers as described in II A(2) of Schedule B of this document.

III. FEE SCHEDULE

Servicer shall be entitled to receive the following fees and costs no later than the Distribution Date immediately following each related Collection Period:

A. GENERAL SERVICING

1. For all Receivables with an outstanding balance greater than zero dollars (\$0.00) as of the first day of the related Collection Period, a monthly serving fee equal to one-twelfth of 1.85% of the outstanding balance or \$10.00, whichever is greater.
2. All extension fees that are received during the related Collection Period.
3. All late charges that are received during the related Collection Period.
4. A charge of \$25.00 per filing of Credit Enhancement claims forms with the designated Insurers during the related Collection Period.

B. EXPENSE REIMBURSEMENT

1. All out-of-pocket expenses incurred by Servicer in the pursuit of its job functions as described in this Schedule (including but not limited to filing fees, investigation fees, repossession fees, transportation and storage fees, legal fees, DMV fees, etc.) shall be reimbursed to the Servicer at Servicer's actual cost. In addition Servicer shall be entitled to an administrative fee equal to 8% of all out-of-pocket expenses. Servicer shall provide the Trustee with documentation for all such out-of-pocket expenses as a condition to payment.
2. All postage costs associated with the mailing of insurance follow-up letters, payment statements, including Notice of Intent and Deficiency Statement, during the related Remittance Period.
3. All expenses relating to establishing, maintaining and transferring funds from the Lock-Box account to the relevant Collection Account maintained by the Trustee. Such expenses shall be reimbursed at actual cost provided the Servicer include copies of related invoices.

C. DEFICIENCY SERVICING

For those Obligor accounts that have been the subject of a short insurance payoff, within the related Collection Period, Servicer shall cause the account to be moved to a "non-performing" loan pool and marked inactive.

All collection activity by Servicer will be suspended until such time as the Seller directs Servicer to resume collection efforts. Upon such reactivation, a one time set-up fee of fifty (\$50.00) dollars will be charged and payable on the next Distribution Date.

For each Collection Period that an Obligor account remains in the above described deficiency condition, a servicing fee will be charged and payable on the related Distribution Date based on the following schedule:

1. \$1.00 per month for months 1-4 that a subject Receivable remains in the nonperforming loan pool.
2. \$0.50 per month for months 5-8 that a Receivable remains in the nonperforming loan pool.
3. \$0.10 per month for each month thereafter that a Receivable remains in the nonperforming loan pool.

SCHEDULE B

SERVICER MONTHLY ACTIVITY REPORT
Aegis Auto Receivables Trust 1996-A
Automobile Receivable Pass-Through Certificates
Series 1996-A

I. COLLECTION ACTIVITY	INTEREST	PRINCIPAL	
	TOTALS		
Beginning of Period Pool Principal Balance			0
Scheduled Payments	0	0	
	0		
Full & Partial Prepayments	0	0	
	0		
Risk Default Insurance Cash Proceeds		0	0
	0		
Receivables Repurchased by Seller			
Recoveries (on Liquidated and Defaulted Receivables)			
Miscellaneous Servicer Collections			

Available Distribution Amount	0	0
	0	

Net Losses		0
------------	--	---

End of Period Pool Balance		0
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II. SERVICING COMPENSATION

Amount

(ATTACH BREAKOUT OF FEES)

Servicer Compensation

III. POOL BALANCE INFORMATION

Original Pool Balance:	Beginning of Period
	End of Period

Pool Balance

Pool Factor

Weighted Average Coupon (WAC)

Weighted Average Remaining Maturity (WAM)

Remaining Number of Contracts

IV. RECEIVABLES REPURCHASED/SUBSTITUTED BY SELLER

Number of Receivables Repurchased

Principal Amount

Number of Additional Receivables Substituted

Principal Amount

V. EXTENSIONS

Number of Extensions granted

Principal Amount

VI. DELINQUENCY INFORMATION*

% of

# of Contracts	Principal Balance	Outstanding Pool Balance
-------------------	----------------------	-----------------------------

30-59 Days Delinquent
60-90 Days Delinquent
90 Days or more Delinquent

*Excluding Liquidated and Defaulted Receivables

VII. REPOSSESSION INFORMATION

Current Period	Inventory
----------------	-----------

Number of Receivables as to which Vehicles have been
Repossessed (and NOI expired)
Principal Balances of Receivables relating to Vehicles
which have been Repossessed (and NOI expired)

VIII. LIQUIDATED AND DEFAULTED RECEIVABLES

Current Period	Cumulative
----------------	------------

Number of Liquidated Receivables*
Principal Balance of Liquidated Receivables**
(Prior to Liquidation)

Number of Defaulted Receivables***
Principal Balance of Defaulted Receivables
Total Principal Balance of Liquidated Defaulted Receivables

*Includes Receivables transferred to Risk Default Insurer for liquidation
**Excludes Receivables previously characterized as Defaulted Receivables
***180 days delinquent

IX. RECOVERIES

Current Period	Cumulative
----------------	------------

Liquidation Proceeds
VSI Physical Damage/Loss Insurance Proceeds
Rebates of Servicer Cancelled Warranty Contracts
Consumer Insurance
Other

Total Recoveries

X. RISK DEFAULT POLICY INSURED RETENTION AMOUNT

Beginning Balance

Add: Quarterly Reserve Loss Deficiency
Less: Approved Claims
Less: Surplus in Quarterly Loss Reserve

Ending Balance

XI. NET LOSSES

	Current Period	Cumulative
Principal Balance of Liquidated and Defaulted Receivables		
Less: Recoveries		
Less: Risk Default Insurance Proceeds		

Net Losses

XII. INSURANCE CLAIMS

	Current Period	Cumulative
Number of Risk Default Insurance Claims		
Amount of Risk Default Insurance Claims		
Retention Amount		
Number of VSI Insurance Claims		
Amount of VSI Physical Damage/Loss Insurance Claims		
Number of Risk Defaulted Insurance Claims Rejected		
Principal Balance of Receivables relating to Risk Default Insurance Claims Rejected		

SERVICER COMPENSATION BREAKDOWN

	Amount
--	--------

Servicing Fees

Collection Expenses Incurred

Claim Filing Fees

Bank Charges

Late fees, extension fees collected

Postage

Total Servicer Compensation

SCHEDULE C

REQUEST FOR RELEASE OF DOCUMENTS

To: Norwest Bank Minneapolis, National Association,
as Custodian
Sixth Street and Marquette Avenue
Minneapolis, MN 55479-0067

Re: Aegis Auto Receivables Trust 1996-A; Servicing
Agreement dated as of September 1, 1996 by and
among Aegis Auto Finance, Inc., Norwest Bank
Minneapolis, National Association, as Trustee, and
Norwest Bank Minneapolis, National Association,
as Backup Servicer.

In connection with the administration of the pool of
Receivables held by you as Custodian for the Trustee, we request the
release and acknowledge receipt of the (Custodian's Receivable
Files/[specify documents]) for the Receivable described below, for the
reason indicated.

Borrower's Name, Address & Zip Code:

Receivable Number: [list here or on attached schedule]

Reason for Requesting Documents (check one or put code on attached
schedule)

- ☐ 1. Receivable Paid in Full (Servicer hereby certifies that all
amounts received in connection therewith have been
credited to the Collection Account as provided in the
Pooling and Servicing Agreement.)
- ☐ 2. Receivable Repurchased Pursuant to Section 3.02 of the
Pooling and Servicing Agreement (Servicer hereby certifies
that any applicable repurchase price has been credited to
the Collection Account as provided in the Pooling and
Servicing Agreement.)
- ☐ 3. Receivable [to be] Liquidated (Servicer hereby certifies that
all proceeds of foreclosure, insurance or other liquidation
[have been finally received and credited] [when received
shall be credited] to the Collection Account pursuant to the
Pooling and Servicing Agreement.)
- ☐ 4. Receivable to be transferred to Risk Default Insurer for
liquidation (servicer hereby certifies that all proceeds of
insurance when received shall be credited to the Collection
Account pursuant to the Pooling and Servicing Agreement).

_____ 5. Receivable in Foreclosure

_____ 6. Other (explain)

If box 1, 2, 3 or 4 above is checked, and if all or part of the Custodian's Receivable File was previously released to us, please deliver to us a copy of our previous request for release on file with you, as well as any additional documents in your possession relating to the above specified Receivable.

If box 5 or 6 above is checked, upon our return of all of the above documents to you as Custodian, please acknowledge your receipt by signing in the space indicated below, and returning this form.

INC. AEGIS AUTO FINANCE,
Servicer

By: _____ Name:
Title:

Date: _____

Documents returned to Custodian:

NORWEST BANK MINNEAPOLIS, NATIONAL ASSOCIATION,
as Custodian

By: _____ Name:
Title:

Date: _____

SCHEDULE D

RELEASE AND ASSIGNMENT
PURSUANT TO SECTION IV.N.

OF THE SERVICING AGREEMENT

Norwest Bank Minnesota, National Association, as custodian (the "Custodian") for the Trustee of the Aegis Auto Receivables Trust Series 1996-A created pursuant to the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") dated as of September 1, 1996 among Aegis Auto Funding Corp. (the "Seller"), Norwest Bank Minnesota, National Association, as master servicer (the "Backup Servicer") and as trustee (the "Trustee"), does hereby transfer, assign and release to the Seller, without recourse, representation or warranty of the Trustee, all of the Trustee's right, title and interest in and to the Receivable and related Custodian File (as defined in the Pooling and Servicing Agreement) identified as paid in full in the attached Servicer's Request For Release of Documents, and all security and documents relating thereto.

IN WITNESS WHEREOF, I have hereunto set my hand this
day of 199 .

Norwest Bank Minnesota,
National Association,
as Custodian

By

[Name]
[Title]

EXHIBIT 10.101
EMPLOYMENT AGREEMENT

EXECUTIVE

EXECUTIVE EMPLOYMENT AGREEMENT made as of the _____ day of _____, 1996, by and between Systems and Services Technologies, Inc., a Delaware corporation, with offices at 525 Washington Blvd., Jersey City, New Jersey 07310 (the "Company"), and Matthew Burns, residing at 12468 Benson, Overland Park, Kansas 66214 (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company is a wholly-owned subsidiary of The Aegis Consumer Funding Group, Inc. ("Aegis");and

WHEREAS, the Company desires to employ the Executive, and the Executive desires to be employed by the Company, upon the terms and subject to the conditions hereinafter set forth.

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

1. Employment. The Company agrees to and does hereby employ the Executive, and the Executive agrees to and does hereby accept employment by the Company, subject to the terms and conditions herein set forth.

2. Term. The term of the Executive's employment hereunder shall commence on the date hereof (the "Effective Date") and, unless sooner terminated as set forth below, shall terminate on July 1, 2001 (such period hereinafter referred to as the "Term"). The Term is subject to extension or reduction in accordance with the provisions of this Agreement.

3. Duties.

(a) During the Term, the Executive shall be employed as Chairman and Chief Executive Officer of the Company and shall be in charge of and responsible for the general and supervisory duties normally and customarily attendant to such office in a business entity of the size and type of the Company as such duties may be reasonably defined by the Board of Directors of the Company (the "Board"). Executive shall also render such other lawful services, and exercise such powers, which are from time to time reasonably requested of him, assigned to him or vested in him by the Board and which are commensurate with his position.

(b) The duties of the Executive may be changed from time to

time by the Board, provided that, except as permitted in accordance with the provisions of Section 7(d) hereof, the Executive shall not be given duties unrelated to, or not generally associated with, the executive level of his position immediately prior to such change.

(c) The Executive will, to the best of the Executives abilities, in good faith and with integrity, devote his full time, attention, energy and skill to the fulfillment of his duties hereunder. The foregoing, notwithstanding, the Executive will be permitted to own, as an inactive investor, securities of a corporation whose equity securities are registered under Section 12b or 12g of the Exchange Act, so long as his beneficial ownership in any one such corporation shall not in the aggregate constitute more than five percent (5%) of any class of equity securities of such corporation.

(d) The Executive will be subject to such policies and procedures as are from time to time established for employees of the Company generally, except to the extent that such policies or procedures are contrary to the terms of this Agreement or are inconsistent with the Executive's position and duties.

(e) It is hereby acknowledged that, subject to Paragraph 9 hereof, the Executive may either presently, or in the future, be involved in charitable or community activities so long as such other activities do not unreasonably interfere with the performance by the Executive of his duties hereunder and do not require more than five percent (5%) of his time during working hours.

(f) Except as herein provided, the Company shall not require the Executive to relocate his residence out of the greater Kansas City area in the performance of his duties; provided, however, that the Company shall not be deemed to have required a relocation of his residence in the event the Company would require the Executive to perform his normal duties outside of the greater Kansas City area for less than six months in any calendar year. In the event the Executive is required to relocate beyond 150 miles from the city limits of Kansas City, Kansas, the base compensation of the Executive as set forth in Section 4(a) hereof shall be increased at the reasonable discretion of the Board to the extent necessary to reflect a material increase in the cost of living related to the relocation. In addition, upon any relocation required by the Company, the Company shall reimburse the Executive for all out of pocket expenses incurred by the executive reasonably related to the relocation including but not limited to such expenses as those related to transportation of personal effects, closing costs for a new residence, brokerage fees with respect to the sale of the existing residence, and reasonable hotel accommodations during that period of time reasonably necessary to locate a new residence. In the event that the Executive should fail to close on the sale of his existing residence within a period of six (6) months following the month in which the Company shall have requested the Executive to relocate, the Company, at

the request of the Executive, shall purchase such residence from the Executive, on or before the last day of the ninth (9) month following the month in which relocation was requested, for the fair market value of such residence. Fair market value" shall be determined as the average between two appraisals, one obtained from a real estate brokerage firm chosen by the Company and one by a firm chosen by the Executive; both real estate firms shall be prominent firms generally recognized in the immediately surrounding geographic area.

4. Compensation.

(a) Base Salary. In consideration for services performed hereunder, the Company shall pay to the Executive an annual salary of \$150,000. during each year of the Term, subject to adjustment as herein provided and in installments payable in accordance with the Company's customary payroll practices. In addition, the Company shall reimburse the Executive for all expenses reasonably incurred by him in connection with the performance of his duties hereunder and the business of the Company upon the submission to the Company of appropriate receipts therefor.

(b) Adjustments. Subsequent to June 30, 1997, the annual salary of the Executive shall be adjusted annually during the Term (for each twelve month period subsequent to June 30, 1997) based upon a comparison of the actual "Net Pre-tax Income" (as hereinafter defined) of the Company for the fiscal year of the Company immediately preceding the applicable year for which the adjustment is to be made to the "Performance Target" (as hereinafter defined) for such` fiscal year. The Performance Target shall mean the anticipated net pre-tax income or loss of the Company applicable for each fiscal year of the Company as set forth on Schedule A hereto. Not later than 90 days following the end of each fiscal year of the Company ending after June 30, 1996, the actual Net Pre-tax Income of the Company for such fiscal year (determined in accordance with generally accepted accounting practices consistently applied ("GAAP") by the accounting firm normally retained by the Company) shall be compared to the Performance Target for such fiscal year. In the event that the actual Net Pre-tax Income exceeds the Performance Target (or in the event any pre-tax loss is less than the pre-tax loss reflected in the Performance Target, (as the case may be) the annual salary of the Executive for the next ensuing fiscal year shall be increased by ten percent (10%) of the Executive's annual base salary for the previous year. Immediately subsequent to the determination of any adjustment of base compensation hereunder, the base compensation shall be adjusted retroactively to the commencement of the fiscal year for which it is applicable.

(c) Bonus. In order to provide performance-based incentive compensation to the Executive, the Company hereby agrees to pay the Executive, in addition to the base salary set forth in Subparagraphs (a) and (b) hereof, a bonus in respect of each fiscal year subsequent to June 30, 1996 during the Executive's employment hereunder (provided, that the Executive was employed at least 6 months during the applicable fiscal

year) calculated in the manner set forth hereinbelow. For purposes hereof, and for each of the first two fiscal years subsequent to June 30, 1996 during the employment of the Executive hereunder, the Executive shall receive a bonus equal to the greater of (i) \$50,000 or (ii) three and one third percent (3.33%) of the Company's Net Pre-Tax Income for each such fiscal year in which the Net Pre Tax Income equals or exceeds (or with respect to losses is less than) the Performance Targets for such periods; for each fiscal year during the Term subsequent to the first two fiscal years ending after June 30, 1996, and provided that the Executive is employed at least 6 months during of the applicable fiscal year, the Executive shall receive a bonus equal to three and one third percent (3.33%) of the Net Pre-tax Income of the Company for each such fiscal year in which the Net Pre-Tax Income of the Company equals or exceeds (or with respect to losses, is less than) the Performance Targets for that fiscal year.

Any bonuses earned in accordance with the provisions of this Subsection shall be paid within 90 days following the end of each fiscal year of the Company with respect to which such bonuses are payable.

Anything herein to the contrary notwithstanding, (i) no bonus shall be deemed earned or be paid or payable to the Executive if on or before the end of the applicable Adjustment Year such bonus would otherwise be payable hereunder, the employment of the Executive was terminated by the Company for "Cause" (as hereinafter defined) or by the Executive without "Good Reason" (as hereinafter defined) and (ii) other than is provided in subsection (i), the earning of bonuses with respect to any fiscal year in which the Executive is employed for less than the full fiscal year shall be pro rated based on the number of months the Executive was employed by the Company during such fiscal year.

(d) Net Pre-Tax Income of the Company. For purposes hereof the Net Pre-Tax Income of the Company shall be that amount determined by the independent accountants of the Company with respect to a given fiscal year. In making such determination, the accountants shall calculate actual net Pre Tax Income on the basis of GAAP without giving effect to any bonus paid pursuant to subsection (c) of this Paragraph 4. Such determination shall also be made solely on the basis of the operations of the Company and any subsidiaries thereof and shall take into account only those items of revenue and expense arising from transactions or charges between the Company and Aegis as are described in Schedule B hereto or as are otherwise specifically agreed to by the parties hereto in writing. The determination of the accountants for the Company shall be final, conclusive and binding for all purposes, absent manifest error.

5. Vacation. The Executive shall be entitled to three weeks' paid vacation during the first two years of his employment hereunder and four weeks paid vacation during each year thereafter. Vacation shall be taken at times mutually agreeable to the Executive and the Company. In no event may vacation be accumulated from year to year and the Executive in no circumstance shall receive compensation for vacation which was not taken; any vacation time not taken during a year of employment shall be forfeited.

6. Benefits. Throughout the Term, the Executive shall be eligible to participate in any pension, profit-sharing, stock option or similar plan or program of the Company now existing or established hereafter for the benefit of its employees generally, to the extent that he is eligible under the general provisions thereof. The Executive shall also be entitled to participate in any group insurance, hospitalization, medical, health and accident, disability or similar or non-similar plan or program of the Company now existing or established hereafter for the benefit of its employees or executives generally, to the extent that he is eligible under the general provisions thereof.

7. Termination of Executive's Employment.

(a) Notwithstanding any provisions contained herein to the contrary, the Executive's employment may be terminated by the Company upon the Executive's death or disability (as defined below) or for Cause (as defined below), and the Executive may terminate his employment for Good Reason (as defined below);

(b) For purposes of this Agreement, "disability" shall mean the Executive is mentally or physically disabled from properly and fully performing his duties and responsibilities hereunder for a period of 120 consecutive days or for 180 days, even though not consecutive, within any 360-day period, all as evidenced by the written certification of a qualified medical doctor selected by the Company;

(c) For purposes of this Agreement, "Cause" shall mean any action or inaction on the part of Executive (an "Event") which could materially and adversely affect the Company and which legally constitutes cause for termination of an executive's employment agreement, which Event (i) is not cured within fifteen (15) business days after written notice from the Company that it deems such event to constitute "Cause", and (ii) which Event, if cured on one occasion, does not reoccur on more than one additional occasion. The Company and the Executive agree that the Event referred to in the notice of termination must be of sufficient significance to permit a reasonable conclusion that the Company could suffer a material and adverse effect as a result thereof. In no event shall "Cause" be deemed to include any action or inaction on the part of the Executive undertaken in good faith, consistent with his fiduciary duties to the Company, which are within the "business judgement rule" as such rule or embodiment thereof has been interpreted in accordance with the laws of the applicable jurisdiction as set forth in Section 11 hereof.

(d) For purposes of this Agreement, "Good Reason" shall mean any of the following: (i) the assignment to the Executive of duties inconsistent with the Executive's position, duties, or responsibilities, as described herein, provided that the Board shall be permitted to modify the duties of the Executive if the Board, (x) determines in good faith that such modification is in the best interests of the Company, (y) the Executive is given or maintains an "executive level" position within the Company and

(z) the Company has failed to demonstrate financial performance within ten percent (10%) of the Performance Targets for any two consecutive fiscal quarters subsequent to July 1, 1997 or (ii) a material breach of the terms of this Agreement by the Company (x) which breach remains uncured for a period of 15 days after written notice thereof is received by the Company and (y) which breach if cured on one occasion does not reoccur on more than one additional occasion.

(e) In the event that the Executive's employment hereunder is terminated as a result of death or disability of Executive or for Cause by the Company, or without Good Reason by the Executive, or in the event that this Agreement is not renewed or extended at the end of the Term, then the Company shall have no further obligations or liabilities to the Executive hereunder, such that all benefits and salary provided for within this Agreement shall terminate simultaneously with the termination of the Executive's employment except for benefits, bonuses and salary earned and accrued through the date of such termination; provided, however, that in no event shall the Executive be entitled to receive any bonuses, whether or not earned or accrued, if his employment is terminated by the Company for Cause or by the Executive without good reason. Nothing in this subsection (e) shall supersede any rights of the Executive to receive any amounts or benefits otherwise due to him upon the occurrence of any of the events described in the immediately preceding sentence, whether such rights are created by this Agreement or otherwise.

8. Covenants Not to Compete.

(a) Executive agrees that during that period of time from the date hereof through July 1, 2001 (whether or not the Executive is actually employed for the entire period that is herein contemplated to be the Term) in addition to any extensions or renewals thereof and provided that the Company continues to faithfully perform all of its obligations hereunder and provided that Executive has not been terminated by the Company without Cause or by Executive with Good Reason, Executive will not, without the prior consent of the Company, whether directly or indirectly, as principal or as agent, officer director, employee, consultant, or otherwise, alone or in association with any other person, firm, corporation or other business organization, carry on, or be engaged, concerned, or take part in, or render services to or own, share in the earnings of, or invest in the stock, bonds, or other securities of any person, firm, corporation, or other business organization engaged anywhere in the United States, Canada, Europe or South America in the business of financing or servicing loans for the purchase of automobiles which could be deemed competitive to the business of the Company or to any other business which the Company or any member of the "Affiliated Group" is engaged in or is the process of implementing at any time during the time during which the Executive is employed (a "Similar Business"). Notwithstanding the foregoing, Executive may, following any termination hereof, be so employed or associated with an organization which finances or services loans solely and exclusively for its own account, whether or not such activity is competitive to the business of the Company. "Affiliated Group" is defined as the Company, or any of

its subsidiaries. The foregoing notwithstanding, during the Term Executive may invest in stock, bonds, or other securities of any Similar Business (but without otherwise participating in such Similar Business) if such stock, bonds, or other securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934 provided that such investment does not exceed, in the case of any class of the capital stock of any one issuer, 2% of the issued and outstanding shares, or, in the case of other securities, 2% of the aggregate principal amount thereof issued and outstanding.

(b) As a separate and independent covenant, Executive agree that during the Term, including any extensions or renewals thereof, Executive will not, without the consent of the Company, in any way, directly or indirectly (except in the course of Executive's employment with the Company), for the purpose of conducting or engaging in any Similar Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any clients, customers or accounts of the Affiliated Group with whom Executive had any dealings during the course of Executive's employment with the Company or any of its affiliates or interfere or attempt to interfere with any officers, employees, representatives or agents of the Affiliated Group, or induce or attempt to induce any of them to leave the employ of or violate the terms of their contracts with the Affiliated Group.

(c) If, in any judicial proceeding, a court shall determine that the geographical, temporal or other scope of any of the covenants contained in this Paragraph 9 is so broad or long as to be unenforceable, then the geographical or other scope of such covenant shall be deemed to be restricted so as to be enforceable under applicable law.

(d) Executive's obligations under this Section 8 hereof shall survive any termination of this Agreement by the Company with Cause or by the Executive without Good Reason; provided, however, that the survival of these provisions shall not operate to extend the length of time the Executive shall be prohibited from engaging in the activities prohibited hereunder beyond July 1, 2001 unless the employment of the Executive is extended or renewed beyond such time in which event such obligations shall be extended to be co-terminus with the actual termination of Executive's employment.

(e) In the event of a breach or threatened breach by Executive of any provision of this Section 8 hereof, the Company shall be entitled to seek an injunction restraining such breach, but nothing herein shall be construed as prohibiting the Company from pursuing any additional remedy available to the Company for such breach or threatened breach.

(f) The obligations of the Executive under this Section 8 shall not apply and shall terminate if the termination of this Agreement was by the Company without Cause or by the Executive with good reason.

9. Covenants Regarding Confidential Information and

(a) Confidential Information Defined. As used herein, "Confidential Information" means any non-public information, and any document or media containing non-public information, concerning the "Business Group" (defined for purposes hereof as the Affiliated Group and any of the Affiliated Group's actual or prospective customers, suppliers, contractor and co-venturers) or concerning any actual or planned discoveries, inventions, developments, improvements, technology, know-how, processes, products, services, businesses, business opportunities, operations, activities or plans of or belonging to the Affiliated Group (including, without limitation, technical formulae and designs, computer hardware and software, databases, original works of authorship, customer lists, bills of material, business plans, financial information, trade secrets and other proprietary information) provided that Confidential Information shall not include such portion of the aforesaid information which has become or hereafter becomes public knowledge within the industry through no fault of Executive's own.

(b) Confidentiality. It is understood and agreed that prior to and during the Term, Executive has and will become aware of Confidential Information, the unauthorized disclosure of which may harm the Company or another member of the Business Group. Accordingly, Executive agrees that, except as expressly authorized by the Company or to the extent the Executive reasonably believes it necessary in order to fulfill Executive's duties under this Agreement, both during and after the Term, Executive will never divulge to others or appropriate to Executive's own use, or to the use of any third party, any Confidential Information conceived of, or obtained, by Executive prior to or during the Term. Upon termination of this Agreement for whatever reason or whenever requested by the Company, Executive will promptly deliver to the Company all documents, media or other materials containing Confidential Information which are in Executive's possession or under Executive's control.

(c) Proprietary Property. Executive agrees that all inventions, original works of authorship, developments, improvements and trade secrets (unless (i) not relating to the Company's actual or demonstrably anticipated business, products, services or research and development and (ii) developed entirely on Executive's own time, not as a result of any work performed by Executive for the Company, and without use of equipment, supplies, facilities or trade secrets of the Company) conceived of, developed or reduced to practice by Executive, whether alone or in conjunction with others, during the period of time Executive is in the employ of the Company ("Proprietary Property") shall be the property of the Company. Executive agrees to disclose promptly to the Company or its counsel any Proprietary Property and to take such actions (at the Company's request and expense) both during and after the Term necessary or convenient to vest in the Company all of Executive's rights in such Proprietary Property including, without limitation, the execution of any applications, assignments or other instruments necessary or convenient in

(d) Remedies. In the event of a breach or threatened breach by Executive of any provision of this Section 9 hereof, the Company shall be entitled to seek an injunction restraining such breach, but nothing herein shall be construed as prohibiting the Company from pursuing any additional remedies available to the Company for such breach or threatened breach.

11. Governing Law - Jurisdiction. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware applicable to contracts executed in and to be performed solely within such state. Each of the parties hereto agree that any disputes hereunder shall be settled by a court of competent jurisdiction in such jurisdiction that shall be chosen by the party filing an initial suit for the enforcement or interpretation of any of the provisions hereof; the remaining party agrees hereby to submit to the jurisdiction chosen by the filing party. In no event may the chosen jurisdiction be a state or federal court situate in any state other than Kansas, Delaware or New Jersey.

If to the Company: Systems & Services Technologies, Inc.,
c/o The Aegis Consumer Funding Group, Inc.
525 Washington Blvd.
Jersey City, NJ 07310
Attention: Angelo R. Appierto

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12468 Benson
Overland Park, Kansas 66214

With a copy to: Joseph L. Hiersteiner, Esq.
Bryan Cave, LLP
3500 One Kansas City Place
1200 Main Street
Kansas City, Missouri 64105-2100

13. Miscellaneous.

(a) Entire Agreement. This Agreement (together with any agreement regarding options granted to the Executive to purchase securities) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes any and all prior oral or written agreements and understandings; however, this Agreement shall not supersede, diminish or modify any rights of the Executive under any employee benefit plans of the Company. There are no oral promises, conditions, representations, understandings, interpretations or terms of any kind as conditions or inducements to the execution hereof or in effect among the parties. This Agreement may not be amended, and no provision hereof shall be waived, except by a writing signed by the Company and the Executive, or in the case of a waiver, by the party waiving compliance therewith, which states that it is intended to amend or waive a provision of this Agreement. Any waiver of any rights or failure to act in a specific instance shall relate only to such instance and shall not be construed as an agreement to waive any rights or failure to act in any other instance, whether or not similar.

(b) Further Acts. The parties hereto agree that, after the execution of this Agreement, they will make, do, execute or cause to be made, done or executed all such further and other lawful acts, deeds, things, devices, conveyances and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.

(c) Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or prohibited by an applicable law, this Agreement shall be considered divisible as to such provision, which shall be inoperative, and the remainder of this Agreement shall be valid and binding as though such provision were not included herein.

(d) Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the Company and any corporation with which the Company merges or consolidates or to which the Company sells all or substantially all of its assets, and upon the Executive and his executors, administrators, heirs and legal representatives.

(e) Headings. All headings in this Agreement are for convenience only and are not intended to affect the meaning of any provision hereof.

(f) Counterparts. This Agreement may be executed in two or more counterparts with the same effect as if the signatures to all such counterparts were upon the same instrument, and all such counterparts shall constitute but one instrument.

IN WITNESS WHEREOF, the Executive has executed this Agreement and the Company has caused this Agreement to be executed by its duly authorized officer as of the day and year first above written.

SYSTEMS & SERVICES TECHNOLOGIES, INC.
EXECUTIVE

By: _____

By: _____

Name: _____

Matthew Burns

Title: _____

EXECUTIVE EMPLOYMENT AGREEMENT made as of the _____ day of _____, 1996, by and between Systems and Services Technologies, Inc., a Delaware corporation, with offices at 525 Washington Blvd., Jersey City, New Jersey 07310 (the "Company"), and John Chappell, residing at 10001 Roe, Overland Park, Kansas 66207 (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company desires to employ the Executive, and the Executive desires to be employed by the Company, upon the terms and subject to the conditions hereinafter set forth.

1. Employment. The Company agrees to and does hereby employ the Executive, and the Executive agrees to and does hereby accept employment by the Company, subject to the terms and conditions herein set forth.

2. Term. The term of the Executive's employment hereunder shall commence on the date hereof (the "Effective Date") and, unless sooner terminated as set forth below, shall terminate on July 1, 2001 (such period hereinafter referred to as the "Term"). The Term is subject to extension or reduction in accordance with the provisions of this Agreement.

3. Duties.

(a) During the term, the Executive shall be employed as President of the Company and shall be in charge of and responsible for the general supervisory duties normally and customarily attendant to such office in a business entity of the size and type of the Company as such duties may be reasonably defined by the Board of Directors of the Company (the "Board"). Such duties may include coordination of the operational functions for Personnel administration, Data Processing and Loan Servicing.

(b) The duties of the Executive may be changed from time to time by the Board, provided that, except as permitted in accordance with the provisions of Section 7(d) hereof, the Executive shall not be given

duties unrelated to, or not generally associated with, the executive level of his position immediately prior to such change.

(c) The Executive will, to the best of the Executives abilities, in good faith and with integrity, devote his full time, attention, energy and skill to the fulfillment of his duties hereunder. The foregoing, notwithstanding, the Executive will be permitted to own, as an inactive investor, securities of a corporation whose equity securities are registered under Section 12b or 12g of the Exchange Act, so long as his beneficial ownership in any one such corporation shall not in the aggregate constitute more than five percent (5%) of any class of equity securities of such corporation.

(d) The Executive will be subject to such policies and procedures as are from time to time established for employees of the Company generally, except to the extent that such policies or procedures are contrary to the terms of this Agreement or are inconsistent with the Executive's position and duties.

(e) It is hereby acknowledged that, subject to Paragraph 9 hereof, the Executive may either presently, or in the future, be involved in charitable or community activities so long as such other activities do not unreasonably interfere with the performance by the Executive of his duties hereunder and do not require more than five percent (5%) of his time during working hours.

(f) Except as herein provided, the Company shall not require the Executive to relocate his residence out of the greater Kansas City area in the performance of his duties; provided, however, that the Company shall not be deemed to have required a relocation of his residence in the event the Company would require the Executive to perform his normal duties outside of the greater Kansas City area for less than six months in any calendar year. In the event the Executive is required to relocate beyond 150 miles from the city limits of Kansas City, Kansas, the base compensation of the Executive as set forth in Section 4(a) hereof shall be increased at the reasonable discretion of the Board to the extent necessary to reflect a material increase in the cost of living related to the relocation. In addition, upon any relocation required by the Company, the Company shall reimburse the Executive for all out of pocket expenses incurred by the executive reasonably related to the relocation including but not limited to such expenses as those related to transportation of personal effects, closing costs for a new residence, brokerage fees with respect to the sale of the existing residence, and reasonable hotel accommodations during that period of time reasonably necessary to locate a new residence. In the event that the Executive should fail to close on the sale of his existing residence within a period of six (6) months following the month in which the Company shall have requested the Executive to relocate, the Company, at the request of the Executive, shall purchase such residence from the Executive, on or before the last day of the ninth (9) month following the

month in which relocation was requested, for the fair market value of such residence. "Fair market value" shall be determined as the average between two appraisals, one obtained from a real estate brokerage firm chosen by the Company and one by a firm chosen by the Executive; both real estate firms shall be prominent firms generally recognized in the immediately surrounding geographic area.

4. Compensation.

(a) Base Salary. In consideration for services performed hereunder, the Company shall pay to the Executive an annual salary of \$125,000. during each year of the Term, subject to adjustment as herein provided and in installments payable in accordance with the Company's customary payroll practices. In addition, the Company shall reimburse the Executive for all expenses reasonably incurred by him in connection with the performance of his duties hereunder and the business of the Company upon the submission to the Company of appropriate receipts therefor.

(b) Adjustments. Subsequent to June 30, 1997, the annual salary of the Executive shall be adjusted annually during the Term (for each twelve month period subsequent to June 30, 1997) based upon a comparison of the actual "Net Pre-tax Income" (as hereinafter defined) of the Company for the fiscal year of the Company immediately preceding the applicable year for which the adjustment is to be made to the "Performance Target" (as hereinafter defined) for such fiscal year. The Performance Target shall mean the anticipated net pre-tax income or loss of the Company applicable for each fiscal year of the Company as set forth on Schedule A hereto. Not later than 90 days following the end of each fiscal year of the Company ending after June 30, 1996, the actual Net Pre-tax Income of the Company for such fiscal year (determined in accordance with generally accepted accounting practices consistently applied ("GAAP") by the accounting firm normally retained by the Company) shall be compared to the Performance Target for such fiscal year. In the event that the actual Net Pre-tax Income exceeds the Performance Target (or in the event any pre-tax loss is less than the pre-tax loss reflected in the Performance Target, (as the case may be) the annual salary of the Executive for the next ensuing fiscal year shall be increased by ten percent (10%) of the Executive's annual base salary for the previous year. Immediately subsequent to the determination of any adjustment of base compensation hereunder, the base compensation shall be adjusted retroactively to the commencement of the fiscal year for which it is applicable.

(c) Bonus. In order to provide performance-based incentive compensation to the Executive, the Company hereby agrees to pay the Executive, in addition to the base salary set forth in Subparagraphs (a) and (b) hereof, a bonus in respect of each fiscal year subsequent to June 30, 1996 during the Executive's employment hereunder (provided, that the Executive was employed at least 6 months during the applicable fiscal year) calculated in the manner set forth hereinbelow. For purposes hereof, and for each of the first two fiscal years subsequent to June 30, 1996 during

the employment of the Executive hereunder, the Executive shall receive a bonus equal to the greater of (i) \$50,000 or (ii) three and one third percent (3.33%) of the Company's Net Pre-Tax Income for each such fiscal year in which the Net Pre Tax Income equals or exceeds (or with respect to losses is less than) the Performance Targets for such periods; for each fiscal year during the Term subsequent to the first two fiscal years ending after June 30, 1996, and provided that the Executive is employed at least 6 months during of the applicable fiscal year, the Executive shall receive a bonus equal to three and one third percent (3.33%) of the Net Pre-tax Income of the Company for each such fiscal year in which the Net Pre-Tax Income of the Company equals or exceeds (or with respect to losses, is less than) the Performance Targets for that fiscal year.

Any bonuses earned in accordance with the provisions of this Subsection shall be paid within 90 days following the end of each fiscal year of the Company with respect to which such bonuses are payable.

Anything herein to the contrary notwithstanding, (i) no bonus shall be deemed earned or be paid or payable to the Executive if on or before the end of the applicable Adjustment Year such bonus would otherwise be payable hereunder, the employment of the Executive was terminated by the Company for "Cause" (as hereinafter defined) or by the Executive without "Good Reason" (as hereinafter defined) and (ii) other than is provided in subsection (i), the earning of bonuses with respect to any fiscal year in which the Executive is employed for less than the full fiscal year shall be pro rated based on the number of months the Executive was employed by the Company during such fiscal year.

(d) Net Pre-Tax Income of the Company. For purposes hereof the Net Pre-Tax Income of the Company shall be that amount determined by the independent accountants of the Company with respect to a given fiscal year. In making such determination, the accountants shall calculate actual net Pre Tax Income on the basis of GAAP without giving effect to any bonus paid pursuant to subsection (c) of this Paragraph 4. Such determination shall also be made solely on the basis of the operations of the Company and any subsidiaries thereof and shall take into account only those items of revenue and expense arising from transactions or charges between the Company and Aegis as are described in Schedule B hereto or as are otherwise specifically agreed to by the parties hereto in writing. The determination of the accountants for the Company shall be final, conclusive and binding for all purposes, absent manifest error.

5. Vacation. The Executive shall be entitled to three weeks' paid vacation during the first two years of his employment hereunder and four weeks paid vacation during each year thereafter. Vacation shall be taken at times mutually agreeable to the Executive and the Company. In no event may vacation be accumulated from year to year and the Executive in no circumstance shall receive compensation for vacation which was not taken; any vacation time not taken during a year of employment shall be forfeited.

6. Benefits. Throughout the Term, the Executive shall be eligible to participate in any pension, profit-sharing, stock option or similar plan or program of the Company now existing or established hereafter for the benefit of its employees generally, to the extent that he is eligible under the general provisions thereof. The Executive shall also be entitled to participate in any group insurance, hospitalization, medical, health and accident, disability or similar or non-similar plan or program of the Company now existing or established hereafter for the benefit of its employees or executives generally, to the extent that he is eligible under the general provisions thereof.

7. Termination of Executive's Employment.

(a) Notwithstanding any provisions contained herein to the contrary, the Executive's employment may be terminated by the Company upon the Executive's death or disability (as defined below) or for Cause (as defined below), and the Executive may terminate his employment for Good Reason (as defined below);

(b) For purposes of this Agreement, "disability" shall mean the Executive is mentally or physically disabled from properly and fully performing his duties and responsibilities hereunder for a period of 120 consecutive days or for 180 days, even though not consecutive, within any 360-day period, all as evidenced by the written certification of a qualified medical doctor selected by the Company;

(c) For purposes of this Agreement, "Cause" shall mean any action or inaction on the part of Executive (an "Event") which could materially and adversely affect the Company and which legally constitutes cause for termination of an executive's employment agreement, which Event (i) is not cured within fifteen (15) business days after written notice from the Company that it deems such event to constitute "Cause", and (ii) which Event, if cured on one occasion, does not reoccur on more than one additional occasion. The Company and the Executive agree that the Event referred to in the notice of termination must be of sufficient significance to permit a reasonable conclusion that the Company could suffer a material and adverse effect as a result thereof. In no event shall "Cause" be deemed to include any action or inaction on the part of the Executive undertaken in good faith, consistent with his fiduciary duties to the Company, which are within the "business judgement rule" as such rule or embodiment thereof has been interpreted in accordance with the laws of the applicable jurisdiction as set forth in Section 11 hereof.

(d) For purposes of this Agreement, "Good Reason" shall mean any of the following: (i) the assignment to the Executive of duties inconsistent with the Executive's position, duties, or responsibilities, as described herein, provided that the Board shall be permitted to modify the duties of the Executive if the Board, (x) determines in good faith that such modification is in the best interests of the Company, (y) the Executive is given or maintains an "executive level" position within the Company and (z) the Company has failed to demonstrate financial performance within ten

percent (10%) of the Performance Targets for any two consecutive fiscal quarters subsequent to July 1, 1997 or (ii) a material breach of the terms of this Agreement by the Company (x) which breach remains uncured for a period of 15 days after written notice thereof is received by the Company and (y) which breach if cured on one occasion does not reoccur on more than one additional occasion.

(e) In the event that the Executive's employment hereunder is terminated as a result of death or disability of Executive or for Cause by the Company, or without Good Reason by the Executive, or in the event that this Agreement is not renewed or extended at the end of the Term, then the Company shall have no further obligations or liabilities to the Executive hereunder, such that all benefits and salary provided for within this Agreement shall terminate simultaneously with the termination of the Executive's employment except for benefits, bonuses and salary earned and accrued through the date of such termination; provided, however, that in no event shall the Executive be entitled to receive any bonuses, whether or not earned or accrued, if his employment is terminated by the Company for Cause or by the Executive without good reason. Nothing in this subsection (e) shall supersede any rights of the Executive to receive any amounts or benefits otherwise due to him upon the occurrence of any of the events described in the immediately preceding sentence, whether such rights are created by this Agreement or otherwise.

8. Covenants Not to Compete.

(a) Executive agrees that during that period of time from the date hereof through July 1, 2001 (whether or not the Executive is actually employed for the entire period that is herein contemplated to be the Term) in addition to any extensions or renewals thereof and provided that the Company continues to faithfully perform all of its obligations hereunder and provided that Executive has not been terminated by the Company without Cause or by Executive with Good Reason, Executive will not, without the prior consent of the Company, whether directly or indirectly, as principal or as agent, officer director, employee, consultant, or otherwise, alone or in association with any other person, firm, corporation or other business organization, carry on, or be engaged, concerned, or take part in, or render services to or own, share in the earnings of, or invest in the stock, bonds, or other securities of any person, firm, corporation, or other business organization engaged anywhere in the United States, Canada, Europe or South America in the business of financing or servicing loans for the purchase of automobiles which could be deemed competitive to the business of the Company or to any other business which the Company or any member of the "Affiliated Group" is engaged in or is the process of implementing at any time during the time during which the Executive is employed (a "Similar Business"). Notwithstanding the foregoing, Executive may, following any termination hereof, be so employed or associated with an organization which finances or services loans solely and exclusively for its own account, whether or not such activity is competitive to the business of the Company. "Affiliated Group" is defined as the Company, or any of its subsidiaries. The foregoing notwithstanding, during the Term Executive

may invest in stock, bonds, or other securities of any Similar Business (but without otherwise participating in such Similar Business) if such stock, bonds, or other securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934 provided that such investment does not exceed, in the case of any class of the capital stock of any one issuer, 2% of the issued and outstanding shares, or, in the case of other securities, 2% of the aggregate principal amount thereof issued and outstanding.

(b) As a separate and independent covenant, Executive agree that during the Term, including any extensions or renewals thereof, Executive will not, without the consent of the Company, in any way, directly or indirectly (except in the course of Executive's employment with the Company), for the purpose of conducting or engaging in any Similar Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any clients, customers or accounts of the Affiliated Group with whom Executive had any dealings during the course of Executive's employment with the Company or any of its affiliates or interfere or attempt to interfere with any officers, employees, representatives or agents of the Affiliated Group, or induce or attempt to induce any of them to leave the employ of or violate the terms of their contracts with the Affiliated Group.

(c) If, in any judicial proceeding, a court shall determine that the geographical, temporal or other scope of any of the covenants contained in this Paragraph 9 is so broad or long as to be unenforceable, then the geographical or other scope of such covenant shall be deemed to be restricted so as to be enforceable under applicable law.

(d) Executive's obligations under this Section 8 hereof shall survive any termination of this Agreement by the Company with Cause or by the Executive without Good Reason; provided, however, that the survival of these provisions shall not operate to extend the length of time the Executive shall be prohibited from engaging in the activities prohibited hereunder beyond July 1, 2001 unless the employment of the Executive is extended or renewed beyond such time in which event such obligations shall be extended to be co-terminus with the actual termination of Executive's employment.

(e) In the event of a breach or threatened breach by Executive of any provision of this Section 8 hereof, the Company shall be entitled to seek an injunction restraining such breach, but nothing herein shall be construed as prohibiting the Company from pursuing any additional remedy available to the Company for such breach or threatened breach.

(f) The obligations of the Executive under this Section 8 shall not apply and shall terminate if the termination of this Agreement was by the Company without Cause or by the Executive with good reason.

9. Covenants Regarding Confidential Information and Proprietary Rights.

(a) Confidential Information Defined. As used herein, "Confidential Information" means any non-public information, and any document or media containing non-public information, concerning the "Business Group" (defined for purposes hereof as the Affiliated Group and any of the Affiliated Group's actual or prospective customers, suppliers, contractor and co-venturers) or concerning any actual or planned discoveries, inventions, developments, improvements, technology, know-how, processes, products, services, businesses, business opportunities, operations, activities or plans of or belonging to the Affiliated Group (including, without limitation, technical formulae and designs, computer hardware and software, databases, original works of authorship, customer lists, bills of material, business plans, financial information, trade secrets and other proprietary information) provided that Confidential Information shall not include such portion of the aforesaid information which has become or hereafter becomes public knowledge within the industry through no fault of Executive's own.

(b) Confidentiality. It is understood and agreed that prior to and during the Term, Executive has and will become aware of Confidential Information, the unauthorized disclosure of which may harm the Company or another member of the Business Group. Accordingly, Executive agrees that, except as expressly authorized by the Company or to the extent the Executive reasonably believes it necessary in order to fulfill Executive's duties under this Agreement, both during and after the Term, Executive will never divulge to others or appropriate to Executive's own use, or to the use of any third party, any Confidential Information conceived of, or obtained, by Executive prior to or during the Term. Upon termination of this Agreement for whatever reason or whenever requested by the Company, Executive will promptly deliver to the Company all documents, media or other materials containing Confidential Information which are in Executive's possession or under Executive's control.

(c) Proprietary Property. Executive agrees that all inventions, original works of authorship, developments, improvements and trade secrets (unless (i) not relating to the Company's actual or demonstrably anticipated business, products, services or research and development and (ii) developed entirely on Executive's own time, not as a result of any work performed by Executive for the Company, and without use of equipment, supplies, facilities or trade secrets of the Company) conceived of, developed or reduced to practice by Executive, whether alone or in conjunction with others, during the period of time Executive is in the employ of the Company ("Proprietary Property") shall be the property of the Company. Executive agrees to disclose promptly to the Company or its counsel any Proprietary Property and to take such actions (at the Company's request and expense) both during and after the Term necessary or convenient to vest in the Company all of Executive's rights in such Proprietary Property including, without limitation, the execution of any applications, assignments or other instruments necessary or convenient in order to assign all of Executive's interest therein to the Company or its nominee and to apply for and obtain copyright protection or Letters Patent

(d) Remedies. In the event of a breach or threatened breach by Executive of any provision of this Section 9 hereof, the Company shall be entitled to seek an injunction restraining such breach, but nothing herein shall be construed as prohibiting the Company from pursuing any additional remedies available to the Company for such breach or threatened breach.

11. Governing Law - Jurisdiction. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware applicable to contracts executed in and to be performed solely within such state. Each of the parties hereto agree that any disputes hereunder shall be settled by a court of competent jurisdiction in such jurisdiction that shall be chosen by the party filing an initial suit for the enforcement or interpretation of any of the provisions hereof; the remaining party agrees hereby to submit to the jurisdiction chosen by the filing party. In no event may the chosen jurisdiction be a state or federal court situate in any state other than Kansas, Delaware or New Jersey.

If to the Company: Systems & Services Technologies, Inc.,
 c/o The Aegis Consumer Funding Group, Inc.
 525 Washington Blvd.
 Jersey City, NJ 07310
 Attention: Angelo R. Appierto

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With a copy to: Joseph L. Hiersteiner, Esq.
Bryan Cave, LLP
3500 One Kansas City Place
1200 Main Street
Kansas City, Missouri 64105-2100

13. Miscellaneous.

(a) Entire Agreement. This Agreement (together with any agreement regarding options granted to the Executive to purchase securities) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes any and all prior oral or written agreements and understandings; however, this Agreement shall not supersede, diminish or modify any rights of the Executive under any employee benefit plans of the Company. There are no oral promises, conditions, representations, understandings, interpretations or terms of any kind as conditions or inducements to the execution hereof or in effect among the parties. This Agreement may not be amended, and no provision hereof shall be waived, except by a writing signed by the Company and the Executive, or in the case of a waiver, by the party waiving compliance therewith, which states that it is intended to amend or waive a provision of this Agreement. Any waiver of any rights or failure to act in a specific instance shall relate only to such instance and shall not be construed as an agreement to waive any rights or failure to act in any other instance, whether or not similar.

(b) Further Acts. The parties hereto agree that, after the execution of this Agreement, they will make, do, execute or cause to be made, done or executed all such further and other lawful acts, deeds, things, devices, conveyances and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.

(c) Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or prohibited by an applicable law, this Agreement shall be considered divisible as to such provision, which shall be inoperative, and the remainder of this Agreement shall be valid and binding as though such provision were not included herein.

(d) Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the Company and any corporation with which the Company merges or consolidates or to which the Company sells all or substantially all of its assets, and upon the Executive and his executors, administrators, heirs and legal representatives.

(e) Headings. All headings in this Agreement are for convenience only and are not intended to affect the meaning of any provision hereof.

(f) Counterparts. This Agreement may be executed in two or more counterparts with the same effect as if the signatures to all such counterparts were upon the same instrument, and all such counterparts shall constitute but one instrument.

IN WITNESS WHEREOF, the Executive has executed this Agreement and the Company has caused this Agreement to be executed by its duly authorized officer as of the day and year first above written.

SYSTEMS & SERVICES TECHNOLOGIES, INC.
EXECUTIVE

By: _____

By: _____

Name: _____

John Chappell

Title: _____

EXHIBIT 10.9.3

TERMINATION AGREEMENT

THIS TERMINATION AGREEMENT, dated as of this 18th day of September, 1996, by and between The Aegis Consumer Funding Group, Inc. ("Aegis") and Matthew Burns ("Burns").

W I T N E S S E T H

WHEREAS, on even date herewith, Burns has entered into an employment agreement (the "New Agreement") with Systems and Services Technologies, Inc ("SST"), a subsidiary of Aegis; and

WHEREAS, prior to the date hereof, Burns was employed in various capacities as an employee and officer of Aegis pursuant to an employment agreement dated March 1, 1994 as such agreement was amended and supplemented from time to time (such employment agreement including any supplements and amendments thereto being referred to herein as the "Old Agreement"); and

WHEREAS, Burns has tendered for sale 80,000 shares of Aegis Common Stock to Aegis (the "Stock Sale") and

WHEREAS, Burns executed a promissory note dated November 15, 1994 (the "Note") payable to Aegis in the original principal amount of \$100,000; and

WHEREAS, Aegis has agreed to forgive \$20,000 of the principal amount due resulting in a total outstanding indebtedness under the Note of \$90,000 inclusive of interest in the amount of \$10,000; and

WHEREAS, Burns, from the proceeds of the Stock Sale repaid in full the \$90,000 outstanding obligation under the Note.

NOW, THEREFORE, in consideration of the premises and covenants herein contained and other good and valuable consideration paid or given by each party to the other, the receipt and adequacy of which is hereby acknowledged by both parties, the parties hereto agree as follows:

Termination. From and after the date hereof, the Old Agreement, and Burns' employment thereunder, shall be deemed terminated and of no further force or effect; any and all obligations thereunder from either party to the other shall be deemed satisfied in full or otherwise forgiven.

Representation. Each party hereby represents and warrants to the other party that, Aegis has received \$90,000 as payment in full of the Note including interest thereon, and that each party knows of no claim demand or cause of action, and has no actual knowledge of facts which would give rise to any claim, demand or cause of action, arising under, with respect to, or by virtue of the Note or Burns' employment by Aegis pursuant to the Old Agreement through and including the date hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Termination Agreement as of the day and year first above written.

ATTEST: THE AEGIS CONSUMER
FUNDING GROUP, INC.

By:

WITNESS: EXECUTIVE

By:

Matthew Burns

PURCHASE AGREEMENT

This PURCHASE AGREEMENT is made as of September 1, 1996, by and between Aegis Auto Finance, Inc., a Delaware corporation, having its principal place of business at 525 Washington Boulevard, Jersey City, New Jersey 07310, as seller (the "Seller"), and Aegis Auto Funding Corp., a Delaware corporation, having its principal executive office at 525 Washington Boulevard, Jersey City, New Jersey 07310, as purchaser (the "Purchaser").

WHEREAS, the Seller has originated or acquired in the ordinary course of business, certain Receivables (as defined herein); and

WHEREAS, the Seller and the Purchaser wish to set forth the terms pursuant to which Receivables owned by the Seller as of the Closing Date (as defined herein) and as of each Funding Date (as defined herein) are to be sold by the Seller to the Purchaser, which Receivables will be sold by the Purchaser pursuant to the Pooling and Servicing Agreement (as hereinafter defined), to the Aegis Auto Receivables Trust 1996-3 (the "Trust") to be created thereunder, which Trust will issue pass-through certificates representing undivided interests in such Receivables and the other property of the Trust (the "Certificates").

NOW, THEREFORE, in consideration of the foregoing, other good and valuable consideration, and the mutual terms and covenants contained herein, the parties hereto agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

Terms not defined in this Agreement shall have the meaning set forth in Article I of the Pooling and Servicing Agreement dated as of September 1, 1996 (the "Pooling and Servicing Agreement") among Aegis Auto Funding Corp. (as seller thereunder), Norwest Bank Minnesota, National Association, as trustee, and Norwest Bank Minnesota, National Association, as backup servicer. As used in this Agreement, the following terms shall, unless the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular

and plural forms of the terms defined):

"Additional Receivables" means all Receivables acquired by the Purchaser from the Seller after the Closing Date and during the Funding Period pursuant to this Agreement.

"Agreement" means this Purchase Agreement and all amendments hereof and supplements hereto.

"Assignment" means the document of assignment substantially in the form attached to this Agreement as Exhibit A.

"Backup Servicer" means Norwest Bank Minnesota, National Association, in its capacity as Backup Servicer under the Pooling and Servicing Agreement, and its successors in such capacity, who shall be Eligible Servicers.

"Closing Date" means September 12, 1996.

"Cutoff Date" means September 1, 1996 with respect to the Initial Receivables and the last Business Day of the calendar week preceding the calendar week of a Funding Date with respect to any Additional Receivables acquired on such Funding Date.

"Funding Account" means the trust account designated as such, established and maintained pursuant to Sections 5.01 and 5.08 of the Pooling and Servicing Agreement.

"Funding Date" means each date occurring no more than once per calendar week during the Funding Period on which Additional Receivables are acquired by the Purchaser pursuant to this Agreement and transferred to the Trust pursuant to the Pooling and Servicing Agreement.

"Funding Event" means, with respect to a Funding Date, the occurrence of the events required to occur in accordance with Section 3.08 of the Pooling and Servicing Agreement.

"Funding Period" means the period beginning on the Closing Date and ending on the earlier to occur of (i) the date on which the amount in the Funding Account has been reduced to zero or (ii) September 30, 1996.

"Initial Receivables" means all Receivables acquired by the Purchaser from the Seller on the Closing Date pursuant to this Agreement.

"Lock-Box Account" means the account(s) designated as such, established and maintained pursuant to Section 5.01 of the Pooling and Servicing Agreement.

"Purchaser" means Aegis Auto Funding Corp, a Delaware corporation, its successors and assigns.

"Rating Agency" means each of Duff & Phelps Credit Rating Co. and Fitch Investors Service, Inc., and any successors thereto.

"Receivable" means any retail installment sales contract and security agreement identified on the Schedule of Receivables.

"Receivable Review" means a review conducted by the Review Firm to determine compliance with the requirements of this Agreement, which review shall employ the procedures set forth in the letter from the Review Firm attached to the Pooling and Servicing Agreement as Exhibit P.

"Receivables Cash Purchase Price" means with respect to any Receivable an amount equal to 100% of the Principal Balance of such Receivable.

"Review Firm" means Ernst & Young LLP, its successors and assigns.

"Schedule of Receivables" means the list of Receivables annexed hereto as Exhibit B; provided that Exhibit B shall be deemed to be amended on each Funding Date to add Additional Receivables acquired by the Purchaser from the Seller on each such date pursuant to this Agreement.

"Seller" means Aegis Auto Finance, Inc., a Delaware corporation, its successors and assigns.

"Trust" means the Aegis Auto Receivables Trust 1996-3.

"Trustee" means Norwest Bank Minnesota, National Association, its successors and assigns.

"UCC" means the Uniform Commercial Code, as in effect from time to time in the relevant jurisdictions.

ARTICLE II

PURCHASE AND SALE OF RECEIVABLES

Section 2.01. Purchase and Sale of Receivables. On the Closing Date and on each Funding Date, subject to the terms and conditions of this Agreement, the Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller, the Receivables and the other Trust Property relating thereto (as

defined in Section 2.01(a) below).

(a) Transfer of Receivables and Trust Property. On the Closing Date (with respect to the Initial Receivables) and each Funding Date (with respect to any Additional Receivables), simultaneously with the transactions pursuant to the Pooling and Servicing Agreement, the Seller shall sell, transfer, assign and otherwise convey to the Purchaser, without recourse, a 100% interest in (i) all right, title and interest of the Seller in and to the Receivables being purchased on such dates, all moneys received thereon on and after the related Cutoff Date allocable to principal, and all moneys received thereon allocable to interest accrued thereon from and including the related Cutoff Date, (ii) the security interests in the Financed Vehicles granted by the Obligors pursuant to the Receivables; (iii) the interest of the Seller in any Risk Default Insurance Proceeds and any proceeds from claims on any Insurance Policies (including the VSI Insurance Policy) covering the Receivables, the Financed Vehicles or the Obligors; (iv) the interest of the Seller in any Dealer Recourse; and (v) the proceeds of any and all of the foregoing. (All of the property identified in this subsection (a) shall constitute "Trust Property"; provided that (A) the minimum amount of Receivables sold to the Purchaser on any Funding Date other than the last Funding Date shall not be less than \$500,000, (B) the Seller and the Purchaser shall comply with the requirements specified in Section 2.01(c) hereof as a condition to any such purchase and (C) the Funding Account shall contain available funds in an amount at least equal to the Receivables Cash Purchase Price for the Receivables to be acquired by the Purchaser hereunder on such Funding Date immediately prior to the Funding Event.)

(b) Receivables Purchase Price. (i) In consideration for the Initial Receivables and the other Trust Property relating thereto, the Purchaser shall, on the Closing Date, pay to the Seller an amount equal to 100% of the Receivables Cash Purchase Price for the Initial Receivables in cash (the "Initial Receivables Purchase Price").

(ii) In consideration for the Additional Receivables and other Trust Property relating thereto, upon one Business Day's prior notice given by the Purchaser to the Trustee, the Purchaser shall cause the Trustee, on each Funding Date, to pay to the Seller an amount equal to 100% of the Receivables Cash Purchase Price in cash by federal wire transfer funds. The Seller acknowledges that funds to purchase the Additional Receivables and other

Trust Property relating thereto on each Funding Date shall be disbursed by the Trustee solely from the Funding Account pursuant to Section 5.08 of the Pooling and Servicing Agreement.

(c) Delivery of Documents. Not later than Wednesday of the week of any proposed Funding Date (or the next Business Day if Wednesday is not a Business Day) (each a "Delivery Date"), the Seller shall, with respect to Additional Receivables, deliver to the Trustee (1) the original retail installment sale contracts evidencing such Receivables, (2) original titles or copies of dealer blanket guarantees of title or applications for title for each Financed Vehicle relating to such Receivables sold hereunder, (3) an executed Assignment substantially in the form of Exhibit A hereto with a Schedule I attached listing all Receivables to be acquired on such Funding Date, (4) an executed Certificate of Delivery substantially in the form of Exhibit D-2 hereto, (5) a power of attorney substantially in the form of Exhibit E hereto, (6) a release and UCC-3 Termination Statement executed by each warehouse lender terminating such Person's prior security interests in such Additional Receivables granted by Aegis Finance and (7) an endorsement to the Risk Default Insurance Policy confirming insurance regarding each Additional Receivable. The Purchaser shall cause the Trustee, upon receipt of such documents and the other items specified in Section 3.08(b)(ii) of the Pooling and Servicing Agreement on the Delivery Dates, to pay from the Funding Account to the Seller the Receivables Cash Purchase Price therefor on the Funding Date.

(d) Security Interest. It is the intention of the Seller and the Purchaser that the transfer and assignment of the Seller's right, title and interest in and to the Receivables and the other Trust Property shall constitute an absolute sale by the Seller to the Purchaser. In the event a court of competent jurisdiction were to recharacterize the transfer of the Trust Property as a secured borrowing rather than a sale, contrary to the intent of the Seller and the Purchaser, the Seller does hereby grant, assign and convey to the Purchaser, a security interest in and lien upon all of its right, title and interest in and to the Trust Property, and all proceeds of any thereof, said security interest to be effective from the date of execution of this Agreement.

Section 2.02. The Closing. The sale and purchase of the Initial Receivables shall take place at a closing (the "Closing") at the offices of Kutak Rock, 767 Third Avenue, 19th Floor, New York, New York 10017 on the Closing Date, simultaneously with:

(a) the closings under the Pooling and Servicing Agreement pursuant to which (i) the Purchaser will assign and pledge all of its right, title and interest in and to the Initial Receivables and other Trust Property relating thereto to the Trustee for the benefit of the Certificateholders; and (ii) the Trustee will deposit the foregoing into the Trust; and (b) the purchase of the Certificates by the purchasers thereof.

Section 2.03. The Funding Events. The sale and purchase of the Additional Receivables on each Funding Date shall take place at the offices of the Trustee or such other location as the Seller and Purchaser may reasonably agree.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.01. Representations and Warranties of the Seller.

(a) The Seller hereby represents and warrants to the Purchaser and its respective successors and assigns and for the benefit of the Trustee and the Trust as of the date hereof and as of each Funding Date:

(i) Organization, Etc. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(ii) Due Qualification. The Seller is in good standing and duly qualified to do business and has obtained all necessary licenses and approvals in the States of Delaware and New Jersey and all jurisdictions in which the ownership or lease of its property or the conduct of its business shall require such qualifications unless the failure of the Seller to obtain such licenses and approvals would have no material adverse effect on the Seller's ability to fulfill its obligations hereunder.

(iii) Power and Authority. The Seller has the power and authority to execute and deliver this Agreement and to carry out its terms; the Seller has full power and authority to sell and assign the property to be sold and assigned to the Purchaser and such sale and assignment is valid and binding against the Seller, and the Seller has duly authorized such sale and assignment to the

Purchaser by all necessary action; the execution, delivery and performance of this Agreement have been duly authorized by the Seller by all necessary action, and this Agreement is the legal, valid and binding obligation of the Seller enforceable in accordance with its terms. The Seller has duly executed and delivered this Agreement and any other agreements and documents necessary to effectuate the transactions contemplated hereby.

(iv) No Violation. The consummation of the transactions contemplated hereby and the fulfillment of the terms hereof, neither conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the certificate of incorporation or bylaws of the Seller, or any indenture, agreement or other instrument to which the Seller is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than this Agreement); nor violate any law or, to the best of Seller's knowledge, any order, rule or regulation applicable to the Seller of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Seller or its properties.

(v) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of Seller, threatened before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or its properties: (A) asserting the invalidity of this Agreement; (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement; or (C) seeking any determination or ruling that might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Agreement.

(vi) No Approvals. No approval, authorization or other action by, or filing with, any governmental authority of the United States of America or any of the States is required or necessary to consummate the transactions contemplated hereby, except such as have been duly obtained or made by the Closing Date. Seller complies in all material respects with all applicable

laws, rules and orders with respect to itself, its business and properties and the Receivables; and Seller maintains all applicable permits, licenses and certifications.

(vii) Taxes. The Seller has filed all federal, state, county, local and foreign income, franchise and other tax returns required to be filed by it through the date hereof, and has paid all taxes reflected as due thereon. There is no pending dispute with any taxing authority that, if determined adversely to the Seller, would result in the assertion by any taxing authority of any material tax deficiency, and the Seller has no knowledge of a proposed liability for any tax to be imposed upon the Seller's properties or assets for which there is not an adequate reserve reflected in the Seller's current financial statements.

(viii) Investment Company. The Seller is not, and is not controlled by, an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended.

(ix) Pension/Profit Sharing Plans. No contribution failure has occurred with respect to any pension or profit sharing plan and all such plans have been fully funded as of the date of this Agreement.

(x) Trade Names. "Aegis Auto Finance, Inc." is the only trade name under which the Seller is currently operating its business; for the six (6) years (or such shorter period of time during which the Seller was in existence) preceding the Closing Date, the only other trade name under which Seller operated its business is "The Clearing House Corp."

(xi) Ability to Perform. There is no material impairment in the ability of the Seller to perform its obligations under this Agreement.

(xii) Valid Business Reasons; No Fraudulent Transfers. The Seller has valid business reasons for transferring the Receivables rather than obtaining a secured loan with the Receivables as collateral. At the time of each transfer: (i) the Seller transferred the Receivables to the Purchaser without any intent to hinder, delay, or defraud any current or future creditor of the Seller; (ii) the

Seller was not insolvent and did not become insolvent as a result of the transfer; (iii) the Seller was not engaged and was not about to engage in any business or transaction for which any property remaining with the Seller was an unreasonably small capital or for which the remaining assets of the Seller were unreasonably small in relation to the business of the Seller or the transaction; (iv) the Seller did not intend to incur, and did not believe or reasonably should not have believed that it would incur, debts beyond its ability to pay as they become due; and (v) the consideration paid by the Purchaser to the Seller for the Receivables was equivalent to the fair market value of such Receivables.

(xiii) Chief Executive Office. The Seller maintains its chief executive office in the State of New Jersey, and there have been no other locations of the Seller's chief executive office since January 1995.

(xiv) Adverse Orders. There is no injunction, writ, restraining order or other order of any nature binding upon Seller that adversely affects Seller's performance of this Agreement and the transactions contemplated hereby and by the Pooling and Servicing Agreement.

(b) The Seller makes the following representations and warranties as to the Receivables for the benefit of the Purchaser, the Certificateholders, the Trustee and the Trust and on which the Purchaser relies in accepting the Receivables on the Closing Date and each Funding Date. Such representations and warranties speak as of the Closing Date and each Funding Date, but shall survive the sale, transfer and assignment of the Receivables to the Purchaser and the subsequent assignment to the Trustee pursuant to the Pooling and Servicing Agreement. The Seller acknowledges and expressly agrees that any or all of the Purchaser, the Trustee or the Certificateholders may enforce the Seller's repurchase obligations or substitution obligations in the case of Additional Receivables pursuant to Section 7.02 hereof for any breach of any of the following representations and warranties.

(i) Characteristics of Receivables. Each Receivable (A) has been originated in the United States of America by Seller or a Dealer for the retail sale of a Financed Vehicle in the ordinary course of Seller's or such Dealer's business, has

been fully and properly executed by the parties thereto and, if originated by a Dealer, has been purchased by Seller from such Dealer or has been financed for such Dealer under an existing agreement with Seller, (B) has created a valid, subsisting and enforceable first priority security interest in favor of the Seller or the Dealer in the Financed Vehicle, which security interest, if in favor of the Dealer, has been assigned by the Dealer to Seller, and which in either case has been duly assigned by Seller to the Purchaser, (C) is covered by the VSI Insurance Policy and by the Risk Default Insurance Policy, (D) contains customary and enforceable provisions such that the rights and remedies of the holder thereof are adequate for realization against the collateral of the benefits of the security and (E) provides for level monthly payments (provided that the payment in the first or last month in the life of the Receivable may be different from the level payment) that fully amortize the Amount Financed over an original term of no greater than 60 months and yield interest at the Annual Percentage Rate.

(ii) Schedule of Receivables. The information set forth on the Schedule of Receivables is true, complete and correct in all material respects as of the opening of business on the applicable Cutoff Dates and no selection procedures adverse to the Certificateholders have been utilized in selecting the Receivables.

(iii) Compliance With Law. Each Receivable and the sale of each Financed Vehicle (A) complied at the time it was originated or made and at the Closing Date or the applicable Funding Date complies in all material respects with all requirements of applicable federal, State and local laws and regulations thereunder, including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, State adaptations of the National Consumer Act and of the Uniform Consumer Credit Code, and other consumer credit laws and equal credit opportunity and disclosure laws and (B) does not contravene any applicable contracts to which Seller is a party and no party to such contract is in violation of any

applicable law, rule or regulation which is material to the Receivable or the sale of the Financed Vehicle.

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

(v) No Government Obligor. None of the Receivables is due from the United States of America or any State or local government or from any agency, department or instrumentality of the United States of America or any State or local government.

(vi) Security Interest in Financed Vehicle. Immediately prior to the sale, assignment and transfer thereof, each Receivable is secured by a validly perfected first priority security interest in the Financed Vehicle in favor of the Seller as secured party or all necessary and appropriate actions have been commenced that would result in the valid perfection of a first priority security interest in the Financed Vehicle in favor of the Seller as the secured party. The Seller has caused each certificate of title (or copy of an application for title) or such other document delivered by the state title registration agency evidencing the security interest in the Financed Vehicle, to be delivered to the Custodian pursuant to Section 3.03(a)(ii) of the Pooling and Servicing Agreement, together with powers of attorney, duly executed by Seller in favor of the Trustee, which powers of attorney are sufficient to change the lien holder on the certificate of title with respect to a Financed Vehicle.

(vii) Receivables in Force. No Receivable has been satisfied, subordinated or rescinded, nor has any Financed Vehicle been released from the lien granted by the related Receivable in whole or in part.

(viii) No Waiver. No provision of a Receivable has been waived, impaired, altered or modified in any respect except in accordance with the Servicing Agreement, the substance of which is reflected in the Schedule of Receivables as it relates to the information included thereon.

(ix) No Amendments. No Receivable has been amended such that either the original Scheduled Payment has been decreased or the number of originally scheduled due dates has been increased except as permitted under the terms of the Risk Default Policy.

(x) No Defenses. No right of rescission, setoff, recoupment, counterclaim or defense has been asserted or threatened with respect to any Receivable.

(xi) No Liens. No Liens or claims have been filed for work, labor or materials relating to a Financed Vehicle that are Liens prior to, or equal or coordinate with, the security interest in the Financed Vehicle granted by the Obligor pursuant to the Receivable.

(xii) No Default. Except for payment delinquencies continuing for a period of not more than thirty (30) days as of the applicable Cutoff Date, no default, breach, violation or event permitting acceleration under the terms of any Receivable has occurred; and no continuing condition that with notice or the lapse of time would constitute a default, breach, violation or event permitting acceleration under the terms of any Receivable has arisen; and the Seller has not waived any of the foregoing. As of the date hereof and as of each Funding Date, the Seller has no knowledge of any facts regarding any particular Receivable transferred on such date indicating that such Receivable would not be paid in full.

(xiii) Insurance. Each Receivable is covered, as of the Closing Date or the related Funding Date when acquired, and throughout the shorter of the term of the Trust or the term of the Receivable, under the VSI Insurance Policy and the Risk Default Insurance Policy, and each such insurance policy is valid and remains in full force and effect. The Seller, in accordance with its customary procedures, has required that each Obligor obtain, and has determined that each Obligor has obtained, physical damage insurance covering the Financed Vehicle as of the date of execution of the Receivable insuring repair or replacement of such Financed Vehicle subject to a deductibility not in excess of \$500.

(xiv) Title. It is the intention of the Seller that the transfer and assignment of the Receivables from the Seller to the Purchaser herein contemplated be treated as an absolute sale for financial accounting purposes, and that the beneficial interest in and title to the Receivables not be part of the property of the Seller for any purpose under state or federal law. No Receivable has been sold, transferred, assigned or pledged by the Seller to any Person other than the Purchaser, except the pledge to and liens for the benefit of certain of Seller's creditors which will be released prior to conveyance to the Purchaser hereunder. Immediately prior to the transfer and assignment herein contemplated, the Seller had good and marketable title to each Receivable free and clear of all Liens and rights of others; and, immediately upon the transfer thereof, the Purchaser will have good and marketable title to each Receivable, free and clear of all Liens and rights of others; and the transfer has been validly perfected under the UCC.

(xv) Lawful Assignment. No Receivable has been originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer and assignment of such Receivable under this Agreement or pursuant to transfers of the Certificates is or shall be unlawful, void or voidable.

(xvi) All Filings Made. All filings (including, without limitation, UCC filings) necessary in any jurisdiction to give the Purchaser a first perfected security interest in the Receivables have been made.

(xvii) One Original. There is only one original executed copy of each Receivable.

(xviii) Maturity of Receivables. Each Receivable had an original maturity of not more than 60 months; the weighted average original term to maturity of the Initial Receivables was 54.22 months as of the Cutoff Date while the weighted average remaining term to maturity as of the Cutoff Date for such Initial Receivables was 53.58 months; the remaining maturity of each Receivable was 60 months or less as of the Cutoff Date; the addition of the Additional Receivables on each Funding Date will not extend the weighted average remaining term to maturity of all Receivables sold hereunder

by more than 1.00 month as of the applicable Cutoff Dates.

(xix) Scheduled Payments. Each Initial Receivable has a next scheduled payment due date on or prior to November 20, 1996; no Receivables had a payment that was more than 30 days overdue as of the Cutoff Date; and each Receivable has a final scheduled payment due no later than the Final Scheduled Distribution Date.

(xx) Monthly Payments. Each Receivable provides for level monthly payments (provided that the payment in the first or last month in the life of the Receivable may be minimally different from such level payment) which fully amortize the amount financed over the original term; provided, however, that the Risk Default Policy provides that loan extensions will be allowed, subject to no more than one extension during each 12 months in the Receivable's term.

(xxi) Outstanding Principal Balance; Annual Percentage Rate. Each Initial Receivable had an outstanding Principal Balance as of the applicable Cutoff Date of at least \$1,121.37; and no Initial Receivable has an outstanding Principal Balance in excess of \$34,659.46. As of their Cutoff Date, the weighted average APR of the Initial Receivables was 20.23% per annum. The addition of the Additional Receivables on each Funding Date will not decrease the weighted average APR of all Receivables pledged hereunder by more than 10 basis points.

(xxii) Financing. Each Receivable represents a Simple Interest Receivable.

(xxiii) Bankruptcy Proceeding. No Receivable as of the respective Cutoff Date is noted in the Seller's records as a dischargeable debt under a bankruptcy proceeding.

(xxiv) Chattel Paper, Valid and Binding. Each Receivable constitutes "chattel paper" under the UCC, and is the legal, valid and binding obligation of the Obligor thereunder in accordance with the terms thereof.

(xxv) States of Origination. At the time of origination, each Receivable was originated in one

of the following states, which are the only states in which the Receivables were originated: Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and West Virginia. After the addition of all Additional Receivables not more than 25% of the Receivables will have been originated in any one state.

(xxvi) Age of Financed Vehicles. Approximately 6.15% of the Initial Receivables relate to new Financed Vehicles and approximately 93.85% relate to used Financed Vehicles.

(xxvii) No Future Advances. The full principal amount of each Receivable has been advanced to each Obligor or advanced in accordance with the directions of each such Obligor, and there is no requirement for future advances thereunder. The Obligor with respect to the Receivable does not have any options under such Receivable to borrow from any person additional funds secured by the Financed Vehicle. Each Receivable as of the Closing Date and each related Funding Date is fully secured by the related Financed Vehicle.

(xxviii) Underwriting Guidelines. Each Receivable has been originated in accordance with the Underwriting Guidelines and in accordance with the underwriting guidelines acceptable to the Risk Default Insurer. Such guidelines include but are not limited to the following:

(A) the purchase of the Financed Vehicle by the Obligor, at the time of funding of the Receivable, was affordable to the Obligor based upon Seller's existing Underwriting Guidelines with respect to discretionary income; and

(B) at the time of funding of the Receivable, the Financed Vehicle was purchased from, and the Receivable originated by, a Dealer located in one of the states specified in paragraph (xxv) above.

(xxix) Financed Vehicle in Good Repair.
To the best of the Seller's knowledge, each
Financed Vehicle is in good repair and working
order.

(xxx) Principal Balance. No Receivable
has a Principal Balance which includes capitalized
interest, physical damage insurance or late charges.

(xxxi) Servicing. At the applicable Cutoff
Date, each Receivable was being serviced by the
Servicer.

(xxxii) Eligible Loan. Each Receivable
constitutes an "Instrument" and each Financed
Vehicle constitutes "Eligible Collateral" as defined
in and for purposes of the Risk Default Insurance
Policy. Neither the insured under the Risk Default
Insurance Policy nor any Person acting on behalf of
such insured has concealed or misrepresented any
material facts or circumstances regarding any matter
that would serve as a basis for the Risk Default
Insurer to void the Risk Default Insurance Policy.

(xxxiii) Original Principal Amount. The
original principal amount of each Receivable (A)
originated under the original "Zero Down" and the
"Reduced Income" programs, was not more than (1)
in the case of new Financed Vehicles, the lower of
(x) 105% of the manufacturer's suggested retail
price plus rebatable premiums on cancelable items
and (y) 120% of the manufacturer's suggested retail
price or (2) in the case of used Financed Vehicles,
the lower of (x) 105% of the retail value of the
Financed Vehicle at the time of origination of the
Receivable as set forth in the Kelley "Blue Book"
for the appropriate region plus rebatable premiums
on cancelable items and (y) 120% of such Kelley
"Blue Book" retail value; (B) originated under the
"First Time Buyer" program, was not more than (1)
in the case of new Financed Vehicles, 95% of the
manufacturer's suggested retail price plus rebatable
premiums on cancelable items of up to 15% of the
manufacturer's suggested retail price or (2) in the
case of used Financed Vehicles, 95% of the retail
value of the Financed Vehicle at the time of
origination of the Receivable as set forth in the
Kelley "Blue Book" for the appropriate region plus
rebatable premiums on cancelable items of up to
15% of the manufacturer's suggested retail price
and (C) originated under the "Military Program"

was not more than 105% of the manufacturer's suggested retail price or, in the case of used Financed Vehicles, 105% of the Kelley "Blue Book" retail value. Calculations made with respect to the percentages referenced above are rounded to the nearest whole percentage point. All of the Additional Receivables will be originated in accordance with the applicable Underwriting Guidelines.

(xxxiv) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of the Seller, threatened before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or its respective properties: (A) asserting the invalidity of any of the Receivables; (B) seeking to prevent the enforcement of any of the Receivables; or (C) seeking any determination or ruling that might materially and adversely affect the payment on or enforceability of any Receivable.

(xxxv) Licensing. With respect to each Receivable originated in the State of Pennsylvania, the Seller and each prior holder of any such Receivable were each properly licensed under applicable Pennsylvania laws and regulations during the respective times the Seller and each prior holder of any such Receivable held such Receivable, except where the failure to be so licensed would not have a material adverse effect on the ability of the Trust to collect principal or interest payments on such Receivable or to realize upon the Financed Vehicle underlying any such Receivable in accordance with the terms thereof.

(xxxvi) Additional Receivables. Each Additional Receivable shall have been identified and approved by Aegis Finance on or prior to the Closing Date, as evidenced by the Seller's dated notation of approval on the loan application (or other writing).

(c) The Seller makes the following additional representations, warranties and covenants for the benefit of the Purchaser, the Certificateholders and the Trust on which the Purchaser relies in accepting the Receivables on the Closing Date and each Funding Date, which representations, warranties and covenants shall survive the Closing Date and each Funding Date.

(i) Location of Servicer Files. The Servicer Files are kept by the Servicer at the location listed in Exhibit C hereto, with the exception of (A) the original titles or other documents evidencing the security interest of the Seller in the Financed Vehicle and (B) the original Receivables, which documents shall be kept at an office of the Custodian.

(ii) Evidence of Security Interest. On the Closing Date (in the case of the Initial Receivables) and the applicable Funding Date (in the case of each Additional Receivable), the Seller shall deliver or cause to be delivered to the Trustee, as Custodian, (A) an original certificate of title or (B) if the applicable state title registration agency does not deliver certificates of title to lienholders, such other document delivered to the Seller by the state title registration agency evidencing the security interest of the Seller in the Financed Vehicle, or (C) a guarantee of title or a copy of an application for title if no certificate of title or other evidence of the security interest in the Financed Vehicle has yet been issued, for each Financed Vehicle relating to each Receivable sold, transferred, assigned and conveyed hereunder; provided, however, that any original certificate of title or other document evidencing the security interest of the Seller in the Financed Vehicle not so delivered on the Closing Date or the Funding Date, as the case may be, due to the fact that such title or other document has not yet been issued by a state title registration agency and delivered to the Seller as of such date, shall be delivered by the Seller to the Trustee within one hundred twenty (120) days after the Closing Date or Funding Date, as the case may be, or such later date permitted by the Rating Agencies in accordance with Section 3.03(a) of the Pooling and Servicing Agreement; provided, further, that failure to so deliver any original certificate of title or other document evidencing the security interest of the Seller in the Financed Vehicle to the Trustee shall be deemed to be a breach by the Seller of its representations and warranties contained in this Section 3.01, and such occurrence shall constitute a breach pursuant to Section 7.02 herein.

(iii) Insurance Claims. The Seller shall provide to the Purchaser, within five (5) Business Days of receipt or distribution thereof, (A) copies of

all documents received from the Risk Default Insurer contesting the eligibility of any claim made under a Risk Default Policy and (B) copies of all documents regarding the resolution of alleged ineligible claims.

(iv) Business Purpose. The Seller will sell, transfer, assign and otherwise convey (for state law, tax and financial accounting purposes) the Receivables for a bona fide business purpose.

(v) Financial Accounting Purposes. The Seller and the Purchaser, as owner of the Receivables, each intend to treat the transactions contemplated by this Agreement as an absolute sale of the Receivables by the Seller for financial accounting purposes. The Seller and the Trustee intend to cause to be filed all returns or reports in a manner consistent with such treatment.

(vi) Valid Transfer. This Agreement constitutes a valid transfer by the Seller to the Purchaser of all of the Seller's right, title and interest in the Receivables and the other Trust Property.

(vii) Seller's Obligations. The Seller has submitted all necessary documentation for payment of the Receivables to the Obligor and has fulfilled all of its applicable obligations hereunder required to be fulfilled as of the Closing Date or Funding Date, as the case may be.

(viii) Insurance Policies. The Seller will not cancel, nor permit the cancellation of, the Risk Default Insurance Policy or VSI Insurance Policy, in each case as it relates to the Receivables.

ARTICLE IV

CONDITIONS

Section 4.01. Conditions to Obligation of the Purchaser. The obligation of the Purchaser to purchase the Receivables is subject to the satisfaction of the following conditions:

(a) Representations and Warranties True. The representations and warranties of the Seller hereunder shall be true and correct on the Closing Date and each Funding Date and the Seller shall have performed all obligations to be performed by each of them hereunder on or prior to the

Closing Date and each Funding Date.

(b) Files Marked; Files and Records owned by Trust. The Seller shall, at its own expense, on or prior to the Closing Date and each Funding Date indicate in its files that the Receivables have been sold to the Purchaser pursuant to this Agreement and the Seller shall deliver to the Purchaser a Schedule of Receivables certified by the Chairman, the President, the Vice President or the Treasurer of the Seller to be true, correct and complete. Further, the Seller hereby agrees that the computer files and other physical records of the Receivables maintained by the Seller will bear an indication reflecting that the Receivables have been sold to the Purchaser and thereafter sold, transferred and assigned to the Trustee for deposit in the Trust.

(c) Documents to be Delivered by the Seller at the Closing and Each Funding Date.

(i) The Assignment. At the Closing and each Funding Date, the Seller will execute and deliver an Assignment substantially in the form of Exhibit A hereto with respect to the Receivables then being sold.

(ii) Custodian files. At the Closing and each Funding Date, the Seller shall deliver to the Trustee, as custodian, for the benefit of the Purchaser and its assigns the Custodian Files, which delivery shall be accompanied by a Certificate of Delivery substantially in the form of Exhibit D-1 (for Initial Receivables) or D-2 (for Additional Receivables) as appropriate.

(iii) Evidence of UCC Filings. The Seller shall record and file, at its own expense, (A) on or prior to the Closing Date and each Funding Date, UCC-3 termination statements in each jurisdiction required by applicable law, to release any prior security interests in the Receivables granted by the Seller, and (B) on or prior to the Closing Date and each Funding Date, UCC financing statements in each jurisdiction in which required by applicable law, executed by the Seller as seller or debtor, and naming the Purchaser as purchaser or secured party, naming the Trustee as assignee of such purchaser or secured party, identifying the Receivables and the other Trust Property as collateral, meeting the requirements of the laws of each such jurisdiction and in such manner as is necessary to perfect the

sale, transfer, assignment and conveyance of such Receivables to the Purchaser and the sale, transfer, assignment and conveyance thereof to the Trustee. The Seller shall deliver file-stamped copies, or other evidence satisfactory to the Purchaser and the Trustee of such filing, to the Purchaser and the Trustee on or prior to the Closing Date and each Funding Date.

(iv) Evidence of Insurance and Payment. On the Closing Date and each Funding Date the Seller shall deliver to the Trustee on the Purchaser's behalf evidence of payment in full of all premiums due under the Risk Default Insurance Policy and the VSI Insurance Policy with respect to the Receivables being sold on such date.

(v) Other Documents. Such other documents, including without limitation powers of attorney with respect to the Receivables, as the Purchaser may reasonably request.

Section 4.02. Conditions to Obligation of the Seller. The obligation of the Seller to sell the Receivables to the Purchaser on the Closing Date and each Funding Date is subject to the condition that at the Closing Date the Purchaser will deliver to the Seller the Initial Receivables Purchase Price for the Initial Receivables, as provided in Section 2.01(b)(i) and on each Funding Date will deliver or cause the Trustee to deliver the Receivables Cash Purchase Price for the Additional Receivables being sold on each such date as provided in Section 2.01(b)(ii).

ARTICLE V

COVENANTS OF THE SELLER

The Seller agrees with the Purchaser as follows; provided, however, that to the extent that any provision of this Article V conflicts with any provision of the Pooling and Servicing Agreement, the Pooling and Servicing Agreement shall govern:

Section 5.01. Protection of Right, Title and Interest.

(a) Filings. The Seller shall cause all financing statements and continuation statements and any other necessary documents covering the right, title and interest of the Purchaser in and to the Receivables and the other Trust Property to be promptly filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Purchaser

hereunder to the Receivables and the other Trust Property. The Seller shall deliver to the Purchaser file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recordation, registration or filing. The Purchaser shall cooperate fully with the Seller in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 5.01(a).

(b) Name Change. At least fifteen days before the Seller makes any change in its name, identity or corporate structure which would make any financing statement or continuation statement filed in accordance with paragraph (a) above seriously misleading within the applicable provisions of the UCC or any title statute, the Seller shall give the Purchaser and the Trustee notice of any such change and no later than five (5) days after the effective date thereof, shall file such financing statements or amendments as may be necessary to continue the perfection of the Purchaser's security interest in the Trust Property.

Section 5.02. Other Liens or Interests. Except for the conveyances hereunder and pursuant to the Pooling and Servicing Agreement, the Seller will not sell, pledge, assign or transfer the Receivables to any other person, or grant, create, incur, assume or suffer to exist any Lien on any interest therein, and the Seller shall defend the right, title, and interest of the Purchaser in, to and under such Receivables against all claims of third parties claiming through or under the Seller; provided, however, that the Seller's obligations under this Section 5.02 shall terminate upon the termination of the Trust pursuant to the Pooling and Servicing Agreement.

Section 5.03. Chief Executive Office. The Seller shall give written notice to the Purchaser and the Trustee at least 30 days prior to relocating its chief executive office and shall make such filings under the UCC as shall be necessary to maintain the perfection of the security interest (as defined in the UCC) in the Receivables granted in favor of the Purchaser hereunder.

Section 5.04. Trustee as Named Insured; Pledge of Proceeds. The Seller shall cause the Trustee to be identified as the named insured or additional insured under the Risk Default Insurance Policy and as an additional insured, as its interests may appear, under the VSI Insurance Policy as of the Closing Date. The Seller hereby assigns to the Trustee for the benefit of the Certificateholders, any interest it may have in any and all proceeds with respect to a Receivable under the terms of any of the foregoing insurance policies.

Section 5.05. Costs and Expenses. The Seller agrees to pay all reasonable costs and disbursements in connection with the perfection, as against all third parties, of the sale to the Purchaser of the Seller's right, title and interest in and to the Receivables.

Section 5.06. No Waiver. The Seller shall not waive any default, breach, violation or event permitting acceleration under the terms of any Receivable.

Section 5.07. Location of Servicer Files. The Servicer Files, exclusive of the original titles to the Financed Vehicles and exclusive of the originals of the Receivables, have been delivered to the location listed in Exhibit C hereto. The Custodian Files, including the original titles (or other evidence of the security interest in the Financed Vehicles) and the originals of the Receivables shall be delivered to the principal executive office of the Custodian as specified in the Pooling and Servicing Agreement.

Section 5.08. Sale of Receivables. The Seller will take no action inconsistent with the Purchaser's ownership of the Receivables. If a third party, including a potential purchaser of the Receivables, should inquire, the Seller will promptly indicate that ownership of the Receivables has been transferred to the Purchaser, and by the Purchaser to the Trust.

Section 5.09. The Seller's Records. This Agreement and all related documents describe the transfer of the Receivables from the Seller as an absolute sale by the Seller to the Purchaser and evidence the clear intention by the Seller to effectuate an absolute sale and assignment of such Receivables. The financial statements and tax returns of the Seller will disclose that, under generally accepted accounting principles, or for tax purposes, respectively, the Seller transferred ownership of the Receivables.

Section 5.10. Financial Statements. The Seller will furnish to the Purchaser and each Certificateholder, (A) within 90 days after the end of its fiscal year, an unaudited balance sheet as at the end of such fiscal year and the related statements of income and cash flow for such fiscal year, setting forth in comparative form the figures as at the end of and for the previous fiscal year and (B) within 45 days after the end of each of the first three quarterly accounting periods in each fiscal year, an unaudited balance sheet of the Seller as at the end of such quarterly period setting forth in each case in comparative form the figures for the corresponding periods of the previous fiscal year.

Section 5.11. Compliance with Laws, Etc. The Seller will comply in all material respects with all applicable laws, rules, regulations, judgments, decrees and orders (including those relating to the Receivables and any other agreements related thereto), where the failure so to comply, individually or in the

aggregate for all such failures, would have a reasonable likelihood of having a material adverse effect on the business or properties of the Seller.

Section 5.12. Preservation of Existence. The Seller will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualifications would have a reasonable likelihood of having a material adverse effect on the business or properties of the Seller.

Section 5.13. Keeping of Records and Books of Account. The Seller shall maintain and implement administrative and operating procedures (including, an ability to recreate records evidencing its Receivables in the event of the destruction of the originals thereof), and shall keep and maintain, or cause to be kept or maintained, all documents, books, records and other information which, in the reasonable determination of Purchaser and the Trustee, are necessary or advisable in accordance with prudent industry practice and custom for transactions of this type for the collection of all Receivables. Seller shall maintain or cause to be maintained at all times accurate and complete books, records and accounts relating to the Receivables, which books and records shall be marked to indicate the sales of all Receivables hereunder.

Section 5.14. Separate Existence of Purchaser. The Seller hereby acknowledges that the Trustee, on behalf of the Trust, is entering into the transactions contemplated by the Pooling and Servicing Agreement in reliance upon Purchaser's identity as a legal entity separate from the Seller and Seller's other affiliates. Seller will, and will cause each other affiliate to, take all reasonable steps to continue their respective identities as separate legal entities and to make it apparent to third Persons that each is an entity with assets and liabilities distinct from those of Purchaser and that Purchaser is not a division of the Seller or any other Person.

ARTICLE VI

INDEMNIFICATION

Section 6.01. Indemnification. The Seller shall indemnify the Purchaser, the Trustee and each Certificateholder for any liability as a result of the failure of a Receivable to be originated in compliance with all requirements of law and for any breach of any of its representations and warranties contained herein. In addition, the Seller shall indemnify the Trustee, the Trust, the

Backup Servicer, the Custodian and each Certificateholder to the extent of the Purchaser's indemnity obligations under Section 8.02 of the Pooling and Servicing Agreement and under the fourth sentence of Section 11.07 of the Pooling and Servicing Agreement, which provisions are incorporated herein by this reference as if such provisions were fully set forth herein and as if the "Seller" thereunder were the Seller hereunder. The Seller hereby acknowledges that any of the Trustee, the Custodian, the Backup Servicer or the Certificateholders may enforce the obligation of the Seller under this Section 6.01. These indemnity obligations shall be in addition to any obligation that the Seller may otherwise have.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.01. Obligations of the Seller. The obligations of the Seller under this Agreement shall not be affected by reason of any invalidity, illegality or irregularity of any Receivable.

Section 7.02. Repurchase or Substitution Upon Breach.

(a) The Seller hereby covenants and agrees to deliver to the Purchaser, the Trustee and each Certificateholder prompt written notice of (i) the occurrence of a breach of any of the representations and warranties of the Seller contained or deemed to be contained in Section 3.01(b) hereof with respect to any Receivable or (ii) the failure of the Seller to deliver original certificates of title or other documents evidencing the security interest of the Seller in the Financed Vehicle pursuant to Section 4.01(c)(ii). If (x) such breach shall not have been cured by the thirtieth day following discovery thereof or (y) the non-delivery shall not have been cured by the seventh Business Day following receipt by a responsible officer of the Seller of notice by certified mail thereof, the Seller shall be obligated to repurchase such Receivable hereunder from the Purchaser at the Purchase Amount on a date which shall be no later than the fifth Business Day following the applicable cure period. The Seller shall be obligated to repurchase the Receivable to which such breach or non-delivery relates even if the Purchaser shall not have breached its respective representations and warranties with respect to such Receivable under the Pooling and Servicing Agreement and even if the Purchaser fails to comply with any repurchase obligation it may have under the Pooling and Servicing Agreement. The Seller shall remit the Purchase Amount to the Trustee on behalf of the Purchaser. For purposes of this Section, the Purchase Amount of a Receivable which is not consistent with the warranty pursuant to Section 3.01(b)(i)(E) shall include such additional amount as shall be necessary to provide the full amount of principal and interest as contemplated therein.

(b) The foregoing notwithstanding, the Seller shall also have the option of substituting, within the five Business Day period following the applicable cure period, a Receivable conforming to the requirements hereof (a "Substitute Receivable") for any breach or failing Receivable instead of repurchasing such Receivable, provided any such substitution occurs within ninety (90) days of the Closing Date. It shall be a condition of any such substitution that (i) the outstanding Principal Balance of the Substitute Receivable as of the date of substitution shall be less than or equal to the outstanding Principal Balance of the replaced Receivable as of the date of substitution; provided that an amount equal to the difference, if any, between the outstanding Principal Balance of the replaced Receivable and the outstanding Principal Balance of the Substitute Receivable shall be paid in cash to Purchaser for deposit into the Collection Account pursuant to the Pooling and Servicing Agreement; (ii) the remaining term to maturity of the Substitute Receivable shall not be greater than that of the replaced Receivable; (iii) the Cutoff Date with respect to the Substitute Receivable shall be deemed to be the first day of the month of the substitution; (iv) the Substitute Receivable otherwise satisfies the conditions of Section 3.01(b) hereof (the Seller shall be deemed to make all representations and warranties contained in Section 3.01(b) and (c) hereof with respect to the Substitute Receivable as of the date of substitution); and (v) the Seller shall have delivered to the Purchaser and the Trustee all of the documents specified in Section 4.01(c) hereof with respect to the Substitute Receivable on or before the date of substitution.

(c) Except as provided in subsection (b) above, the repurchase obligation of the Seller shall constitute the sole remedy of the Certificateholders, the Trustee or the Purchaser against the Seller for its breach hereunder; provided, that the Seller hereby acknowledges that any of the Purchaser, the Certificateholders or the Trustee may enforce the Seller's obligation to repurchase or substitute for nonconforming Receivables pursuant to this Section 7.02.

Section 7.03. Purchaser's Assignment of Nonconforming Receivables. With respect to all Receivables repurchased or substituted for by the Seller pursuant to this Agreement, the Purchaser shall assign, without recourse, representation or warranty, to the Seller all the Purchaser's right, title and interest in and to such Receivables, and all security and documents relating thereto.

Section 7.04. Trust. The Seller acknowledges that the Purchaser will assign the Receivables to the Trust for the benefit of the Certificateholders, pursuant to the Pooling and Servicing Agreement, and that the representations and warranties contained in this Agreement and the rights of the Purchaser under Section 7.02 hereof are intended to benefit such Trust and each

Certificateholder. The Seller hereby consents to such transfers and assignments.

Section 7.05. Amendment. This Agreement may be amended from time to time by a written amendment duly executed and delivered by the Seller and the Purchaser; provided however, that for so long as any Certificates are outstanding no amendment which in any manner (x) relates to the Seller's obligations under Section 7.02 or (y) would have a materially adverse effect on the interests of the Certificateholders, shall be effective without the prior written consent of each Certificateholder.

Section 7.06. Waivers. No failure or delay on the part of the Purchaser in exercising any power, right or remedy under this Agreement or the Assignments shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy.

Section 7.07. Notices. All communications and notices pursuant hereto to any party shall be in writing or by telegraph or telex and addressed or delivered to it at its address (or in case of telex, at its telex number at such address) shown in the preamble of this Agreement or at such other address as may be designated by it by notice to the other party and, if mailed or sent by telegraph or telex, shall be deemed given when mailed, communicated to the telegraph office or transmitted by telex.

Section 7.08. Costs and Expenses. The Seller will pay all expenses, including reasonable fees and expenses of counsel, incident to the performance of its obligations under this Agreement and the Seller agrees to pay all reasonable out-of-pocket costs and expenses in connection with the enforcement of any obligation of the Seller hereunder.

Section 7.09 Acknowledgement Concerning Insurance Proceeds. The Seller hereby acknowledges and agrees for the benefit of the Purchaser, the Trustee and the Certificateholders that any checks representing Risk Default Insurance Proceeds or proceeds from claims on any Insurance Policies in respect of the Receivables that at any time may be made payable to the Seller will be so made payable for reasons of administrative and claims processing convenience only and that, notwithstanding that such checks may be made so payable, the Seller shall have no right, title or interest in such proceeds.

Section 7.10. Limited Recourse to Purchaser. The Seller agrees that the obligations of the Purchaser hereunder are payable solely from the Purchaser's interests in the Trust Property and that the Seller may not look to any other property or assets of the Purchaser in respect of such obligations.

Section 7.11. Headings and Cross-References. The various headings in this Agreement are included for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. References in this Agreement to Section names or numbers are to such Sections of this Agreement.

Section 7.12. Governing Law. This Agreement and the Assignment shall be governed by and construed in accordance with the laws of the State of New York without regard or reference to principles of conflicts of laws of such state.

Section 7.13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

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

AEGIS AUTO
FINANCE, INC., as Seller

By

Joseph F.

Battiato

President

AEGIS AUTO
FUNDING CORP., a
Delaware corporation,
as Purchaser

By

Angelo R.

Appierto

President

EXHIBIT A

ASSIGNMENT

For value received in accordance with the Purchase Agreement dated as of September 1, 1996, (the "Purchase Agreement"), by and between the undersigned ("the Seller"), and Aegis Auto Funding Corp., a Delaware corporation (the "Purchaser"), the undersigned does hereby sell, assign, transfer and otherwise convey unto the Purchaser, without recourse, (i) all right, title and interest of the undersigned in and to the Receivables identified on the Schedule attached hereto, all moneys received thereon on and after the Cutoff Date allocable to principal, and all moneys received thereon allocable to interest accrued thereon from and including the Cutoff Date therefor; (ii) the security interests of the Seller in the Financed Vehicles granted by the Obligors pursuant to the Receivables; (iii) the interest of the Seller in any Risk Default Insurance Proceeds and any proceeds from claims on any Insurance Policies (including the VSI Insurance Policy) covering the Receivables, the Financed Vehicles or Obligors from the Cutoff Date; (iv) the interest of the Seller in any Dealer Recourse; and (v) the proceeds of any and all of the foregoing. The foregoing sale does not constitute and is not intended to result in any assumption by the Purchaser of any obligation of the undersigned to the Obligors, insurers or any other person in connection with the Receivables, Custodian Files, Servicer Files, any insurance policies or any agreement or instrument relating to any of them.

This Assignment is made pursuant to and upon the representations, warranties and agreements on the part of the undersigned contained in the Purchase Agreement and is to be governed by the Purchase Agreement.

Capitalized terms used herein and not otherwise defined shall have the meaning assigned to them in the Purchase Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be duly executed as of [CLOSING DATE]
[FUNDING DATE].

AEGIS AUTO
FINANCE INC.

By

Name:
Title:

EXHIBIT B

SCHEDULE OF RECEIVABLES

EXHIBIT C

LOCATION OF SERVICER FILES

American Lenders Facilities, Inc.
2600 Michaelson Drive
Suite 470
Irvine, CA 92715

EXHIBIT D-1

CERTIFICATE OF DELIVERY
(Initial Receivables)

In connection with the transfer of certain auto loan receivables to the Aegis Auto Receivables Trust 1996-3 (the "Trust") to be formed pursuant to a Pooling and Servicing Agreement (the "Agreement") to be entered into among Aegis Auto Funding Corp., a Delaware corporation, as seller (the "Seller"), Norwest Bank Minnesota, National Association, as Backup Servicer (the "Backup Servicer"), and Norwest Bank Minnesota, National Association, as Trustee (the "Trustee"), the undersigned hereby certifies that the documents listed below are included in the Custodian Files delivered to William Milbauer, Vice President of the Trustee for each of the Receivables listed on the Schedule hereto. Unless otherwise defined herein, capitalized terms have the meanings set forth in the Agreement or the Purchase Agreement (as defined in the Agreement).

(i) The original of the Receivable and any amendments thereto.

(ii) The original certificate of title or other document evidencing the security interest in the Financed Vehicles, or a guarantee of title or a copy of an application for title if no certificate of title or other document evidencing the security interest in the Financed Vehicle has yet been issued.

(iii) A copy of the Risk Default Insurance Policy and the VSI Insurance Policy and endorsements to the Risk Default Insurance Policy and the VSI Insurance Policy confirming insurance

(as reflected on a master list of insured Receivables)
regarding each Receivable.

AEGIS AUTO
FINANCE, INC.

Dated: , 1996 By

Name:
Title:

EXHIBIT D-2

CERTIFICATE OF DELIVERY
(Additional Receivables)

In connection with the transfer of certain auto loan receivables to the Aegis Auto Receivables Trust 1996-3 (the "Trust") to be formed pursuant to a Pooling and Servicing Agreement (the "Agreement") to be entered into among Aegis Auto Funding Corp., a Delaware corporation, as seller (the "Seller"), Norwest Bank Minnesota, National Association, as Backup Servicer (the "Backup Servicer"), and Norwest Bank Minnesota, National Association, as Trustee (the "Trustee"), the undersigned hereby certifies that the documents listed below are included in the Custodian Files delivered to William Milbauer, Vice President of the Trustee for each of the Additional Receivables listed on the Schedule hereto. Unless otherwise defined herein, capitalized terms have the meanings set forth in the Agreement or the Purchase Agreement (as defined in the Agreement).

(i) The original of each Additional Receivable and any amendments thereto.

(ii) The original certificate of title or other document evidencing the security interest in the Financed Vehicle, or a guarantee of title or a copy of an application for title if no certificate of title or other document evidencing the security interest in the Financed Vehicle has yet been issued.

(iii) A copy of an endorsement to the Risk Default Insurance Policy and the VSI Insurance Policy confirming insurance (as reflected on a master list of insured Receivables) regarding each Receivable.

AEGIS AUTO
FINANCE, INC.

Dated: , 1996

By

Name:

Title:

EXHIBIT E

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that Aegis Auto Finance, Inc., a Delaware corporation ("Aegis Finance"), having its principal place of business at 525 Washington Boulevard, Jersey City, New Jersey 07310, in connection with the transfer of its interests in certain automobile receivables and certain security interests and liens created in the Collateral (as defined below) has and hereby affirms that it has made, constituted and appointed, and by these presents does make, constitute and appoint Norwest Bank Minnesota, National Association, a national banking association, as trustee of the Aegis Auto Receivables Trust 1996-3 ("Trustee"), having its principal place of business at Sixth Street and Marquette Avenue, Minneapolis, Minnesota 55479-0070, and its successors or assigns in such capacity, Aegis Finance's true and lawful attorney-in-fact for and in Aegis Finance's name, place and stead to act:

FIRST: To execute and/or endorse any loan agreement, promissory note, security agreement, financing statement, certificate of title or other document, instrument, or agreement, or any amendment, modification or supplement of any of the foregoing and perform any act and covenant in any way which Aegis Finance itself could do (to the fullest extent that the Aegis Finance is permitted by law to act through an agent), which is necessary or appropriate to modify, amend, renew, extend, release, terminate and/or extinguish (i) any and all liens and security interests granted to or created in favor of Aegis Finance in and to or affecting any of the motor vehicles described in Schedule "A" (the "Collateral") annexed hereto and by this reference made a part hereof, or (ii) any indebtedness secured by any such lien or security interest or any right or obligation of the obligor of such indebtedness or Aegis Finance, in each case upon such terms and conditions deemed, in the sole discretion of said attorney-in-fact, necessary or appropriate in connection with such modification, amendment, renewal, extension, release, termination

and/or extinguishment.

SECOND: To agree and to contract with any person, in any manner and upon terms and conditions deemed, in the sole discretion of said attorney-in-fact, necessary or appropriate for the accomplishment of any such modification, amendment, renewal, extension, release, termination and/or extinguishment of any such lien, security interest, indebtedness, right or obligation referred to above with respect to the Collateral; to perform, rescind, reform, release or modify any such agreement or contract or any similar agreement or contract made by or on behalf of the principal; to execute, acknowledge, seal and deliver any contract, agreement, certificate of title or other document, agreement or instrument creating, evidencing, securing or secured by any such lien, security interest, indebtedness, right or obligation; and to take all such other actions and steps, pay or receive such moneys and to execute, acknowledge, seal and deliver all such other certificates, documents and agreements as said attorney-in-fact may deem necessary or appropriate to consummate any such modification, amendment, renewal, extension, release, termination and/or extinguishment of any such security interest, lien, indebtedness, right or obligation, or in furtherance of any of the transactions contemplated by the foregoing.

THIRD: With full and unqualified authority to delegate any or all of the foregoing powers to any person or persons whom said attorney-in-fact shall select.

FOURTH: This power of attorney shall not be affected by the subsequent disability or incompetence of the principal.

FIFTH: This power of attorney shall be irrevocable and coupled with an interest.

SIXTH: To induce any third party to act hereunder, Aegis Finance hereby agrees that any third party receiving a duly executed copy or facsimile of this instrument may act hereunder, and that any notice of revocation or termination hereof or other revocation or termination hereof by operation of law shall be ineffective as to such third party.

IN WITNESS WHEREOF, Aegis Finance has executed this Power of Attorney as of this [Funding Date].

AEGIS AUTO
FINANCE, INC.

By

Name:
Title:

The foregoing instrument was acknowledged before me this [Funding Date], by _____, the _____ of Aegis Auto Finance, Inc.

WITNESS my hand and official seal.

Notary Public

[NOTARIAL SEAL]

My commission expires:

SCHEDULE A

DESCRIPTION OF COLLATERAL

SERVICING AGREEMENT
Dated as of September 1, 1996

Among
AEGIS AUTO FINANCE, INC.,
Servicer

NORWEST BANK MINNESOTA, NATIONAL
ASSOCIATION
in its capacity as Backup Servicer

and

NORWEST BANK MINNESOTA, NATIONAL
ASSOCIATION
in its capacity as Trustee

Relating to
Aegis Auto Receivables Trust 1996-3

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SERVICING AGREEMENT

This SERVICING AGREEMENT is entered into as of September 1, 1996 (this "Servicing Agreement") among AEGIS AUTO FINANCE, INC., a Delaware corporation, as servicer (hereinafter referred to as "Servicer" and, in its separate capacity as the originator of the Receivables described herein, the "Originator"), NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, a national banking association, in its capacity as backup servicer (hereinafter referred to as "Backup Servicer") and NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, in its capacity as trustee (hereinafter referred to as "Trustee") in both cases under that certain Pooling and Servicing Agreement dated as of September 1, 1996 by and among Aegis Auto Funding Corp., a Delaware corporation, as Seller, Norwest Bank Minnesota, National Association in its capacity as Backup Servicer, and Norwest Bank Minnesota, National Association in its capacity as Trustee (such agreement, the "Pooling and Servicing Agreement").

I. RECITALS

WHEREAS, Servicer provides portfolio management services, including collection assistance, loan administration and financial reporting to financial institutions in connection with motor vehicle retail installment sales contracts, and

WHEREAS, Norwest Bank Minnesota, National Association, in its capacity as Trustee, is or will become the holder of those motor vehicle retail installment sales contracts referred to in Exhibit D to the Pooling and Servicing Agreement (as such Exhibit is amended or deemed amended pursuant to the Pooling and Servicing Agreement on any Funding Date, hereinafter referred to as "Receivables") which were originated by the Originator, subsequently sold to Aegis Auto Funding Corp. pursuant to a Purchase Agreement dated as of September 1, 1996 (the "Purchase Agreement") between the Originator and Aegis Auto Funding Corp., and subsequently deposited by Aegis Auto Funding Corp. with the Trustee pursuant to the terms of the Pooling and Servicing Agreement, and

WHEREAS, pursuant to the Pooling and Servicing Agreement, the Backup Servicer and the Trustee, on behalf of the Trust created under the Pooling and Servicing Agreement, desire to avail themselves of the services provided by Servicer, then

Let this be the terms and conditions of this Servicing Agreement:

II. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Pooling and Servicing Agreement. Whenever used in this Servicing Agreement, the following terms shall have the following meanings.

Credit Agency. A recognized agency to which Servicer reports delinquencies, repossessions and redemptions.

Independent Public Accountants. Means any of (a) Arthur Andersen & Co., (b) Deloitte & Touche, LLP, (c) Coopers & Lybrand, (d) Ernst & Young LLP, (e) KPMG Peat Marwick and (f) Price Waterhouse, or such other nationally recognized firm of independent accountants as shall be acceptable to the parties hereto and the Rating Agencies; provided, that such firm is independent with respect to the Servicer within the meaning of the Securities Act of 1933, as amended.

Loan Documents. Has the meaning set forth in paragraph III.B.9.

III. SERVICING RELATIONSHIP

A. NATURE AND SCOPE OF RELATIONSHIP

The Servicer hereby agrees to service and administer the Receivables for the Trust and render those services described in this Servicing Agreement and in the attached Schedule A. In performing its duties under this Servicing Agreement, the Servicer shall have full power and authority to do or cause to be done any and all things in connection with such servicing and administration which it may deem necessary or desirable, within the terms of the Pooling and Servicing Agreement and this Servicing Agreement. Servicer acknowledges receiving a copy of the Pooling and Servicing Agreement. Servicer shall report in writing solely to such officers or other employees of Backup Servicer and Trustee as Backup Servicer and Trustee may designate from time to time in writing.

Nothing in this Servicing Agreement shall be construed as establishing an agency, an employment or a partnership or joint venture between Backup Servicer, Trustee, any third party contract purchaser and Servicer.

Furthermore, Backup Servicer shall not use or permit the use of Servicer's name or the names of any of Servicer's affiliates in any advertising or promotional materials prepared by Backup Servicer or on Backup Servicer's behalf without the prior written consent of Servicer.

Compensation payable to the Servicer under this Servicing Agreement shall be payable by the Trustee solely from the Trust Property in accordance with the terms of the Pooling and Servicing Agreement, and except as provided in the Pooling and Servicing Agreement, none of the Trust, the Trustee or the Certificateholders will have any liability to the Servicer with respect thereto. In accordance with Section 4.04 of the Pooling and Servicing Agreement, such compensation shall be paid to the Servicer and/or one or more subservicers as the Servicer may from time to time direct in writing to the Trustee.

In the event the Backup Servicer shall for any reason no longer be acting as such (including by reason of resignation or an Event of Backup Servicing Default as specified in Section 4.02 or 10.01, respectively, of the Pooling and Servicing Agreement), the successor Backup Servicer shall thereupon assume all of the rights and obligations of the outgoing Backup Servicer under this Servicing Agreement; provided, however that the successor Backup Servicer shall not be liable for any acts, omissions or obligations of the outgoing Backup Servicer prior to such succession or for any breach by the outgoing Backup Servicer of any of its representations and warranties contained in this Servicing Agreement or in any related document or agreement and the outgoing Backup Servicer shall not be relieved of any liability or obligation hereunder to the extent such obligation or liability arose prior to the assumption by the successor Backup Servicer of the obligations of the Backup Servicer hereunder.

B. GENERAL CONDITIONS

1. Servicer agrees to provide the services hereunder during the term hereof. Servicer, Backup Servicer and Trustee each represent and warrant that it is duly authorized to enter into the arrangements contemplated hereby with respect to the Receivables.

2. Servicer may make such communications with third parties and the ultimate Obligor as are necessary and proper to perform the services provided for hereunder.

3. The Servicer hereby agrees to act for the Trust as custodian of all the documents or instruments delivered to the Servicer with respect to each Receivable, and any and all other documents that Servicer receives, creates, generates, or otherwise possesses which relate to a Receivable, an Obligor or a Financed Vehicle, provided, however, that the Custodian Files, including the original of the motor vehicle installment sale contract and the original certificate of title or such documents evidencing the security interest of the Trust in the Financed Vehicle or efforts made by the Trustee or its assignor to perfect such security interest shall be held by the Custodian, which shall be the Trustee. The Servicer shall maintain in its files copies, computer records or originals of each of the following documents with respect to each Receivable and the Financed Vehicle related thereto:

- (i) application of the Obligor for credit;
- (ii) a copy (but not the original) of the retail installment sale contract and any amendments thereto; provided, however, that the Servicer shall deliver any original amendments to the retail installment sale contract to the Trustee immediately following execution thereof;
- (iii) a copy (but not the original) of a certificate of title with a lien notation or an application therefor;
- (iv) copies of the Risk Default Insurance Policy and the VSI Insurance Policy; and
- (v) such other documents as the Servicer may reasonably request in order to accomplish its duties under this Servicing Agreement.

Items (i), (ii), (iii), (iv) and (v) shall be referred to collectively as the "Servicer Files."

4. Upon receipt of the documentation indicated in Paragraph III.B.3, Servicer shall establish a physical file for each Receivable, which shall contain the Servicer Files, as well as copies of all reports developed by or information received by Servicer with respect to the Receivable, including insurance certificates and reports of collection activities.

In its capacity as custodian of such files, Servicer shall hold the Servicer Files and all related files and documents on behalf of the Trust, and maintain such accurate and complete accounts, records, and computer systems pertaining to the Receivables using reasonable care and that degree of skill and attention with respect to the Receivables and the files and

documents as is customary with other companies in the industry that service motor vehicle installment sales contracts for themselves as well as for others.

The Servicer shall keep satisfactory books and records pertaining to each Receivable and shall make periodic reports in accordance with this Servicing Agreement. Such records may not be destroyed or otherwise disposed of except as provided herein and as allowed by applicable laws, regulations or decrees; provided, that, such records may be released to the Seller if the related Receivable is paid in full, the related Financed Vehicle is repossessed, the Receivable has been either repurchased or replaced pursuant to the Purchase Agreement with a Substitute Receivable (as defined therein) or the Receivable otherwise is no longer being serviced by the Servicer pursuant to this Servicing Agreement. All documents, whether developed or originated by the Servicer or not, reasonably required to document or to properly administer any Receivable shall remain at all times the property of the Trust. 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 Servicing Agreement. The Servicer shall bear the entire cost of restoration in the event any Loan Documents (as defined below) shall become damaged, lost or destroyed.

5. Servicer shall make available to the Backup Servicer, the Trustee and the Certificateholders, or their duly authorized representatives, attorneys, or auditors, the Servicer Files and any related accounts, records, and computer systems maintained by the Servicer, at such times as the Backup Servicer, the Trustee or any Certificateholder shall reasonably instruct, but without disrupting Servicer's operations. Without otherwise limiting the scope of the examination, the Backup Servicer, the Trustee or any Certificateholder may, upon at least two (2) Business Days' prior notice and at its own expense, using generally accepted audit procedures, verify the status of each Receivable and review the Loan Documents and records relating thereto for conformity to monthly reports prepared pursuant to paragraph IV.I. and compliance with the standards represented to exist as to each Receivable in this Servicing Agreement. Nothing herein shall require the Backup Servicer, the Trustee or any Certificateholder to conduct any inspection pursuant to this Section.

6. Within five (5) Business Days following the last day of each Collection Period, the Servicer shall forward to the Backup Servicer, via electronic transfer in a format mutually acceptable to the Servicer and the Backup Servicer, its computerized records reflecting (i) all collections received during such Collection Period with respect to the Receivables and (ii) information as of the last day of each Collection Period regarding

repossessed Financed Vehicles and sales of repossessed Financed Vehicles. Within three (3) Business Days of receipt of the foregoing information, the Backup Servicer shall input such information onto its computer system such that such information is immediately available to the Backup Servicer. The Backup Servicer shall then review such information within five (5) Business Days of its input onto the Backup Servicer's computer system and compare it to the information reported by the Servicer in its Monthly Servicing Certificate delivered to the Backup Servicer, Trustee and each Rating Agency in the form of Schedule B (the "Monthly Servicing Certificate"). Any discrepancies shall then be immediately reported to the Servicer, who shall have ten (10) Business Days from receipt of notice of discrepancies to correct all such discrepancies. Any discrepancies which cannot be corrected in such time period shall be reported by the Servicer to the Trustee, each Rating Agency and the Certificateholders.

7. On Monday of each week beginning September 16, 1996, the Servicer shall forward to the Backup Servicer, via electronic transfer in form mutually acceptable to the Servicer and the Backup Servicer, its computerized records reflecting (i) all collections received during the preceding calendar week with respect to the Receivables and (ii) a listing of all Receivables with the date through which payments have been made by the Obligor.

8. Other than the duties specifically set forth in this Servicing Agreement, the Backup Servicer shall have no obligation hereunder. The Backup Servicer shall have no liability for any action taken or omitted by the Servicer. The duties and obligations of the Backup Servicer shall be determined solely by the express provisions of this Servicing Agreement and the Pooling and Servicing Agreement and no implied covenants or obligations shall be read into this Agreement against the Backup Servicer.

9. Unless otherwise specified herein, the Servicer shall maintain physical possession, or computerized records, of good and legible copies of the Servicer Files received by it; such other instruments or documents that modify or supplement the terms or conditions of any of the foregoing; and, all other instruments, documents, correspondence and memoranda generated by or coming into the possession of the Servicer (including, but not limited to, insurance premium receipts, ledger sheets, payment records, insurance claim files, correspondence and current and historical computerized data files) that are required to document or service any Receivable. Collectively, all of the documents described in this paragraph III.B.9 with respect to a Receivable are referred to as "Loan Documents." The Servicer shall hold all Loan Documents in trust for the benefit of the Certificateholders and the Trust; all Loan Documents shall remain the property of the Trust. The Servicer shall respond to all third

party inquiries concerning ownership of the Receivables by indicating that the Receivables have been assigned to the Trust.

10. The Servicer may employ or otherwise utilize subservicers and enter into subservicing agreements in carrying out its duties and obligations under this Servicing Agreement. An affiliate of the Servicer, Aegis Consumer Finance, Inc. ("ACF"), has heretofore entered into a Master Servicing Agreement dated as of April 6, 1996 (the "Subservicing Agreement") with American Lenders Facilities, Inc. ("ALFI") pursuant to which ALFI has agreed to perform certain subservicing duties as therein described. The Servicer shall cause ALFI to act as subservicer of the Receivables with respect to the receipt of collections on the Receivables, custody and application of payments from Obligors and for the maintenance of individual records for each Receivable in accordance with the terms of such Subservicing Agreement or the terms of any new subservicing agreement subsequently entered into with ALFI for the performance of such duties. The Subservicing Agreement and any such other subservicing agreement hereafter entered into by the Servicer and/or ACF shall provide that the Backup Servicer, at the direction of the Majority Certificateholders and each Rating Agency, shall have the right to direct the Servicer to terminate such subservicing arrangement if (a) the Majority Certificateholders and each Rating Agency reasonably determine that the subservicer is failing to perform its obligations thereunder and (b) such failure materially reduces the amount recovered on defaulted loans. The Servicer agrees to promptly terminate a subcontracting arrangement if directed to do so by the Backup Servicer. In addition, should ALFI's employment as subservicer of the Receivables as described above be terminated at any time, ALFI shall be entitled to a fee of \$5.00 per Receivable.

IV. ADMINISTRATION AND SERVICING OF RECEIVABLES

A. DUTIES OF SERVICER

The Servicer shall service and administer the Receivables in compliance with all applicable Federal and State laws and regulations governing the Servicer and the Receivables, and shall act prudently and in accordance with customary and usual servicing procedures for other institutional servicers and applicable law, and, to the extent not inconsistent with the foregoing, shall exercise that degree of skill and care it uses for servicing assets held for its own account.

The Servicer's duties shall include collection and posting of all payments, responding to inquiries by Obligors or by Federal, State, or local governmental authorities on the Receivables, investigating delinquencies, sending payment books

or monthly statements to Obligors, responding to inquiries by Obligors with respect to the Receivables and furnishing Monthly Servicing Certificates to the Trustee with respect to distributions and any additional information reasonably requested by the Trustee to enable the Trustee to make distributions and produce reports required under the Pooling and Servicing Agreement.

Without limiting the generality of the foregoing, the Servicer shall be authorized and empowered to execute and deliver any and all instruments of satisfaction or cancellation, and all other comparable instruments, with respect to the Receivables or the Financed Vehicles.

If the Servicer shall commence a legal proceeding to enforce a Receivable, the Trustee, acting on behalf of the Trust, shall thereupon be deemed to have automatically assigned such Receivable to the Servicer which assignment shall be solely for the purpose of collection. The Trustee, acting on behalf of the Trust, shall furnish the Servicer with any powers of attorney and other documents necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties hereunder.

B. MAINTENANCE OF RECORDS

The Servicer shall maintain accounts and records as to each Receivable accurately and in sufficient detail to permit: (i) the reader thereof to know at any time the status of such Receivable, including payments and recoveries made and payments owing (and the nature of each); (ii) reconciliation between payments or recoveries on (or with respect to) each Receivable and the amounts from time to time owing in respect of such Receivable.

To the extent that such records are maintained on a computer system, the Servicer shall also maintain such computer system so that the Servicer's master computer records (including archives) that shall refer to each Receivable indicate that such Receivable is owned by the Trust.

Such accounts and records shall be kept only for as long as Servicer is servicing the Receivables for the Trust.

At all times during the term hereof, for so long as Aegis Auto Finance, Inc. is acting as Servicer, the Servicer shall keep available at its office located at 525 Washington Boulevard, Jersey City, New Jersey 07310 (or such other location as to which it shall give written notice to the Trustee and each Certificateholder), for inspection by Certificateholders a copy of the list of Receivables, and shall mail a copy of such list to a Certificateholder upon written request.

C. MAINTENANCE OF SECURITY INTEREST

The Servicer shall cooperate with the Seller in taking such steps as are necessary to maintain perfection of the security interest created by each Receivable in the respective Financed Vehicle. The Trustee, on behalf of the Trust, hereby authorizes and the Servicer hereby agrees to take such steps (and at the Trust's expense) as are necessary to re-perfect such security interest on behalf of the Trust in the event such re-perfection is necessary or advisable for any reason. The title to each Financed Vehicle relating to a Receivable included in the Trust initially shall bear a notation of a lien in the name of the Originator.

D. COLLECTION OF RECEIVABLE PAYMENTS

The Servicer shall use its best efforts to collect all payments called for under the terms and provisions of the Receivables as and when the same shall become due.

In addition, the Servicer, on behalf of the Trust, shall use its best efforts to repossess or otherwise recover the Financed Vehicle securing any Receivable as to which the Servicer shall have determined, after consultation with Seller if Servicer so requests, that eventual payment in full is unlikely and such repossession or recovery is permitted under the terms of the Receivable and any applicable law. The Servicer shall be entitled to recover all reasonable expenses incurred by it in the course of repossessing and liquidating the Financed Vehicle into cash proceeds.

Subject to the provisions of paragraph IV.A. above, the Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of automotive receivables, which may include selling the Financed Vehicle at public or private sale in accordance with applicable state law. 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 the Servicer shall determine in its discretion that such repair and/or repossession will increase the Liquidation Proceeds or Insurance Proceeds by an amount greater than the amount of such expenses.

E. PHYSICAL DAMAGE INSURANCE

1. The Servicer, in accordance with its customary servicing procedures, shall use its best efforts to ensure that each Obligor maintains physical damage insurance covering the Financed Vehicle throughout the lesser of the term of the Trust or the Receivable.

2. In the event of any physical loss or damage to a Financed Vehicle 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 policies directly or indirectly related to any physical loss or damage to a Financed Vehicle.

3. The Servicer will administer the filings of claims under the VSI Insurance Policy and the Risk Default Insurance Policy as provided under paragraph IV.L. hereof.

F. COVENANTS OF THE TRUSTEE AND SERVICER; NOTICES

1. The Servicer shall (1) prior to a default with respect to a Receivable, not release any Financed Vehicle securing any Receivable from the security interest granted by such Receivable in whole or in part except in the event of payment in full by the Obligor thereunder or upon transfer of the Financed Vehicle to a successor purchaser following repossession by the Servicer, (2) not impair the rights of the Certificateholders or the Trustee in the Receivables, (3) not increase the number of Scheduled Payments due under a Receivable except as permitted in paragraph A.3.e of Schedule A, (4) prior to the termination of the Trust, not sell, pledge, assign, or transfer to any other Person, or grant, create, incur, assume, or suffer to exist any Lien on any Receivable transferred to the Trust or any interest therein, except for assignment to the Risk Default Insurer upon its request after the Risk Default Insurer has paid a claim in full, (5) immediately notify the Trustee of the existence of any material Lien on any Receivable, (6) defend the right, title, and interest of the Trust in, to and under the Receivables transferred to the Trust, against all claims of third parties claiming through or under the Servicer, (7) deposit into the Lock-Box Account all payments received by the Servicer with respect to the Receivables in accordance with this Servicing Agreement, (8) comply in all respects with the terms and conditions of this Servicing Agreement relating to the obligation of Seller to repurchase Receivables from the Trust pursuant to the Pooling and Servicing Agreement, or the obligation of the Originator to repurchase Receivables from the Seller pursuant to the Purchase Agreement, (9) promptly notify the Trustee of the occurrence of any Event of Servicing Default and any breach by the Backup Servicer of any of its covenants or representations and warranties contained herein, (10) with the cooperation of the Seller, make any filings, reports, notices, or applications and seek any consents or authorizations from any and all government agencies, tribunals, or authorities in accordance with the UCC and any state vehicle license or registration authority on behalf of the Trust as may be necessary or advisable or reasonably requested by the Trustee to create, maintain, and protect a first-priority security

interest of the Trustee in, to, and on the Financed Vehicles and a first-priority security interest of the Trust in, to, and on the Receivables transferred to it and (11) take all reasonable action necessary to maximize the returns pursuant to the Risk Default Insurance Policy and the VSI Insurance Policy.

2. The Trustee shall promptly notify the Servicer of any actual knowledge on its part (i) of any abandonment of any Financed Vehicle by an Obligor, (ii) of any material change in the condition or value of any Financed Vehicle, (iii) of any waste committed with respect to any Financed Vehicle; (iv) of any failure on the part of an Obligor to keep the Financed Vehicle insured or in good condition and repair, (v) of any permanent or substantial injury to a Financed Vehicle caused by unreasonable use, abuse or neglect or (vi) of any other matter which would adversely affect or result in diminution of the value of any Financed Vehicle.

3. The Servicer will promptly advise the Trustee of any inquiry received from an Obligor which contemplates the consent of the Trustee. Inquiries contemplating consent of the Trustee shall include, but not be limited to, inquiries about settlement of any unasserted claim or defense, or compromise of any amount an Obligor owes or any other matters the Servicer should reasonably understand are not within the Servicer's authority under this Servicing Agreement.

4. Notwithstanding any other provision of this Servicing Agreement, the Trustee and the Backup Servicer (except if and when the Backup Servicer is acting as the Servicer hereunder) shall be under no duty or obligation to investigate or inquire into the status of any Obligor or Financed Vehicle and "actual knowledge" referred to in subparagraphs 2 and 3 of this paragraph IV.F. shall be limited to actual knowledge of a Trustee Officer.

G. PURCHASE OF RECEIVABLES UPON BREACH

The Servicer shall inform each Rating Agency, the Trustee, the Backup Servicer and each Certificateholder promptly, in writing, upon the discovery of any breach pursuant to Section 3.01 of the Pooling and Servicing Agreement. The Servicer has no duty to investigate or determine the existence of any breach except as specified herein. Unless the breach shall have been cured within the time periods specified in Section 3.02 of the Pooling and Servicing Agreement, the Trustee shall use all reasonable efforts to cause the Seller to repurchase or replace the affected Receivables in accordance with Section 3.02 of the Pooling and Servicing Agreement, and enforce the repurchase or substitution obligations of the Originator under Section 7.02 of the

Purchase Agreement. In consideration of the purchase of such Receivable, the Trustee shall use all reasonable efforts to cause the Seller or the Originator to remit the Purchase Amount or the substitute Receivable to the Trustee. The Trustee's rights with respect to this paragraph IV.G. shall not subject the Trustee to any duty or obligation upon a breach by the Seller or the Originator of its representations, warranties or covenants as set forth above, other than to take action as described herein and as may be directed by the Certificateholders in accordance with and subject to the condition and limitation set forth in the Pooling and Servicing Agreement.

H. SERVICING FEE

The Servicer shall be paid a monthly servicing fee ("Servicing Fee") with respect to each Receivable serviced under this Servicing Agreement during a Collection Period in accordance with paragraph III of Schedule A hereto. The Servicing Fee shall be due on the succeeding Distribution Date. In the event this Servicing Agreement is terminated on a date other than the last day of a Collection Period, then the Servicing Fee for such period shall be determined on a pro rata basis. In the event that the Backup Servicer assumes the responsibilities and obligations of the Servicer under this Servicing Agreement, the Backup Servicer shall be entitled to receive its normal and customary fee for such services with respect to comparable quality Receivables, not to exceed those set forth in the Fee Schedule set forth in paragraph III of Schedule A attached hereto.

I. MONTHLY SERVICING CERTIFICATES

The Servicer shall deliver to the Backup Servicer, the Trustee (which shall deliver a copy to each Certificateholder), each Rating Agency and the Seller, on each Determination Date, a Monthly Servicing Certificate substantially in the form of Schedule B hereto containing all information necessary for the Trustee to calculate and make the distributions pursuant to Section 5.06 of the Pooling and Servicing Agreement.

J. ANNUAL STATEMENT AS TO COMPLIANCE; ACCOUNTANTS' SERVICING REPORT

1. The Servicer shall deliver to the Backup Servicer, the Trustee, each Certificateholder, and each Rating Agency, on or before March 31 of each year, an Officer's Certificate, dated effective as of December 31 of the preceding year beginning with the calendar year ended December 31, 1996, stating that (i) a review of the activities of the Servicer during the preceding 12-month period and of its performance under this Servicing Agreement has been made under such officer's supervision and (ii) based on such review, the Servicer has

materially fulfilled all its obligations under this Servicing Agreement throughout such year, 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. A copy of such certificate may be obtained by any Certificateholder by a request in writing to the Servicer from any such Certificateholder.

2. Unless required more frequently by each Rating Agency, on each yearly anniversary of the Closing Date, the Servicer at the expense of the Trust, shall cause a firm of Independent Public Accountants to furnish a statement to the Trustee, each Rating Agency and each Certificateholder to the effect that such firm has examined certain documents and records relating to the servicing of the Receivables and the reporting requirements with respect thereto as set forth in this Agreement, and that, on the basis of such examination, such servicing and reporting requirements have been conducted in compliance with 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 statement.

3. If (a) the Reserve Requirement shall be increased because either (i) the "60 Day + Delinquency Rate" (as defined in the definition of Reserve Requirement) exceeds 4.75% of the Pool Balance (as set forth in clause (2) of the definition of Reserve Requirement) or (ii) the cumulative Net Losses with respect to the Receivables exceed the applicable percentages of the Original Pool Balance (as set forth in clause (4) of the definition of Reserve Requirement) or (b) an Event of Servicing Default shall have occurred and be continuing, then, at the request of the Majority Certificateholders not more frequently than once every six months, the Trustee, within 30 days of such request, shall cause a firm of Independent Public Accountants to review certain documents and records of the Servicer relating to the servicing of the Receivables and the reporting requirements with respect thereto as set forth in this Agreement, and furnish a statement to the effect specified in paragraph IV.J.2 above.

4. The Servicer shall deliver to each Rating Agency, the Trustee, the Backup Servicer and each Certificateholder, promptly after having obtained actual knowledge thereof, but in no event later than five (5) Business Days thereafter, written notice in an Officer's Certificate of the Servicer of any event which with the giving of notice or lapse of time, or both, would become an Event of Master Servicing Default under Section 10.01 of the Pooling and Servicing Agreement or an Event of Servicing Default under paragraph VI hereof.

K. ACCESS TO CERTAIN DOCUMENTATION AND INFORMATION REGARDING RECEIVABLES

The Trustee and the Servicer shall, upon written request, each provide to or cause the Certificateholders to have access to its Custodian Files or Servicer Files, as the case may be, relating to the Receivables. Access shall be afforded without charge, but only upon reasonable request and during the normal business hours at the offices of the Trustee or the Servicer, as the case may be. Nothing in this Section shall affect the obligation of the Trustee or the Servicer to observe any applicable law prohibiting disclosure of information regarding the Obligors, and the failure of the Trustee or the Servicer to provide access to information as a result of such obligation shall not constitute a breach of this paragraph IV.K.

L. RESPONSIBILITY FOR INSURANCE POLICIES;
PROCESSING OF CLAIMS UNDER INSURANCE
POLICIES; DAILY RECORDS AND REPORTS

1. The Servicer, on behalf of the Trust, will administer and enforce all rights and responsibilities of the holder of the Receivables provided for in the Insurance Policies relating to the Receivables. The Servicer, on behalf of the Trust, shall verify that an endorsement listing each Receivable has been issued with respect to each Receivable under the Risk Default Insurance Policy, that each Receivable is listed by the VSI Insurer as covered under the VSI Insurance Policy, and that the Risk Default Insurance Policy names the Trustee as the insured and the VSI Insurance Policy names the Trustee as an additional insured.

2. The Servicer will administer the filings of claims under the VSI Insurance Policy and Risk Default Insurance Policy by filing the appropriate notices related to claims as well as claims with the respective carriers or their authorized agents, all in accordance with the terms of the VSI Insurance Policy and Risk Default Insurance Policy. The Servicer shall file all such claims regardless of whether a Receivable may have become a Purchased Receivable or a Liquidated Receivable. The Servicer shall file such claims on a timely basis after obtaining knowledge of the events giving rise to such claims, subject to the servicing standard set forth in paragraph IV.A. hereof. The Servicer will utilize such notices, claim forms and claim procedures as are required by the respective insurance carriers. The Servicer shall notify the Trustee and Seller of (i) any such claims actually denied under the applicable Risk Default Insurance Policy or VSI Insurance Policy and (ii) those claims which would have been denied under such Risk Default Insurance Policy or VSI Insurance Policy had the Receivable(s) not been repurchased from the Trust, and in both cases, the reasons for such denials. The Servicer shall cause all Insurance Proceeds to be deposited to the Lock-Box Account within two (2) Business Days of receipt thereof.

The Servicer shall not be required to pay any

premiums or, other than administering the filing of claims and performing reporting requirements specified in the VSI Insurance Policy and Risk Default Insurance Policy in connection with filing such claims, perform any obligations of any named insured under the foregoing VSI Insurance Policy and Risk Default Insurance Policy, and shall not be required to institute any litigation or proceeding or otherwise enforce the obligations of any insurer thereunder. Notwithstanding any provision to the contrary in the Pooling and Servicing Agreement, the Servicer shall not be responsible to any Certificateholder or the Seller (i) for any act or omission to act done in order to comply with the requirements or satisfy any provisions of the VSI Insurance Policy or Risk Default Insurance Policy or (ii) for any act or omission to act, absent willful misconduct or gross negligence, done or omitted in compliance with this Servicing Agreement. In the case of any inconsistency between this Servicing Agreement and the terms of any VSI Insurance Policy or Risk Default Insurance Policy, the Servicer shall comply with the latter.

3. Notwithstanding any other provision in this Servicing Agreement to the contrary, the Trustee and the Backup Servicer, unless it is acting as Servicer, shall not be under any obligation to administer the Receivables as required by the VSI Insurance Policy and/or Risk Default Insurance Policy.

M. ENFORCEMENT

1. The Servicer will, consistent with the standard of care required by paragraph IV.A. hereof, act with respect to the Receivables and the Insurance Policies in such manner as will, in the reasonable judgment of the Servicer, maximize the amount to be received by the Trust with respect thereto.

2. The Servicer may and shall, at the direction of the Trustee, sue to enforce or collect upon the Receivables and the Insurance Policies (including unpaid claims), with the prior approval of the Trustee, in the name of and as agent for the Trust. If the Servicer commences a legal proceeding to enforce a Receivable or an Insurance Policy, the act of commencement shall be deemed to be an automatic assignment of the Receivable and the related rights under the Insurance Policies by the Trustee to the Servicer for purposes of collection only. If, however, in any enforcement suit or legal proceeding it is held that the Servicer may not enforce a Receivable or an Insurance Policy on the grounds that it is not a real party in interest or a holder entitled to enforce the Receivable or the Insurance Policy, the Trustee, on behalf of the Trust, shall, at the Servicer's request, take such steps as the Servicer deems reasonably necessary to enforce the Receivable or the Insurance Policy, including bringing suit in its name or the names of the Certificateholders. The Servicer shall be entitled to reimbursement for expenses incurred in connection

with enforcement or collection activities with respect to the Receivables pursuant to this paragraph IV.M.2.

3. The Servicer shall exercise any rights of recourse against third persons that exist with respect to any Receivable in accordance with the Servicer's usual practice and the standard of care required by paragraph IV.A hereof. In exercising such recourse rights, the Servicer is hereby authorized on the Trustee's behalf to reassign the Receivable and to deliver the certificate of title to the Financed Vehicle to the person against whom recourse exists at the price set forth in the document creating the recourse.

4. The Servicer may not permit any rescission or cancellation of any Receivable nor may it take any action with respect to any Receivable or Insurance Policy which would materially impair the rights or interest of the Trust or the Certificateholders therein or in the proceeds thereof.

5. Except as otherwise provided in paragraph I.A.3 of Schedule A hereto, neither the Backup Servicer nor the Servicer may increase or reduce the amount of any Scheduled Payments, change any Receivable, APR, extend the maturity date of or rework any Receivable, modify or change any Obligor with respect to any Receivable or modify any other material term of a Receivable.

N. PAYMENT IN FULL ON RECEIVABLE

Upon payment in full on any Receivable, the Servicer shall notify the Custodian pursuant to Section 3.03 of the Pooling and Servicing Agreement, prior to the next succeeding Distribution Date, by a certificate of a Servicing Officer substantially in the form of Schedule C hereto and request for release of the related Custodian File (which certificate shall include a statement to the effect that all amounts received in connection with such payment in full which are required to be deposited in the Collection Account or the Lock-Box Account pursuant to Section 5.02 of the Pooling and Servicing Agreement have been so deposited). Upon receipt of such request, the Custodian shall promptly release or cause to be released such Receivable and the related Custodian File by executing a release and assignment in the form of Schedule D hereto, which shall be without recourse to the Trustee. The Custodian shall be authorized, upon receipt of a request for release from the Servicer in the form of Schedule C hereto, to execute an instrument in satisfaction of such Receivable and to take such other actions and execute such other documents as the Servicer deems necessary to discharge the Obligor thereunder and eliminate the security interest in the Financed Vehicle related thereto. Upon request of a Servicing Officer, the Trustee shall perform such other acts as reasonably requested by the Servicer and otherwise cooperate with the Servicer in

enforcement of the Certificateholders' rights and remedies with respect to the Receivables.

O. SUBSTITUTION OF COLLATERAL

In the event a Financed Vehicle sustains significant physical damage such that the insurance company carrying the physical damage insurance covering such Financed Vehicle determines that the Financed Vehicle is not repairable, the Servicer, the Trustee or the Seller may permit the Obligor to pledge a vehicle of equal or greater market value than that of the Financed Vehicle immediately prior to sustaining the physical damage, provided, that any such substitution shall not be made if to do so would void coverage of the related Receivable under the VSI Insurance Policy or the Risk Default Insurance Policy, and provided further that the value of Financed Vehicles (prior to sustaining the physical damage) for which substitutions may be made shall not exceed in the aggregate ten percent (10%) of the Original Pool Balance. The second vehicle shall be substituted as the collateral ("Substituted Financed Vehicle") for the Receivable and the terms of the Receivable shall not be amended or modified except to reflect the substituted collateral. The Servicer shall, within 90 days of the purchase of the Substituted Financed Vehicle, cause the certificate of title for the Substituted Financed Vehicle to be delivered to the Trustee as Custodian pursuant to Section 3.03 of the Pooling and Servicing Agreement; provided, however, that if the certificate of title is not delivered to the Trustee within such 90-day period, the Seller shall be deemed to be in breach of its representations and warranties in the Pooling and Servicing Agreement. In accordance with Section 3.03 of the Pooling and Servicing Agreement, the Servicer shall make appropriate notation in its records of the substitution of the collateral.

P. FIDELITY BOND AND ERRORS AND OMISSIONS INSURANCE

The Servicer shall maintain, at its own expense, (i) an errors and omissions insurance policy and (ii) a blanket fidelity bond (but only to the extent ALFI or any other subservicer appointed by the Servicer to perform the collection activities and related services specified to be performed by ALFI in paragraph III. B. 10 hereof does not maintain a blanket fidelity bond with respect to such servicing functions to be performed hereunder; provided if the Servicer does participate in performing any such functions, it shall maintain a blanket fidelity bond), in each case with broad coverage with responsible companies on all officers, employees or other persons acting on behalf of the Servicer in any capacity with regard to the Receivables to handle funds, money, documents and papers relating to the Receivables. Any such fidelity bond and errors and omissions insurance shall protect and

insure the Servicer against losses, including forgery, theft, embezzlement, fraud, 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 institutional motor vehicle installment sales contract servicers. No provision of this paragraph IV.P. requiring such fidelity bond and errors and omissions insurance shall diminish or relieve the Servicer from its duties and obligations as set forth in this Agreement. The Servicer shall be deemed to have complied with this provision if one of its respective Affiliates has such fidelity bond and errors and omissions policy coverage and, by the terms of such fidelity bond and errors and omission policy, the coverage afforded thereunder extends to the Servicer. The Servicer shall cause each and every subservicer for it to maintain a policy of insurance covering errors and omissions and a fidelity bond which would meet such requirements. Upon request of the Trustee, the Servicer shall cause to be delivered to the Trustee a certification evidencing coverage under such fidelity bond and insurance policy. Any such fidelity bond or insurance policy shall not be cancelled or modified in a materially adverse manner without ten days' prior written notice to the Trustee, each Rating Agency and the Certificateholders.

V. REPRESENTATIONS AND WARRANTIES

A. REPRESENTATIONS AND WARRANTIES OF SERVICER

1. Servicer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has full corporate power and authority to enter into this Agreement and to carry out the provisions of this Agreement.

2. This Agreement and all other instruments or documents to be delivered hereunder or pursuant hereto, and the transactions contemplated hereby, have been duly authorized by all necessary corporate proceedings of Servicer; this Agreement has been duly and validly executed and delivered by Servicer; and, assuming due authorization, execution and delivery by Backup Servicer and the Trustee, this Agreement is a valid and legally binding agreement of Servicer enforceable in accordance with its terms.

3. The execution and delivery of this Agreement by Servicer hereunder and the compliance by Servicer with all provisions of this Agreement do not conflict with or violate any applicable law, regulation or order and do not conflict with or result in a breach of or default under any of the terms or provisions of any contract or agreement to which Servicer is subject or by which it or its property is bound, nor does such

execution, delivery or compliance violate the certificate of incorporation or bylaws of Servicer.

4. During the term of this Agreement, Servicer will maintain fire and theft, general liability, business interruption and employee fidelity insurance coverage in such amounts and upon such terms as shall be customary given the nature and extent of Servicer's business activities.

5. The Servicer is not in violation of, and the execution, delivery and performance of this Servicing Agreement by the Servicer will not constitute a violation with respect to, any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which violation might have consequences that would materially and adversely affect the condition (financial or other) or operations of the Servicer or its properties or might have consequences that would affect the performance of its duties hereunder;

6. No proceeding of any kind, including but not limited to litigation, arbitration, judicial or administrative, is contemplated by or, to the Servicer's knowledge, pending or threatened against the Servicer which would under any circumstance have a material adverse effect on the execution, delivery, performance or enforceability of this Servicing Agreement;

7. To the best of Servicer's knowledge all electronic data provided by the Servicer will be at the time of delivery thereof true and correct;

8. No information, certificate of an officer, statement furnished in writing or report delivered to the Backup Servicer by the Servicer will, to the knowledge of the Servicer, contain any untrue statement of a material fact or omit a material fact necessary to make the information, certificate, statement or report not misleading; and

9. The Servicer is an Eligible Servicer as of the Closing Date and shall remain an Eligible Servicer throughout the term of this Servicing Agreement.

B. REPRESENTATIONS AND WARRANTIES OF BACKUP SERVICER

1. Backup Servicer is a national banking association in good standing under the laws of the United States, and has full corporate power and authority to enter into this Agreement and to carry out the provisions of this Agreement. Backup Servicer has all licenses, approvals and consents to conduct its business as contemplated by this Agreement, except to the

extent that the failure to possess such licenses, approvals and consents does not have a material adverse effect on the ability of the Backup Servicer to perform its duties under this Agreement.

2. This Agreement and all other instruments or documents to be delivered hereunder or pursuant hereto, and the transactions contemplated hereby, have been duly authorized by all necessary corporate proceedings of Backup Servicer; this Agreement has been duly and validly executed and delivered by Backup Servicer; and, assuming due authorization, execution and delivery by Servicer, this Agreement is a valid and legally binding agreement of Backup Servicer enforceable in accordance with its terms.

3. The execution and delivery of this Agreement by Backup Servicer hereunder and the compliance by Backup Servicer with all provisions of this Agreement do not conflict with or violate any applicable law, regulation or order and do not conflict with or result in a breach of or default under any of the terms or provisions of any contract or agreement to which Backup Servicer is subject or by which it or its property is bound, nor does such execution, delivery or compliance violate the Certificate of Incorporation or Bylaws of Backup Servicer.

C. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations and warranties set forth in this paragraph V are made as of the date of this Servicing Agreement and shall survive the date of this Servicing Agreement. Upon discovery by the Backup Servicer, the Trustee or the Servicer of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other parties.

VI. EVENTS OF SERVICING DEFAULT

If any one of the following events ("Events of Servicing Default") shall occur and be continuing:

- (i) Any failure by the Servicer to deliver to the Trustee any proceeds or payment required to be so delivered under the terms of this Servicing Agreement that shall continue unremedied for a period of two (2) Business Days after the earlier to occur of (a) the date on which written notice of such failure shall have been received by the Servicer or (b) a Servicing Officer shall have actual knowledge thereof or, with reasonable diligence, should have had knowledge

thereof; or

- (ii) Failure on the part of the Servicer to observe or to perform in any material respect any other covenants or agreements set forth in this Servicing Agreement which continue unremedied for a period of thirty (30) days after the earlier to occur of (a) the date on which written notice of such failure shall have been received by the Servicer or (b) a Servicing Officer shall have actual knowledge thereof or, with reasonable diligence, should have had knowledge thereof; or
- (iii) The entry of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver, trustee, or liquidator for the Servicer in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings, or for the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of thirty (30) consecutive days; or
- (iv) The consent by the Servicer to the appointment of a trustee, conservator, receiver, or liquidator in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceedings of or relating to the Servicer and involving substantially all of its property; or
- (v) The Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition of any applicable bankruptcy, insolvency, or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations; or
- (vi) The failure by the Servicer to provide true and correct electronic data, in violation of representations and warranties made by the Servicer in paragraph V.A. hereof, which violation shall be material and shall continue unremedied for a period of 30 days after the

date on which written notice of such failure requiring the same to be remedied, shall have been sent (1) to the Servicer by the Trustee, or (2) to the Servicer and to the Trustee by the Holders of Certificates evidencing not less than 20% of the Voting Interests thereof; or

- (vii) The assignment by the Servicer to a delegate of its duties or rights hereunder, except as specifically permitted hereunder, or any attempt to make such an assignment; or
- (viii) The failure to provide the Trustee at least thirty (30) days prior written notice of a merger or consolidation involving the Servicer or assumption of obligations of the Servicer, or the failure to receive the approval by each Rating Agency (such approval not to be unreasonably withheld) of such merger or consolidation involving the Servicer or assumption of obligations of the Servicer pursuant to paragraph XXIII of this Servicing Agreement; or
- (ix) Any fraud, gross negligence or willful misconduct on the part of the Servicer with respect to the Receivables or its duties hereunder.

Then, and in each and every case and so long as an Event of Servicing Default described above shall not have been remedied in the period, if any, provided for in the applicable subsection, the Trustee may, and shall, either at the direction of the Majority Certificateholders or, in the case of an Event of Servicing Default described in subsections (iii), (iv) or (v) above, at the direction of the Risk Default Insurer, terminate all of the rights and obligations of the Servicer under this Servicing Agreement.

On or after the receipt by the Servicer of such written notice, all authority and power of the Servicer under this Servicing Agreement, with respect to the Receivables or otherwise, shall pass to and be vested in the Backup Servicer or in any successor Servicer to be appointed by the Trustee at the direction of the Majority Certificateholders or at the direction of the Risk Default Insurer, provided that the direction of the Risk Default Insurer shall be subject to the consent of the Majority Certificateholders and each Rating Agency. The Backup Servicer is hereby 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 or accomplish all other acts with things necessary to effect the purposes of such notice of termination, whether to complete the transfer and endorsement of the Receivable files, or otherwise. Anything to the contrary herein notwithstanding, the Backup Servicer may appoint agents to perform its duties as successor Servicer hereunder.

The Servicer shall cooperate with the Backup Servicer in effecting the termination of the responsibilities and rights of the Servicer under this Servicing Agreement, including the transfer to the Backup Servicer or any successor Servicer for administration by it of all cash amounts that shall at the time be held by the Servicer or shall have been deposited by the Servicer in any account or that shall thereafter be received by the Servicer with respect to a Receivable.

The Backup Servicer or the successor Servicer appointed by the Trustee (including by reason of an Event of Servicing Default under this Section or resignation pursuant to Section XXII) shall be successor in all respects to the Servicer in its capacity as Servicer and custodian under this Servicing Agreement; provided, however that the Backup Servicer or successor Servicer shall not be liable for any acts, omissions or obligations of the Servicer that arose prior to such succession or for any breach by the outgoing Servicer of any of its representations and warranties contained in this Servicing Agreement or in any related document or agreement, and the outgoing Servicer shall not be relieved of any liability or obligations hereunder to the extent such obligation or liability arose prior to such succession. The Servicer shall be entitled to receive all Servicing Fees and recovery of all costs up to the date of the transfer to the successor Servicer of all functions referenced under this Servicing Agreement.

VII. REMEDIES

In addition to the right to terminate contained in Section VI, the Servicer agrees that upon the happening of any Event of Servicing Default (as defined herein), the Backup Servicer or the successor Servicer may avail itself of any other relief to which the Backup Servicer or the successor Servicer may be legally or equitably entitled, subject only to the provision of Section XIII of this Servicing Agreement.

VIII. RESPONSIBILITY AND AUTHORITY OF SERVICER

Subject to the limitations set forth herein or in the Pooling and Servicing Agreement, the Servicer shall have the full power and authority, acting alone and without the consent of the Trustee or the Backup Servicer, to do any and all things in

connection with such servicing and administration that it may deem reasonably necessary or desirable, to collect the Receivables, to disburse the proceeds and to protect the interests of the Trustee and the Certificateholders in the Receivables.

IX. COLLECTIONS; LOCK-BOX ACCOUNT AND
RELATED BANK ACCOUNTS

Any amounts received by the Servicer, including all payments by or on behalf of the Obligors (other than Purchased Receivables), all Liquidation Proceeds, Insurance Proceeds and other Recoveries, all as collected during the Collection Period in respect of a Receivable being serviced by the Servicer, shall be remitted to the Lock-Box Account as soon as practicable, but in no event later than the close of business on the Business Day after receipt thereof by the Servicer.

The Servicer shall maintain the Lock-Box Account and shall collect and hold in trust (for the benefit of the Trust) in such account all funds received on account of the Obligors until such funds are transferred to the Trustee or in accordance with its instructions. On a daily basis the posted balance (in excess of \$2,000) related to the Receivables in the Lock-Box Account shall be transferred by wire transfer to the Trustee.

Such funds shall not be commingled with the funds of any other person; provided that there may be deposited in the Lock-Box Account moneys collected on other motor vehicle installment sales contracts originated by Aegis Finance and its affiliates. The Servicer shall be responsible for all charges with respect to the Lock-Box Account and, insofar as such charges relate to the Receivables, shall be reimbursed in accordance with the instructions set forth in the Monthly Servicer Certificate. The Servicer shall provide written notice to the Trustee of the location and account number of the Lock-Box Accounts promptly after establishing or changing the same.

Wells Fargo Bank, N.A. will serve as the initial Lock-Box Account Depository with respect to the Receivables. The Servicer shall provide thirty (30) days' prior notice to the Trustee of its appointment of a successor Lock-Box Account Depository, which such successor Lock-Box Account Depository shall be an Eligible Institution.

The Servicer shall deposit into the Lock-Box Account all amounts (including late payments) remitted by Obligors to the Servicer under the terms of the Receivables within one (1) Business Day after receipt thereof. The Servicer shall provide the Lock-Box Account Depository with a report providing instructions related to distributions of funds from the Lock-Box Account to the Collection Account.

The Servicer shall deposit in the Collection Account the aggregate Purchase Amount with respect to Purchased Receivables. All such deposits shall be made in Automated Clearinghouse Corporation next-day funds or immediately available funds, on the Business Day following receipt thereof.

X. DOCUMENTS AND RECORDS

A. SERVICING DOCUMENTS AND RECORDS

1. All documents with respect to an Obligor account and delivered to Servicer hereunder will be held in trust and kept safely by Servicer as delivered.

2. The Servicer shall hold in trust and keep safely for the benefit of the Trust the computer records relating to the Obligor accounts and the proceeds thereof.

3. The Servicer will furnish copies of any audit reports prepared for the Servicer (either internal or otherwise) with respect to the Receivables to the Trustee promptly upon the receipt thereof by Servicer.

4. All data, documents and information held by the Servicer on behalf of the Trust shall be held in confidence and not used or disclosed for any purpose other than as contemplated by this Servicing Agreement or as required by law or as may be necessary to enforce their respective rights under this Servicing Agreement.

B. REPORTS AND CREDIT AGENCIES

1. In addition to its normal reporting, the Servicer shall also furnish Backup Servicer upon request with such reports as are required by this Servicing Agreement and such additional information underlying the data in the aforesaid reports as may be reasonably pertinent to Backup Servicer's needs and that can be generated by the Servicer's existing data processing system without undue effort or expense. The reports required by this Servicing Agreement shall be substantially in the form of Schedule B hereto.

2. Backup Servicer and Trustee understand that all transactions with respect to an Obligor account will be reported by Servicer to one or more Credit Agencies in the name of the Seller or its applicable affiliate as required by contract and by law. Servicer will comply with all Credit Agency agreements.

XI. INDEMNIFICATION

The Servicer agrees to indemnify the Backup Servicer and the Trustee and hold the Backup Servicer and the Trustee, their respective officers, employees and agents harmless against any and all claims, losses, penalties, fines, forfeitures, legal fees and related costs, judgments, and any other costs, fees and expenses that the Backup Servicer or the Trustee, as the case may be, may sustain in any way related to failure of the Servicer to perform its duties and service the Receivables in compliance with the terms of this Servicing Agreement. The Servicer shall immediately notify the Backup Servicer and the Trustee if a claim is made by a third party with respect to this Servicing Agreement or the Receivables, assume (with the consent of the Backup Servicer and the Trustee) the defense of any such claim and pay all expenses in connection therewith, including counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against it or the Backup Servicer or the Trustee in respect of such claim. This right to indemnification shall survive the termination of this Servicing Agreement.

XII. TERM AND TERMINATION

1. The Servicer agrees to service all Receivables for their full term and until their expiration or earlier termination.

2. In the event the Trustee, on behalf of the Trust, transfers any Receivable(s), the transferee shall have the option to terminate the servicing of the respective Obligor account(s) by providing thirty (30) days written notice to Servicer.

3. The holder of the Residual Interest may at any time replace the Servicer with a substitute Eligible Servicer upon the delivery of written notice of such substitution stating the name and address of such substitute Servicer to the Master Trustee, the Trustee, each Rating Agency and the predecessor Servicer at least 90 days prior to the change in Servicer, provided (1) the holder of the Residual Interest delivers to the Trustee in connection with such substitution evidence of the consent of at least the Majority Certificateholders to the change and (2) provided further that such substitute Servicer shall have executed an agreement of assumption, acceptable to the Trustee and each Rating Agency, under which it assumes every obligation and duty of the Servicer under this Servicing Agreement. Upon the occurrence of the foregoing, such substitute Servicer shall be deemed the Servicer for all purposes under this Servicing Agreement.

Should the transferee or holder of the Residual Interest elect to terminate the servicing as indicated above, the Servicer shall be entitled to a five (\$5.00) dollars per Receivable

transfer fee, such fee to be paid by the transferee or holder of the Residual Interest on the date of transfer.

XIII. ARBITRATION AND ATTORNEYS' FEES

1. It is understood that this Servicing Agreement is made in good faith and should there arise, from any unforeseen cause, a difference of opinion or of interpretation of this Servicing Agreement which cannot be settled amicably between the Trustee, the Backup Servicer and the Servicer, such difference or interpretations shall be submitted to a decision of a board of arbitration.

2. The aforementioned board of arbitration shall be composed of two (2) arbitrators and an umpire meeting in the State of Minnesota, unless otherwise agreed to by the Trustee, the Backup Servicer and the Servicer.

3. The members of the board of arbitration shall be active or retired disinterested officials of insurance companies or financial institutions. Each party shall appoint its arbitrator, and the two arbitrators shall choose an umpire before instituting the hearing. If the respondent fails to appoint its arbitrator within thirty (30) days after being requested to do so by the claimant, the latter shall also appoint the second arbitrator.

If the two arbitrators fail to agree upon the appointment of an umpire within two (2) weeks after their nominations, each of them shall name three (3), of whom the other shall decline two (2) and the decision shall be made by drawing lots. The claimant shall submit its initial brief within twenty (20) days from appointment of the umpire. The respondent shall submit its brief within twenty (20) days thereafter, and the claimant may submit a reply brief within ten (10) days after filing of the respondent's brief.

4. The board shall make an award with regard to the custom and usage of the business contemplated by this Servicing Agreement. The board shall issue its award in writing based upon a hearing at which evidence may be introduced without following strict rules of evidence but in which cross-examination and rebuttal shall be allowed.

The board shall make its award within thirty (30) days following the termination of the hearing unless the parties consent to an extension. A decision by the majority of the members of the board shall become the award of the board and shall be final and binding upon all parties to the proceeding. Either party may apply to the United States District Court, sitting in the State of Minnesota, for an order confirming the award. If such an order is issued, the attorneys' fees of the party so applying and the

court cost will be paid by the party against whom confirmation is sought.

5. Each party shall bear the expense of its arbitrator and shall jointly and equally bear with the other party the expense of the umpire. The remaining costs of the arbitration proceeding (including attorneys' fees of the parties) shall be allocated by the board in its award. Notwithstanding any other provision hereof, any expenses (including attorney's fees) incurred by the Trustee or the Backup Servicer shall be reimbursed from the Trust.

XIV. WAIVERS

No failure or delay on the part of the Servicer, the Trustee or the Backup Servicer in exercising any power, right or remedy under this Servicing Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy, preclude any other or further exercise thereof or the exercise of any other power, right or remedy, except by a written instrument signed by the party to be charged or as otherwise expressly provided herein.

XV. NOTICES

Except as otherwise provided herein, all notices, requests, consents, demands and other communications given hereunder shall be in writing. All notices of whatever kind shall be either personally delivered or sent by telecopy or other form of rapid transmission and confirmed by United States mail, properly addressed and with full postage prepaid, addressed as follows:

To Servicer: Aegis Auto Finance,
Inc.
525 Washington
Boulevard
Jersey City, NJ
07310
Attn: Joseph F.
Battiato, President
Telecopy No. (201)
418-7339

To Backup Servicer: Norwest Bank
Minnesota,
National Association
Corporate Trust
Services Asset
Backed
Administration
Sixth Street and

Marquette Ave.

Minneapolis, MN

55479-0070

Telecopy No. (612)

667-3539

To Trustee: Norwest Bank
Minnesota,
National Association
Corporate Trust
Services Asset
Backed
Administration
Sixth Street and

Marquette Ave.

Minneapolis, MN

55479-0070

Telecopy No. (612)

667-3539

or to such other address as such party shall have specified in writing in the manner set forth above. All notices to the Certificateholders shall be sent in the manner specified in the Pooling and Servicing Agreement.

XVI. ASSIGNABILITY

No party may assign any of its rights or obligations hereunder without the prior written consent of the other parties. Nothing in this Servicing Agreement is intended to confer, expressly or by implication, upon any Person other than the Trustee, the Backup Servicer and the Servicer any rights or remedies under or by reason of this Servicing Agreement.

XVII. FURTHER ASSURANCES

Each party agrees, if reasonably requested by another party, to execute and deliver such additional documents or instruments and take such further actions as may be reasonably necessary to effect the transactions contemplated by this Agreement.

XVIII. COUNTERPARTS

This Servicing Agreement may be executed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute but one and the same document.

XIX. ENTIRE AGREEMENT; AMENDMENTS

This Servicing Agreement, including the Schedules attached hereto and the documents referred to herein, contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes all prior understandings, negotiations, commitments and writings with respect thereto. This Servicing Agreement may not be modified, changed or supplemented except upon the express written consent of each of the parties hereto. The Trustee shall not agree to any amendment of this Servicing Agreement without the prior written consent of the Majority Certificateholders. In the event of any conflict between this Servicing Agreement and a Schedule hereto, the Schedule shall govern.

XX. INSPECTION

Any party hereto or its designated agents, and any Certificateholder, may, during ordinary business hours and after reasonable notice, inspect, audit, check and make abstracts from any party's books, accounts, records and other papers directly pertaining to the subject matter of this Servicing Agreement or the Schedules hereto. All costs and expenses of such activities shall be borne by the inspecting party. Each party shall use reasonable efforts to facilitate any such inspection.

XXI. LIMIT ON TRUSTEE'S PAYMENT
OBLIGATIONS

Neither the Trustee, nor Norwest Bank Minnesota, National Association, nor any of its affiliates, shall have any obligation to make any payment to the Servicer in respect of any payment obligation of the Trustee to the Servicer under this Servicing Agreement, any Schedules, riders or amendments hereto otherwise than from funds held by the Trustee pursuant to the Pooling and Servicing Agreement. The Servicer hereby specifically consents to the same and agrees that under no circumstances will it offset or otherwise withhold amounts owing to it from remittances made by it to the Trustee pursuant to this Servicing Agreement, or any Schedules hereto or any riders or amendments hereto.

XXII. SERVICER NOT TO RESIGN

1. The Servicer shall not resign from the obligations and duties imposed on it as Servicer under this Servicing Agreement except (i) in the event that the performance of its duties under this Servicing Agreement shall no longer be permissible under applicable law or it shall no longer be an Eligible Servicer or (ii) if the Backup Servicer has taken over the duties of the Servicer in accordance with the terms hereof or upon

the appointment of a successor or substitute Servicer (other than the Backup Servicer) to take over the duties and obligations of the Servicer hereunder. Notice of any such determination permitting the resignation of the Servicer shall be communicated in writing to the Trustee, the Backup Servicer and each Rating Agency at the earliest practicable time and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Trustee concurrently with or promptly after such notice. No such resignation shall become effective until an Eligible Servicer shall have assumed the responsibilities and obligations of the Servicer; provided, however, in the event that the Backup Servicer is unable to act as Servicer hereunder and a successor Eligible Servicer has not been appointed within thirty (30) days, the Trustee may petition a court of competent jurisdiction for the appointment of a successor Eligible Servicer acceptable to the Majority Certificateholders.

2. Upon the Servicer's receipt of notice of termination pursuant to paragraph VI. or upon the Servicer's resignation pursuant to this paragraph, the Backup Servicer shall perform as Servicer until such time, if ever, as a successor Servicer who is an Eligible Servicer reasonably acceptable to each Rating Agency and the Majority Certificateholders shall have been appointed by the Trustee and shall have assumed the duties and responsibilities of the Servicer.

3. Upon appointment, the successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter relating thereto placed on the predecessor Servicer, and shall be entitled to the applicable portion of the Servicing Fee and all of the rights granted to the predecessor Servicer, by the terms and provisions of the Pooling and Servicing Agreement.

XXIII.

MERGER OR CONSOLIDATION OF, OR ASSUMPTION OF
THE
OBLIGATIONS OF, OR RESIGNATION OF
SERVICER.

Any Person (a) into which the Servicer may be merged or consolidated, (b) which may result from any merger or consolidation to which the Servicer shall be a party, (c) which may succeed to the properties and assets of the Servicer substantially as a whole, or (d) which may succeed to the duties and obligations of the Servicer under this Servicing Agreement which Person executes an agreement of assumption to perform every obligation of the Servicer hereunder, shall be the successor to the Servicer under this Servicing Agreement without further act on the part of any of the parties to this Servicing Agreement; provided, however,

prior to any merger or consolidation of, or assumption of the obligations of, the Servicer, each Rating Agency shall have delivered to the Servicer, the Backup Servicer, the Trustee and each Certificateholder a statement that such transaction shall not have an adverse effect on the ratings assigned to the Rated Certificates; further provided, however, that (i) immediately after giving effect to such transaction, no Event of Servicing Default (as defined in paragraph VI.), and no event which, after notice or lapse of time, or both, would become an Event of Servicing Default shall have happened and be continuing, (ii) the Servicer shall have delivered to the Trustee an Officer's Certificate stating that such consolidation, merger or succession and such agreement of assumption comply with this paragraph XXIII. and that all conditions precedent provided for in this Servicing Agreement relating to such transaction have been complied with, and (iii) the Servicer shall have delivered to the Trustee an Opinion of Counsel either (A) stating that, in the opinion of such counsel, all financing statements, continuation statements and amendments and notations on certificates of title thereto have been executed and filed that are necessary fully to preserve and protect the interest of the Trustee in the Receivables and the Financed Vehicles, and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest. Without receipt by the Trustee of written notice from the Servicer of such merger, consolidation or succession at least thirty days prior to such action by the Servicer and approval by each Rating Agency and the Majority Certificateholders, which approval shall not be unreasonably withheld, such merger, consolidation or succession shall constitute an Event of Servicing Default with respect to the Servicer.

XXIV. GOVERNING LAW.

This Servicing Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard or reference to principles of conflicts of laws of such State.

IN WITNESS WHEREOF, the parties hereto have caused this Servicing Agreement to be executed as of the date first written above.

SERVICER:
AEGIS AUTO
FINANCE,
INC.

By:

Battiato

Joseph F.

President

[Signatures continue on following page]

BACKUP
SERVICER:
NORWEST
BANK
MINNESOTA
, NATIONAL
ASSOCIATIO
N, in its
capacity as
Backup
Servicer under
the Pooling
and Servicing

Agreement

By:

Name:

Stephen Seitz

Title:

Corporate Trust Officer

TRUSTEE:
NORWEST

BANK MINNESOTA,
ASSOCIATION, in its
Trustee under the
Servicing Agreement

NATIONAL
capacity as
Pooling and

By:

Name:

Stephen Seitz

Title:

Corporate Trust Officer

ACKNOWLEDGEMENT AND AGREEMENT OF SELLER

The undersigned hereby acknowledges this Servicing Agreement and agrees, in its capacity as Seller, to be bound by the applicable provisions hereof.

AEGIS AUTO FUNDING CORP.,
In its capacity as Seller under the
Pooling and Servicing Agreement

By:

Brendan Meyer
Vice President

SCHEDULE A - SUMMARY OF SERVICES

I. SERVICES

A. CONTRACT SERVICES - COLLECTIONS

1. Prior to the execution of this Agreement Servicer has established a Lock-Box Account at Wells Fargo Bank, N.A.
2. Servicer shall be responsible for the mailing of payment coupon books or monthly statements. Payment books shall contain coupons in sufficient quantity to allow Obligor to enclose a coupon with each scheduled payment per the terms of the related contract. Each payment coupon book may contain up to 36 coupons.

For those Obligor accounts whose contract term exceeds 36 months a new coupon book for the remaining term will be sent in the 35th month.

3. Servicer shall process Obligor accounts for which the Obligor fails to make a payment on the applicable payment due date (a "Delinquency") on the following basis:
 - a. Commencing on the first business day on which an Obligor is delinquent by more than ten (10) days, Servicer shall, at the Servicer's discretion, either (1) phone the

Obligor, (2) if no contact is made after phoning, the Servicer may send a letter to the Obligor asking the Obligor to immediately contact the Servicer, or (3) order a field call by an outside agency to the Obligor.

- b. Servicer may request the Seller's authorization to repossess an Obligor's vehicle at any time after an Obligor is delinquent and Servicer has satisfactory reason to believe that Obligor will not pay. However, such authorization will be deemed given if Servicer cannot obtain timely authorization, provided Servicer has determined that any delay would impede the Servicer's ability to service the Obligor's vehicle. Servicer shall create and maintain a report of any Obligor's vehicle it repossesses and all events leading to such action.
- c. If an Obligor requests a change to his normal monthly due date (a "Due Date Change") and if the Obligor has defaulted on his obligations under a Receivable or if the Servicer reasonably believes such default is imminent, Servicer may grant such Due Date Change to the extent the Servicer deems in the best interest of the Certificateholders; however, no Due Date Change shall be granted beyond the currently due month.
- d. Except as otherwise provided in this agreement, if an Obligor has been delinquent for more than thirty-five (35) days, Servicer shall request Seller's authorization to repossess pursuant to Section IA3.b. of this Schedule A.
- e. If an Obligor requests an extension of the currently required monthly payment to extend the end of the loan term (a "Loan Extension") and if the Obligor has defaulted on his obligations under a Receivable or if

the Servicer reasonably believes such default is imminent, Servicer may to the extent the Servicer deems in the best interest of the Certificateholders grant such Loan Extension once each year.

Servicer shall grant a Loan Extension only to those Obligor who have made at least six (6) regularly scheduled payments; and in no case shall the number of Loan Extensions per loan exceed the number of years in the loan term. In no event may any modification cause the final payment date to extend beyond the Final Scheduled Distribution Date for the Receivables.

B. CONTRACT SERVICES - CUSTOMER SERVICE

1. If Servicer receives written or oral notice from an Obligor of such Obligor's refusal to make payments on the Obligor's account, Servicer shall enter such notice into its computer records.
2. The Seller shall have the responsibility to apply for title to the motor vehicle covered by the contract. Servicer shall send, or cause to be sent, to Trustee all titles to such motor vehicles. With respect to titles received, Servicer shall verify that Aegis Finance is noted as lien holder.
3. Servicer shall notify Originator and/or Custodian of any discrepancies with respect to the lien holder indicated on received titles. Servicer shall further notify Originator and/or Custodian of missing titles. Originator shall be responsible for correcting title discrepancies and obtaining missing titles.
4. Servicer shall not release any title to a vehicle except upon the full payment of the remaining obligor principal balance by the Obligor or others, or the repossession and sale of the related vehicle, or the release of the title to Originator for the correcting of

title problems, or as required by law, or as directed by Custodian. Custodian will release title to Servicer on a timely basis, pursuant to Section 3.04(c) of the Pooling and Servicing Agreement.

5. Servicer shall perform the following insurance tracking functions with respect to a contract until the earlier of the repossession and sale of the vehicle or the remaining obligor principal balance is paid in full by the Obligor or others:
 - a. Seller shall provide initial physical damage insurance information at the time of portfolio boarding.
 - b. Servicer shall notify Seller and/or Custodian if Servicer has not received a copy of a physical damage insurance policy for an Obligor's vehicle within twenty (20) days of the receipt of a Notice of Cancellation/Non-Renewal.
 - c. Servicer shall produce a monthly Insurance Expiration report showing those Obligor accounts for whom a Notice of Cancellation/Non-Renewal has been received or the expiration date for an Obligor's insurance policy in Servicer's computer records has elapsed.
 - d. Servicer shall not be liable for any loss or liability resulting from the lack of insurance coverage on any Obligor vehicles if it has complied with the foregoing.
6. Servicer shall negotiate and settle any claims relating to physical damage to a vehicle and endorse any insurance company drafts for such claim subject to the following conditions:
 - a. Servicer shall endorse a draft for payment of a claim to body shop or other auto repair service.
 - b. If the Obligor's account is more than

thirty (30) days delinquent, Servicer shall attempt to collect all currently due amounts. If unable to make such collection, Servicer shall request Seller's authorization to repossess vehicle from the repair facility pursuant to Section I-A-3.b. of this Schedule A. To effect such repossession, Servicer may negotiate for the release of the vehicle from the repair facility in exchange for the endorsed draft in the amount of the repairs and an agreement to hold the repair facility harmless for the release of the vehicle.

7. Servicer shall calculate early payoffs of remaining obligor principal balance per the terms of the related sales contract. Seller authorization is required for any payoff amount other than the full calculated amount. Notwithstanding any condition in this Agreement, Servicer, however, shall have the right (in the event of early payoff) to waive any remaining obligor principal balance of twenty-five dollars (\$25.00) or less.
8. Upon receipt by Servicer of the full payment of the remaining Obligor principal balance by the Obligor, the Custodian shall release to the Servicer which in turn shall release and forward to the Obligor the original of the installment sales contract.

II.

A. SPECIAL COLLECTION ACTIVITIES

1. Repossession and Sale

The following terms shall govern the repossession and sale of the vehicle:

- a. Servicer shall order repossession services from licensed, bonded agents.
- b. Within five (5) business days after repossession or sooner if required by law, Servicer shall prepare and mail

a Notice of Intent (the "NOI") to the Obligor and send a copy of the NOI once per month together with their monthly reports to the Seller.

- c. Servicer shall cause the repossessed vehicle to be delivered to a location as designated by Seller for the amount of time required by applicable State law for Obligor redemption (the "Obligor Redemption Period").
- d. After the expiration of the Obligor Redemption Period, Seller may authorize Servicer to arrange for the sale and disposition of the vehicle.

2. Credit Enhancement Claims Filing

Within the provisions of the Fee Schedule set forth in paragraph III of this Schedule, Servicer shall perform the following insurance functions with respect to a Receivable and will comply with all necessary operating and claims filing procedures (which may be modified by the insurance company from time to time and by mutual consent of the Seller and the Servicer) pursuant to each Credit Enhancement:

- a. With respect to the Risk Default Insurance Policy, Servicer shall: (1) file notice of loss within the earlier of (a) 60 days from the date of expiration of the Obligor Redemption Period or (b) 30 days from the date the Financed Vehicle was sold at auction, (2) maintain claim data components, (3) calculate the claim amount and (4) submit to the Insurer all supporting documents for each claim required by the Risk Default Insurance Policy.
- b. With respect to the VSI Insurance Policy, Servicer shall:
 - (1) if appropriate, prior to liquidation and within ninety (90)

days of date of loss, file an initial notice of loss which shall mean the following for purposes of this Section only:

(A) For physical damage, the date of repossession;

(B) For instrument non-filing insurance, the date of filing of a superior lien;

(C) For a skip, the date of the first delinquency plus 150 days; and

(D) For a repossession, the date the damage occurred.

(2) maintain physical and electronic information, (3) calculate the claim amount, (4) prepare physical and electronic information and complete claim form and (5) in the case of a claim dispute, select an independent appraiser and file an appraisal report within thirty (30) days of initial claim filing rejection.

3. Deficiency

- a. After the repossession and sale of a vehicle, in order to calculate a deficiency, if any, Servicer shall request the cancellation of any financed product related to the vehicle (e.g., credit life, disability insurance, etc.), file for any refunds associated therewith and furnish a cancellation report to Custodian.
- b. After taking into account any cancellation refunds, Servicer shall compute any deficiency resulting from the repossession and sale of a vehicle and notify Obligor of any such deficiency.
- c. At the discretion and instruction of

the Seller, Servicer shall commence collection activities on any such established Obligor deficiency accounts.

4. Bankruptcies

If Servicer receives written notice that an Obligor has become subject to bankruptcy proceedings under Federal or State law, Servicer or its designee (attorney if required) shall provide the following services as necessary:

- a. Servicer shall immediately cease all collection activity and otherwise comply with the Bankruptcy Code and all related laws and regulations.
- b. Servicer shall file a claim with the applicable court.
- c. Servicer shall obtain legal services for the prosecution of the claim when necessary.
- d. Servicer shall monitor the receipts of funds being paid through the applicable bankruptcy plan.
- e. Upon dismissal of an action under bankruptcy, Servicer shall service the Obligor's account pursuant to the standard collection procedures of Section I of this Schedule A.
- f. Should the Obligor account be the subject of a reaffirmation or court ordered modified payment schedule, Servicer shall administer and collect the account in the same fashion as that prior to the bankruptcy proceedings.

5. Disability

If Servicer is notified in writing of an Obligor's disability claim and evidence of the Obligor's disability insurance policy is on file, Servicer shall suspend all collection activity on such Obligor's account until such

time as Obligor resumes his normal payment schedule, however:

- a. Servicer shall continue to monitor such Obligor's account until the earlier of the date on which:
 - 1) A claim approval or denial has been received; or
 - 2) The Obligor resumes payment, at which time Servicer will resume collection activity pursuant to Section III of this agreement.
- b. If Obligor's disability claim is denied, Servicer shall resume collection activity pursuant to Section I of this Agreement and the terms and conditions of the related sales contract.
- c. Servicer's collection procedures for a disability account shall comply with the terms stipulated on the related sales contract.

6. Allotments

Servicer shall have been notified at the time of loan boarding if an Obligor will be subject to military allotment processing. If Servicer has not received an allotment verification on a designated allotment account within 60 days of any subsequent allotment establishment and the designated Obligor's account is greater than 45 days delinquent, Servicer shall request Seller's authorization to repossess pursuant to Section I.A.3.b of this Schedule A.

7. Skips

If Servicer determines that Obligor has become a skip, Servicer shall conduct skip-tracing efforts for a period of 30 days. If such skip-tracing efforts prove unsuccessful, Servicer will file (if applicable) the necessary claim forms with Seller's insurance carriers as described in II A(2) of

III. FEE SCHEDULE

Servicer shall be entitled to receive the following fees and costs no later than the Distribution Date immediately following each related Collection Period:

A. GENERAL SERVICING

1. For all Receivables with an outstanding balance greater than zero dollars (\$0.00) as of the first day of the related Collection Period, a monthly serving fee equal to one-twelfth of 1.85% of the outstanding balance or \$10.00, whichever is greater.
2. All extension fees that are received during the related Collection Period.
3. All late charges that are received during the related Collection Period.
4. A charge of \$25.00 per filing of Credit Enhancement claims forms with the designated Insurers during the related Collection Period.

B. EXPENSE REIMBURSEMENT

1. All out-of-pocket expenses incurred by Servicer in the pursuit of its job functions as described in this Schedule (including but not limited to filing fees, investigation fees, repossession fees, transportation and storage fees, legal fees, DMV fees, etc.) shall be reimbursed to the Servicer at Servicer's actual cost. In addition Servicer shall be entitled to an administrative fee equal to 8% of all out-of-pocket expenses. Servicer shall provide the Trustee with documentation for all such out-of-pocket expenses as a condition to payment.
2. All postage costs associated with the mailing of insurance follow-up letters, payment statements, including Notice of Intent and Deficiency Statement, during the related Remittance Period.

3. All expenses relating to establishing, maintaining and transferring funds from the Lock-Box account to the relevant Collection Account maintained by the Trustee. Such expenses shall be reimbursed at actual cost provided the Servicer include copies of related invoices.

C. DEFICIENCY SERVICING

For those Obligor accounts that have been the subject of a short insurance payoff, within the related Collection Period, Servicer shall cause the account to be moved to a "non-performing" loan pool and marked inactive.

All collection activity by Servicer will be suspended until such time as the Seller directs Servicer to resume collection efforts. Upon such reactivation, a one time set-up fee of fifty (\$50.00) dollars will be charged and payable on the next Distribution Date.

For each Collection Period that an Obligor account remains in the above described deficiency condition, a servicing fee will be charged and payable on the related Distribution Date based on the following schedule:

1. \$1.00 per month for months 1-4 that a subject Receivable remains in the nonperforming loan pool.
2. \$0.50 per month for months 5-8 that a Receivable remains in the nonperforming loan pool.
3. \$0.10 per month for each month thereafter that a Receivable remains in the nonperforming loan pool.

SCHEDULE B

SERVICER MONTHLY ACTIVITY REPORT

Aegis Auto Receivables Trust 1996-3

Automobile Receivable Pass-Through Certificates

Series 1996-3

I. COLLECTION ACTIVITY	INTEREST	PRINCIPAL
	TOTALS	

Beginning of Period Pool Principal Balance		0
--	--	---

Additional Receivables Purchased	0	
----------------------------------	---	--

Scheduled Payments	0	0	
	0		
Full & Partial Prepayments	0	0	
	0		
Risk Default Insurance Cash Proceeds		0	0
	0		
Receivables Repurchased by Seller			
Recoveries (on Liquidated and Defaulted			
Receivables)			
Miscellaneous Servicer Collections			
Available Distribution Amount	0	0	
	0		
Net Losses		0	
End of Period Pool Balance		0	

II. SERVICING COMPENSATION

Amount

(ATTACH BREAKOUT OF FEES)

Servicer Compensation

III. POOL BALANCE INFORMATION

Original Pool Balance:	Beginning of Period
	End of Period

Pool Balance

Pool Factor

Weighted Average Coupon (WAC)

Weighted Average Remaining Maturity (WAM)

Remaining Number of Contracts

IV. RECEIVABLES REPURCHASED/SUBSTITUTED BY SELLER

Number of Receivables Repurchased

Principal Amount

Number of Additional Receivables Substituted

Principal Amount

V. EXTENSIONS

Number of Extensions granted
Principal Amount

VI. DELINQUENCY INFORMATION*

	# of Contracts	Principal Balance	% of Outstanding Pool Balance
30-59 Days Delinquent			
60-90 Days Delinquent			
90 Days or more Delinquent			

*Excluding Liquidated and Defaulted Receivables

VII. REPOSSESSION INFORMATION

	Current Period	Inventory
Number of Receivables as to which Vehicles have been Reposessed (and NOI expired)		
Principal Balances of Receivables relating to Vehicles which have been Reposessed (and NOI expired)		

VIII. LIQUIDATED AND DEFAULTED RECEIVABLES

	Current Period	Cumulative
Number of Liquidated Receivables*		
Principal Balance of Liquidated Receivables** (Prior to Liquidation)		
Number of Defaulted Receivables***		
Principal Balance of Defaulted Receivables		
Total Principal Balance of Liquidated Defaulted Receivables		

*Includes Receivables transferred to Risk Default Insurer for liquidation

**Excludes Receivables previously characterized as Defaulted Receivables

***180 days delinquent

IX. RECOVERIES

	Current Period	Cumulative
Liquidation Proceeds		
VSI Physical Damage/Loss Insurance Proceeds		
Rebates of Servicer Cancelled Warranty Contracts		

Consumer Insurance
Other

Total Recoveries

X. RISK DEFAULT POLICY INSURED RETENTION AMOUNT

Beginning Balance
Add: Prefunded Receivables
Add: Quarterly Reserve Loss Deficiency
Less: Approved Claims
Less: Surplus in Quarterly Loss Reserve

Ending Balance

XI. NET LOSSES

	Current Period	Cumulative
Principal Balance of Liquidated and Defaulted Receivables		
Less: Recoveries		
Less: Risk Default Insurance Proceeds		
Net Losses		

XII. INSURANCE CLAIMS

	Current Period	Cumulative
Number of Risk Default Insurance Claims		
Amount of Risk Default Insurance Claims		
Retention Amount		
Number of VSI Insurance Claims		
Amount of VSI Physical Damage/Loss Insurance Claims		
Number of Risk Defaulted Insurance Claims Rejected		
Principal Balance of Receivables relating to Risk Default Insurance Claims Rejected		

SERVICER COMPENSATION BREAKDOWN

	Amount
--	--------

Servicing Fees

Collection Expenses Incurred

Claim Filing Fees

Bank Charges

Late fees, extension fees collected

Postage

Total Servicer Compensation

SCHEDULE C

REQUEST FOR RELEASE OF DOCUMENTS

To: Norwest Bank Minneapolis, National Association,
as Custodian
Sixth Street and Marquette Avenue
Minneapolis, MN 55479-0070

Re: Aegis Auto Receivables Trust 1996-3; Servicing
Agreement dated as of September 1, 1996 by and
among Aegis Auto Finance, Inc., Norwest Bank
Minneapolis, National Association, as Trustee, and
Norwest Bank Minneapolis, National Association,
as Backup Servicer.

In connection with the administration of the pool of
Receivables held by you as Custodian for the Trustee, we request the
release and acknowledge receipt of the (Custodian's Receivable
Files/[specify documents]) for the Receivable described below, for the
reason indicated.

Borrower's Name, Address & Zip Code:

Receivable Number: [list here or on attached schedule]

Reason for Requesting Documents (check one or put code on attached
schedule)

- _____ 1. Receivable Paid in Full (Servicer hereby certifies that all
amounts received in connection therewith have been
credited to the Collection Account as provided in the
Pooling and Servicing Agreement.)
- _____ 2. Receivable Repurchased Pursuant to Section 3.02 of the
Pooling and Servicing Agreement (Servicer hereby certifies
that any applicable repurchase price has been credited to

the Collection Account as provided in the Pooling and Servicing Agreement.)

- _____ 3. Receivable [to be] Liquidated (Servicer hereby certifies that all proceeds of foreclosure, insurance or other liquidation [have been finally received and credited] [when received shall be credited] to the Collection Account pursuant to the Pooling and Servicing Agreement.)
- _____ 4. Receivable to be transferred to Risk Default Insurer for liquidation (servicer hereby certifies that all proceeds of insurance when received shall be credited to the Collection Account pursuant to the Pooling and Servicing Agreement).
- _____ 5. Receivable in Foreclosure
- _____ 6. Other (explain)

If box 1, 2, 3 or 4 above is checked, and if all or part of the Custodian's Receivable File was previously released to us, please deliver to us a copy of our previous request for release on file with you, as well as any additional documents in your possession relating to the above specified Receivable.

If box 5 or 6 above is checked, upon our return of all of the above documents to you as Custodian, please acknowledge your receipt by signing in the space indicated below, and returning this form.

INC. AEGIS AUTO FINANCE,
Servicer

By: _____ Name:
Title:

Date: _____

Documents returned to Custodian:

NORWEST BANK MINNEAPOLIS, NATIONAL ASSOCIATION,
as Custodian

By: _____

Name:
Title:

Date:

SCHEDULE D

RELEASE AND ASSIGNMENT
PURSUANT TO SECTION IV.N.
OF THE SERVICING AGREEMENT

Norwest Bank Minnesota, National Association, as custodian (the "Custodian") for the Trustee of the Aegis Auto Receivables Trust Series 1996-3 created pursuant to the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") dated as of September 1, 1996 among Aegis Auto Funding Corp. (the "Seller"), Norwest Bank Minnesota, National Association, as master servicer (the "Backup Servicer") and as trustee (the "Trustee"), does hereby transfer, assign and release to the Seller, without recourse, representation or warranty of the Trustee, all of the Trustee's right, title and interest in and to the Receivable and related Custodian File (as defined in the Pooling and Servicing Agreement) identified as paid in full in the attached Servicer's Request For Release of Documents, and all security and documents relating thereto.

IN WITNESS WHEREOF, I have hereunto set my hand this
day of 199 .

Norwest Bank Minnesota,
National Association,
as Custodian

By

[Name]
[Title]

EXHIBIT 10.97.3

AEGIS AUTO FUNDING CORP.,
a Delaware Corporation, Seller

and

NORWEST BANK MINNESOTA, NATIONAL
ASSOCIATION,
Trustee and Backup Servicer

POOLING AND SERVICING AGREEMENT

Dated as of September 1, 1996

\$110,000,000

AEGIS AUTO RECEIVABLES TRUST 1996-3

AUTOMOBILE RECEIVABLE PASS-THROUGH
CERTIFICATES

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POOLING AND SERVICING AGREEMENT

Dated as of September 1, 1996

This POOLING AND SERVICING AGREEMENT, dated as of September 1, 1996, is made among AEGIS AUTO FUNDING CORP., a Delaware corporation, as Seller, NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, as Backup Servicer, and NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, as Trustee for the Trust.

WITNESSETH THAT, in consideration of the mutual agreements herein contained, each party agrees as follows for the benefit of the other parties and for the benefit of the Certificateholders and the other beneficiaries to the extent provided herein:

ARTICLE I

INTRODUCTION

Section 1.01. Definitions. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

"Accounts" shall mean the accounts and funds identified in Section 5.01 hereof.

"Additional Receivables" means all Receivables sold by the Seller to the Trust after the Closing Date and during the Funding Period, which shall be listed on Schedule A to the related assignment, and each of which is identified on the schedule of receivables attached as Exhibit S hereto.

"Aegis Finance" means Aegis Auto Finance, Inc., a Delaware corporation, its successors and assigns.

"Aegis Finance Servicing Agreement" means the Servicing Agreement dated as of September 1, 1996 among Aegis Finance, the Backup Servicer and the Trustee, and all amendments, modifications and supplements thereto.

"Affiliate" of any Person means any other Person which, directly or indirectly, controls, is controlled by or is under common control with such Person. A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power

(a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or

(b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agreement" means this Pooling and Servicing Agreement executed by the Seller, the Backup Servicer and the Trustee, and all amendments, modifications and supplements thereto.

"ALFI" means American Lenders Facilities, Inc., a California corporation, its successors and assigns.

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

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

"Available Interest Distribution Amount" means, for any Distribution Date, the sum of the following amounts with respect to the preceding Collection Period: (i) that portion of all collections of Scheduled Payments on Receivables allocable to interest; (ii) Liquidation Proceeds and other Recoveries to the extent allocable to interest due on Liquidated Receivables and Defaulted Receivables in accordance with the Servicer's customary servicing procedures; (iii) Risk Default Insurance Proceeds to the extent allocable to interest as determined by the Servicer; (iv) the earnings, if any, on amounts in the Funding Account accrued during the related Collection Period, and for the Distribution Date occurring on October 21, 1996, such earnings as have accrued to such date; and (v) the Purchase Amount of each Receivable that became a Purchased Receivable during the related Collection Period to the extent attributable to accrued interest thereon; provided, however, that in calculating the Available Interest Distribution Amount the following will be excluded: all payments and proceeds (including Liquidation Proceeds) of any Purchased Receivables the Purchase Amount of which has been included in the Principal Distributable Amount with respect to a prior Distribution Date.

"Available Principal Distribution Amount" means, for any Distribution Date, the sum of the following amounts with respect to the preceding Collection Period: (i) that portion of all collections of Scheduled Payments and prepayments in full or in part on Receivables allocable to principal; (ii) Liquidation Proceeds and other Recoveries allocable to the principal amount of Liquidated Receivables and Defaulted Receivables in accordance with the Servicer's customary servicing procedures; (iii) Risk Default Insurance Proceeds to the extent not allocable to interest as determined by the Servicer; (iv) amounts deposited in the Collection Account pursuant to Section 3.02(b) in respect of Receivables that became Substitute Receivables during the related Collection Period; and (v) to the extent attributable to principal, the Purchase Amount of each Receivable that became a Purchased

Receivable during the preceding Collection Period; provided, however, that in calculating the Available Principal Distribution Amount the following will be excluded: all payments and proceeds (including Liquidation Proceeds) of any Purchased Receivables the Purchase Amount of which has been included in the Principal Distributable Amount with respect to a prior Distribution Date.

"Backup Servicer" means Norwest Bank Minnesota, National Association, until any successor Backup Servicer is appointed or succeeds to the duties and obligations of the Backup Servicer hereunder, and thereafter means the Eligible Servicer appointed successor Backup Servicer pursuant to Section 9.02 or 10.02.

"Backup Servicer Fee" means the fee payable to the Backup Servicer for services rendered during the respective Collection Period, determined in accordance with Exhibit H hereto.

"Bankruptcy Code" means the federal Bankruptcy Code of 1978, as amended, 11 USC SEC 101 through 1330.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banking institutions in the cities in which the principal offices of the Trustee or the Servicer are located, or New York, New York, or Jersey City, New Jersey shall be authorized or obligated by law, executive order, or governmental decree to be closed. Any action required to be taken on a day which falls on a non-Business Day shall be conducted on the next Business Day.

"Certificate" means a Class A Certificate, a Class B Certificate or a Class C Certificate.

"Certificate Account" means the trust account designated as such, established and maintained pursuant to Section 5.01.

"Certificate Owner" means, with respect to any Certificate held in book-entry form, the Person who is the beneficial owner of such Certificate, as reflected on the books of the Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Certificate Register" and "Certificate Registrar" mean the register maintained and the registrar appointed pursuant to Section 7.03.

"Certificateholder" or "Holder" means the Person in whose name the respective Certificate shall be registered in the Certificate Register, except that, solely for the purposes of giving any approval, consent, waiver, request or demand pursuant to this

Agreement, the interest evidenced by any Certificate registered in the name of the Seller, the Servicer, the Backup Servicer, the Trustee or any Affiliate of any of the foregoing shall not be taken into account in determining whether the requisite percentage necessary to effect any such consent, waiver, request or demand shall have been obtained.

"Certificateholder Statement" means the Statement the form of which is attached hereto as Exhibit C.

"Class" means all Certificates having the same priority of payment and bearing the same alphabetical designation (A, B or C).

"Class A Certificate" means any one of the Certificates executed by the Trustee on behalf of the Trust and authenticated by the Trustee in substantially the form set forth in Exhibit A-1 hereto.

"Class A Certificate Balance" shall equal, initially, the Class A Percentage of the aggregate Principal Balance of the Initial Receivables as of the initial Cutoff Date plus the Class A Percentage of the Original Pre-Funded Amount and, thereafter, the initial Class A Certificate Balance, reduced by all amounts previously distributed to Class A Certificateholders as principal.

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

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

"Class A Interest Distributable Amount" means, for any Distribution Date, one-twelfth of the product of (x) the Class A Rate and (y) the Class A Certificate Balance as of the close of business on the preceding Distribution Date (or, with respect to the initial Distribution Date, the Closing Date) (after giving effect to any distribution of principal on the Class A Certificates made on such preceding Distribution Date).

"Class A Percentage" means 93.25%.

"Class A Principal Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class A Principal Distributable Amount plus any outstanding Class A Principal Carryover Shortfall from the preceding Distribution Date over the amount of principal that the holders of the Class A Certificates actually received on such Distribution Date pursuant to Section 5.06.

"Class A Principal Distributable Amount" means, with respect to any Distribution Date, the Class A Percentage of the Principal Distributable Amount.

"Class A Rate" means 8.80% of interest per annum. The Class A Rate includes (i) at any time during the Funding Period, the sum of (a) the Class B Rate multiplied by the Class A Percentage multiplied by the Pool Balance, (b) 46.625 basis points on the Pool Balance and (c) a portion of the amount contributed to the Trust during the Funding Period by the Seller from amounts on deposit in the Reserve Fund or otherwise allocable to the Reserve Fund (including, but not limited to the Funding Account Interest Amount) equal to the difference between (x) the Class A Rate multiplied by the Class A Principal Balance and (y) the sum of items (a) and (b) above and (ii) at any time after the Funding Period, the sum of (a) the Class A Rate multiplied by the Class A Percentage multiplied by the Pool Balance and (b) 46.625 basis points on the Pool Balance. In no event will the Class A Rate exceed 8.80% per annum.

"Class B Certificate" means any one of the Certificates executed by the Trustee on behalf of the Trust and authenticated by the Trustee in substantially the form set forth in Exhibit A-2 hereto.

"Class B Certificate Balance" shall equal, initially, the Class B Percentage of the aggregate Principal Balance of the Initial Receivables as of the initial Cutoff Date plus the Class B Percentage of the Original Pre-Funded Amount and, thereafter, the initial Class B Certificate Balance, reduced by all amounts previously distributed to Class B Certificateholders as principal.

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

"Class B Interest Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class B Interest Distributable Amount for such Distribution Date plus any outstanding Class B Interest Carryover Shortfall from the previous Distribution Date plus interest on such outstanding Class B Interest Carryover Shortfall, to the extent permitted by law, at the Class B Rate from such preceding Distribution Date through the current

Distribution Date, over the amount of interest that the holders of the Class B Certificates actually received on such Distribution Date.

"Class B Interest Distributable Amount" means, for any Distribution Date, one-twelfth of the product of (x) the Class B Rate and (y) the Class B Certificate Balance as of the close of business on the preceding Distribution Date (or, with respect to the initial Distribution Date, the Closing Date) (after giving effect to any distribution of principal on the Class B Certificates made on such preceding Distribution Date).

"Class B Percentage" means 4.75%.

"Class B Principal Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class B Principal Distributable Amount plus any outstanding Class B Principal Carryover Shortfall from the preceding Distribution Date over the amount of principal that the holders of the Class B Certificates actually received on such Distribution Date pursuant to Section 5.06.

"Class B Principal Distributable Amount" means, as of any Distribution Date, the Class B Percentage of the Principal Distributable Amount.

"Class B Rate" means 8.30% of interest per annum.

"Class Certificate Balance" means, with respect to the applicable Class of Certificates, the Class A Certificate Balance, the Class B Certificate Balance or the Class C Certificate.

"Class C Certificate" means any one of the Certificates executed by the Trustee on behalf of the Trust and authenticated by the Trustee in substantially the form set forth in Exhibit A-3 hereto.

"Class C Certificate Balance" shall equal, initially, the Class C Percentage of the aggregate Principal Balance of the Initial Receivables as of the initial Cutoff Date plus the Class C Percentage of the Original Pre-Funded Amount and, thereafter, shall equal the initial Class C Certificate Balance, reduced by all amounts previously distributed to Class C Certificateholders as principal.

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

"Class C Interest Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class C Interest

Distributable Amount for such Distribution Date plus any outstanding Class C Interest Carryover Shortfall from the previous Distribution Date plus interest on such outstanding Class C Interest Carryover Shortfall, to the extent permitted by law, at the Class C Rate from such preceding Distribution Date through the current Distribution Date, over the amount of interest that the holders of the Class C Certificates actually received on such Distribution Date.

"Class C Interest Distributable Amount" means, for any Distribution Date, one-twelfth of the product of (x) the Class C Rate and (y) the Class C Certificate Balance as of the close of business on the preceding Distribution Date (or, with respect to the initial Distribution Date, the Closing Date) (after giving effect to any distribution of principal on the Class C Certificates made on such preceding Distribution Date).

"Class C Percentage" means 2.0%.

"Class C Principal Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Class C Principal Distributable Amount plus any outstanding Class C Principal Carryover Shortfall from the preceding Distribution Date over the amount of principal that the holders of the Class C Certificates actually received on such Distribution Date pursuant to Section 5.06.

"Class C Principal Distributable Amount" means, as of any Distribution Date, the Class C Percentage of the Principal Distributable Amount.

"Class C Rate" means 11.10% of interest per annum. The Class C Rate includes (i) at any time during the Funding Period, the sum of (a) the Class B Rate multiplied by the Class C Percentage multiplied by the Pool Balance, (b) 5.6 basis points on the Pool Balance and (c) a portion of the amount contributed to the Trust during the Funding Period by the Seller from amounts on deposit in the Reserve Fund or otherwise allocable to the Reserve Fund (including, but not limited to the Funding Account Interest Amount) equal to the difference between (x) the Class C Rate multiplied by the Class C Principal Balance and (y) the sum of items (a) and (b) above and (ii) at any time after the Funding Period, the sum of (a) the Class B Rate multiplied by the Class C Percentage multiplied by the Pool Balance and (b) 5.6 basis points on the Pool Balance. In no event will the Class C Rate exceed 11.10% per annum.

"Class Factor" means, with respect to any Distribution Date and any Class of Certificates, a seven-digit decimal figure computed by the Trustee equal to the Class Certificate Balance of such Class as of such Distribution Date divided by the Original

Class Certificate Balance thereof.

"Class Percentage" means, with respect to the applicable Class of Certificates, the Class A Percentage, the Class B Percentage or the Class C Percentage.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" means September 12, 1996.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collection Account" means the trust account designated as such, established and maintained pursuant to Section 5.01.

"Collection Period" means, with respect to a Distribution Date, the calendar month immediately prior to such Distribution Date. Any amount stated "as of the close of business of the last day of a Collection Period" shall give effect to the following calculations as determined as of the end of the day on such last day: (1) all applications of collections, and (2) all distributions.

"Corporate Trust Office" means the office of the Trustee at which its corporate trust business shall be administered, which office at the date of this Agreement shall be 6th Street and Marquette Avenue, Minneapolis, Minnesota 55479-0070, Attention: Corporate Trust Services --Asset Backed Administration, or such other address as shall be designated by the Trustee in written notice to the Seller, the Backup Servicer, the Servicer and each Certificateholder.

"Custodian" means the Person acting as Custodian of the Trust pursuant to Section 3.03 of this Agreement, its successor in interest and any successor custodian.

"Custodian Files" means the documents specified in Section 3.03(a).

"Cutoff Date" means September 1, 1996 with respect to the Initial Receivables and the last Business Day of the calendar week preceding the calendar week of a Funding Date with respect to any Additional Receivables acquired on such Funding Date.

"DCR" means Duff & Phelps Credit Rating Co. or any

successors thereto.

"Dealer" means any licensed or franchised factory-authorized motor vehicle dealer, or affiliate thereof, who sold a Financed Vehicle to an Obligor and who originated the respective Receivable which was acquired by Aegis Finance.

"Dealer Recourse" means, with respect to a Receivable, all recourse rights against the Dealer that originated the Receivable, and any successor Dealer.

"Defaulted Receivable" means any Receivable, other than a Liquidated Receivable, as to which the Obligor became 180 days past due in making Scheduled Payments during the prior Collection Period.

"Delivery Date" has the meaning set forth in Section 3.08(b)(i).

"Depository Agreement" means the agreement entered among the Seller, the Trustee and The Depository Trust Company, as the initial Clearing Agency, in connection with the issuance of the Class A and the Class B Certificates, substantially in the form of Exhibit B.

"Determination Date" means, with respect to any Distribution Date, the eighth (8th) Business Day of the calendar month of such Distribution Date; provided, however, if such Business Day is later than the eleventh (11th) day of such month, then the Determination Date shall mean the next earlier Business Day which is not later than the eleventh (11th) day of such calendar month.

"Dissolution" means, with respect to the Seller, bankruptcy, insolvency or dissolution.

"Distribution Date" means, for each Collection Period, the 20th day of the month following the month in which the Collection Period ends, or if the 20th day is not a Business Day, the next following Business Day, beginning on the Initial Distribution Date.

"Eligible Account" means a segregated account (except as otherwise permitted with respect to the Lock-Box Account) which may be an account maintained with the Trustee, which is either (a) maintained with an Eligible Institution, or (b) a segregated trust account or similar account maintained with a federally or state chartered depository institution subject to regulations regarding fiduciary funds on deposit substantially similar to 12 C.F.R. SEC 9.10(b).

"Eligible Institution" means a depository institution or trust

company whose long-term unsecured debt obligations are rated at least "A" by each Rating Agency and either "A" by S&P or "A2" by Moody's (provided that, if only one such rating agency rates such institution, such single rating shall suffice).

"Eligible Investments" means negotiable instruments or securities or other investments (a) which, except in the case of demand or time deposits, investments in money market funds and repurchase obligations, are represented by instruments in bearer or registered form or ownership of which is represented by book entries by a clearing agency or by a Federal Reserve Bank in favor of depository institutions eligible to have an account with such Federal Reserve Bank who hold such investments on behalf of their customers and (b) which evidence:

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

(ii) demand deposits, time deposits or certificates of deposit of depository institutions or trust companies incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking or depository institution authorities; provided, however, that at the time of the Trust's investment or contractual commitment to invest therein, the short-term unsecured debt obligations of such depository institution or trust company shall have credit ratings from each Rating Agency and either S&P or Moody's in the highest investment category granted by each Rating Agency (and S&P or Moody's, as applicable);

(iii) commercial paper having, at the time of the Trust's investment or contractual commitment to invest therein, a rating from each Rating Agency and either S&P or Moody's in the highest investment category by each Rating Agency (and S&P or Moody's, as applicable);

(iv) bankers' acceptances issued by any depository institution or trust company referred to in (ii) above;

(v) investments in money market funds having the highest investment category from each Rating Agency or, if not rated by each Rating Agency, either S&P or Moody's (provided that, for purposes of this definition, such investments may include money market funds sponsored by Norwest Bank Minnesota, National Association, that have a credit rating from either S&P or Moody's);

(vi) time deposits (having maturities of not more than 30 days) or notes which are payable on demand by an entity the commercial paper of which has the highest investment category granted by each Rating Agency and either S&P or Moody's; and

(vii) repurchase obligations with respect to any security described in clause (i) above entered into with a depository institution or trust company (acting as principal) meeting the rating standards described in clause (ii) above.

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

"Eligible Servicer" means any entity which, at the time of its appointment as Backup Servicer, supervisory servicer, Servicer or subservicer, and for so long as such entity is acting in such capacity, (i) is servicing a portfolio of motor vehicle retail installment sale contracts or motor vehicle loans, (ii) is legally qualified (or is acting through an Affiliate which is legally qualified) and has the capacity to service the Receivables, (iii) has demonstrated the ability to professionally and competently service a portfolio of similar contracts in accordance with industry standards of skill and care, (iv) is qualified and entitled to use, and agrees to maintain the confidentiality of, the software that the Backup Servicer, supervisory servicer, Servicer or a subservicer uses in connection with performing its duties and responsibilities under this Agreement, a supervisory servicing agreement, the Servicing Agreement or a subservicing agreement or obtains rights to use or develops its own software which is adequate to perform its duties and responsibilities under this Agreement, a supervisory servicing agreement, the Servicing Agreement or a subservicing agreement and (v) is approved by the Risk Default Insurer and each Rating Agency.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA-Restricted Certificate" means any Class B or Class C Certificate.

"Event of Backup Servicing Default" with respect to the Backup Servicer means an event specified in Section 10.01.

"Event of Servicing Default" means an event specified in paragraph VI of the Servicing Agreement.

"Excess Receipts" means, with respect to any Distribution Date, the greater of (x) zero and (y) the remaining amount on deposit in the Collection Account after distributions pursuant to Section 5.06(d) (i) through (vii) have been made.

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

"Final Funding Date" means the Funding Date upon which the balance in the Funding Account is reduced to zero.

"Final Scheduled Distribution Date" means March 20, 2002.

"Financed Vehicle" means an automobile or light-duty truck, together with all accessions thereto, securing an Obligor's indebtedness under the respective Receivable.

"Fitch" means Fitch Investors Service, L.P.

"Funding Account" means the trust account designated as such, established and maintained pursuant to Sections 5.01 and 5.08 hereof.

"Funding Account Interest Amount" means an amount equal to \$32,000.

"Funding Corp. III" means Aegis Auto Funding Corp. III, a Delaware corporation, its successors and assigns.

"Funding Date" means each date occurring no more than once per calendar week during the Funding Period on which Additional Receivables are sold to the Trust.

"Funding Event" shall mean, with respect to a Funding Date, the occurrence of the events required to occur in accordance with Section 3.08.

"Funding Period" means the period beginning on the Closing Date and ending on the earlier to occur of (i) the Final Funding Date or (ii) September 30, 1996.

"Initial Distribution Date" means October 21, 1996.

"Initial Receivables" means all Receivables sold to the Trust by the Seller on the Closing Date.

"Insurance Policy" means, with respect to a Receivable, any comprehensive, collision, fire and theft insurance policy required to be maintained by the Obligor with respect to the Financed Vehicle, the VSI Insurance Policy, and any credit life and disability insurance maintained by the Obligor or Seller and benefitting the holder of the Receivable.

"Lien" means a security interest, lien, charge, pledge,

equity or encumbrance of any kind.

"Liquidated Receivable" means any Receivable, other than a Receivable that first became a Defaulted Receivable, liquidated by the Servicer through sale of the Financed Vehicle or otherwise.

"Liquidation Proceeds" means the moneys collected during the respective Collection Period on a Liquidated Receivable, whether through foreclosure or otherwise, other than Risk Default Insurance Proceeds, net of the sum of any amounts expended by the Servicer for the account of the Obligor and the expenses incurred in the liquidation.

"Lock-Box Account" means the account(s) designated as such, established and maintained pursuant to Section 5.01 hereof, into which account shall be deposited only those moneys collected with respect to the Receivables as contemplated herein and moneys collected with respect to other retail installment sales contracts originated or purchased by Aegis Finance or its Affiliates.

"Lock-Box Account Depository" means Wells Fargo Bank, N.A., acting as Lock-Box Account Depository hereunder, its successors in interest and any successors appointed pursuant to paragraph IX of the Servicing Agreement.

"Majority Certificateholders" means Holders of Certificates evidencing not less than 51% of the Voting Interests thereof.

"Miscellaneous Servicer Collections" means, with respect to a Collection Period, all late charges, extension fees and recoveries of expenses relating to liquidation, repossession and other costs previously incurred by the Servicer.

"Monthly Servicing Certificate" means the certificate substantially in the form of Schedule B to the Servicing Agreement.

"Moody's" means Moody's Investors Service or any successors thereto.

"Net Loss" means, with respect to a Collection Period, the sum of the Principal Balances of Receivables that became Liquidated Receivables or Defaulted Receivables during such Collection Period, minus Recoveries and Risk Default Insurance Proceeds (to the extent allocable to principal) received in such Collection Period.

"Obligor" means, with respect to a Receivable, the purchaser or co-purchasers of the Financed Vehicle and/or any other Person who owes payments under such Receivable.

"Officer's Certificate" means a certificate signed by the chairman of the board, the president, any vice chairman of the board, any vice president, any assistant vice president, any trust officer, the treasurer, the controller or any assistant treasurer or any assistant controller of the Seller, the Trustee, the Servicer, the Custodian or the Backup Servicer, as appropriate.

"Opinion of Counsel" means a written opinion of counsel who may but need not be counsel to the Seller or Servicer, which counsel shall be acceptable to the Trustee.

"Optional Purchase Percentage" means 5% of the Original Pool Balance.

"Original Certificate Balance" means, as to any Certificate, the initial certificate balance stated on the face of such Certificate.

"Original Class Certificate Balance" means, as to the Class A Certificates, \$102,575,000; as to the Class B Certificates, \$5,225,000; and as to the Class C Certificates, \$2,200,000.

"Original Pool Balance" means the initial Principal Balance of all Receivables (including Additional Receivables) as of their respective Cutoff Dates.

"Original Pre-Funded Amount" means the amount deposited in the Funding Account on the Closing Date.

"Pass-through Rate" means, with respect to the applicable Class of Certificates, the Class A Rate, the Class B Rate or the Class C Rate.

"Percentage Interest" means, with respect to any Certificate, the percentage ownership interest of such Certificate in the aggregate of amounts distributable hereunder to the related Class of Certificates. With respect to any Certificate, the Percentage Interest evidenced thereby shall equal the Original Certificate Balance thereof divided by the aggregate Original Class Certificate Balance of the related Class.

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

"Plan" shall have the meaning set forth in Section 7.03.

"Pool Balance" means, as of the day of calculation, the aggregate Principal Balance of the Receivables less Net Losses.

"Pool Factor" means, as of any Distribution Date, a seven-

digit decimal figure equal to the Pool Balance for such Distribution Date divided by the Original Pool Balance.

"Principal Balance" means, with respect to any Receivable at any time, the Amount Financed minus the sum of (a) the portion of all payments made by or on behalf of the related Obligor and allocable to principal using the Simple Interest Method and (b) the portion of any payment of the Purchase Amount with respect to the Receivable allocable to principal, calculated as of the close of business on the last day of the prior Collection Period (or, prior to the end of the first Collection Period, calculated as of the close of business on the day immediately prior to the Cutoff Date).

"Principal Distributable Amount" means, with respect to any Distribution Date the sum of: (i) the portion of all Scheduled Payments allocable to principal (including delinquent payments) collected during the preceding Collection Period on the Receivables, (ii) the principal portion of all prepayments in full or in part received during the preceding Collection Period (without duplication of amounts included in clause (i) above); (iii) the Principal Balance of each Receivable that became a Purchased Receivable during the preceding Collection Period (without duplication of amounts referred to in clauses (i) and (ii) above); (iv) the Principal Balance of each Receivable that became a Liquidated Receivable during the preceding Collection Period (without duplication of amounts included in clause (i), (ii) and (iii) above), and (v) the Principal Balance of each Receivable that became a Defaulted Receivable during the preceding Collection Period (without duplication of amounts included in clause (i), (ii), (iii) and (iv) above); provided, however, that in calculating the Principal Distributable Amount the following will be excluded: all payments and proceeds of any Purchased Receivables the Purchase Amount of which has been included in the Principal Distributable Amount in a prior Collection Period. Further, (i) with respect to the Distribution Date occurring on October 21, 1996, the principal required to be distributed to Certificateholders shall include an amount equal to the remaining balance in the Funding Account on the last day of the Funding Period, to the extent allocable to principal, and (ii) with respect to the Distribution Date following the substitution of a Receivable pursuant to Section 3.02, the principal required to be distributed to Certificateholders shall include the difference, if any, between the outstanding Principal Balance of the replaced Receivable and the outstanding Principal Balance of the substitute Receivable.

"Purchase Agreement" means Purchase Agreement dated as of September 1, 1996 between the Seller, as purchaser, and Aegis Finance, as seller of the Receivables.

"Purchase Amount" means the amount, as of the close of business on the last day of a Collection Period, required to prepay

in full the respective Receivable under the terms thereof, including the principal amount thereof and interest to the end of the Collection Period.

"Purchased Receivable" means a Receivable purchased as of the close of business on the last day of a Collection Period by the Seller or by Aegis Finance on behalf of the Seller pursuant to the Purchase Agreement.

"Rated Certificates" means each Class of Certificates that has been rated by a Rating Agency at the request of the Seller.

"Rated Entity" shall mean a Person whose long-term unsecured debt obligations (at the time of the transfer under Section 7.03) are rated within the investment grade categories of either Moody's, S&P, Fitch or DCR.

"Rating Agency" means each statistical credit rating agency, or its successor, that rated any of the Certificates at the request of the Seller at the time of the initial issuance of the Certificates. If such agency or a successor is no longer in existence, "Rating Agency" shall be such statistical credit rating agency, or other comparable Person, designated by the Seller, notice of which designation shall be given to the Trustee. As of the date of the initial issuance of the Certificates, the Rating Agencies for the Class A, Class B and Class C Certificates are DCR and Fitch.

"Receivable" means any retail installment sales contract and security agreement identified on Exhibit D hereto; provided that Exhibit D shall be deemed to be amended on each Funding Date to add the Additional Receivables acquired by the Seller from Aegis Finance pursuant to the Purchase Agreement and sold to the Trust pursuant to the terms hereof on each such Funding Date.

"Receivable Review" means a review conducted by the Review Firm to determine compliance with the requirements of the Agreement, which review shall employ the procedures set forth in the letter from the Review Firm attached hereto as Exhibit P.

"Receivables Cash Purchase Price" means with respect to any Additional Receivable, an amount equal to 100% of the Principal Balance of such Additional Receivable, a portion of which will be deposited into the Reserve Fund as provided herein.

"Record Date" means the last day of the Collection Period preceding a Distribution Date or termination of the Trust.

"Recoveries" means all amounts received (net of out-of-pocket costs of collection), other than Risk Default Insurance Proceeds, with respect to Defaulted Receivables and Liquidated Receivables.

"Refunding Event" means the transfer of remaining funds in the Funding Account to the Certificate Account and distribution to the Certificateholders on a pro rata basis on October 21, 1996 of such remaining funds in the Funding Account in accordance with Section 5.06 hereof.

"Required Deposit Rating" means a rating of an institution which has either short-term deposits of "P-1" by Moody's, or short-term deposits of "A-1+" by S&P, and short-term deposits of "D-1+" by DCR, if rated by DCR; and any requirement that deposits have the "Required Deposit Rating" shall mean that such deposits have the foregoing required ratings first, by DCR, or second, by Moody's or S&P.

"Reserve Fund" means the fund established and maintained pursuant to Section 5.07 hereof outside of the Trust.

"Reserve Fund Draw" has the meaning set forth in Section 5.07(f).

"Reserve Fund Initial Deposit" means \$3,100,716.09, an amount equal to 3.0% of the Principal Balance of the Initial Receivables as of the initial Cutoff Date plus the Funding Account Interest Amount, which amount shall be deposited in the Reserve Fund on the date of the initial issuance of the Certificates pursuant to Section 5.07 hereof.

"Reserve Fund Property" has the meaning specified in Section 5.07(c).

"Reserve Requirement" means, as of any Distribution Date, after giving effect to distributions of principal on such date, an amount equal to the greatest of the amounts calculated pursuant to the following provisions (1), (2), (3), (4) and (5) that are applicable as of such date:

- (1) Eight percent (8%) of the Pool Balance;
- (2) Eleven percent (11%) of the Pool Balance if, as of the end of any Collection Period, the "60 day + Delinquency Rate" (as hereinafter defined) is greater than 4.75% of the Pool Balance, increasing to eleven and one-half percent (11.50%) of the Pool Balance if, as of the end of any Collection Period, the 60 day + Delinquency Rate exceeds 5.75% of the Pool Balance, and further increasing to twelve percent (12%) of the Pool Balance if, as of the end of any Collection Period, the 60 day + Delinquency Rate exceeds 6.75% of the Pool Balance, and the Reserve Requirement shall remain

at such higher applicable percentage for so long as the Certificates are outstanding; provided, however, the Reserve Requirement shall be reduced one time while the Certificates are outstanding to nine and one-half percent (9.50%) of the Pool Balance if the 60 day + Delinquency Rate drops and remains below 4.75% of the Pool Balance for three (3) consecutive Collection Periods after the Reserve Requirement is first increased pursuant to this provision (2);

- (3) Thirteen percent (13%) of the Pool Balance if (i) the rating of the claims-paying ability of the issuer or an endorser of the Risk Default Insurance Policy as measured by either Rating Agency (or, if neither Rating Agency rates such claims-paying ability, by Moody's or S&P) is below "A" (without regard to + or - or other gradations) or the issuer of the VSI Insurance Policy becomes bankrupt or insolvent, or (ii) the rating on the Class A Certificates from either Rating Agency is below "A" (without regard to + or - or other gradations) or is withdrawn;
- (4) Thirteen percent (13%) of the Pool Balance if, at the end of any Collection Period, the cumulative Net Losses exceed the corresponding percentage of the Original Pool Balance set forth in the table below:

Cumulative Net Losses

Collection Periods Ending of Original Pool Balance	as a %
September 1996 - February 1997	4.0%
March 1997 - August 1997	7.0%
September 1997 - February 1998	10.0%
March 1998 - August 1998	13.0%
September 1998 - February 1999	14.5%
March 1999 and thereafter	16.0%

If the Reserve Requirement is increased to 13% of the Pool Balance due to this clause (4), the Reserve Requirement shall remain at such level until (i) a minimum of six (6) months have elapsed and (ii) as of the end of a Collection Period during a Cure Period Testing Month (as hereinafter defined), the cumulative Net Losses are below the corresponding percentage of the Original Pool Balance set forth in the table above. The Reserve Requirement may be

cured only one time under this provision; or

- (5) the lesser of \$2,200,000 and the aggregate Principal Balance of the Receivables.

For purposes of determining the Reserve Requirement, "60 Day + Delinquency Rate" for any Distribution Date means the Principal Balance, as of the close of the immediately preceding Collection Period, of the Receivables (other than Liquidated and Defaulted Receivables) as to which Obligor are more than 60 days past due in making Scheduled Payments, divided by the Pool Balance as of the close of such Collection Period. "Cure Period Testing Month" means each of August 1997, February 1998, August 1998, February 1999 and August 1999.

"Residual Interest" means the right of the Seller to all distributions from, and assets of, the Trust, after payment in full of the fees and expenses of the Backup Servicer, the Servicer, the Trustee and the Custodian and payment in full of the Certificates upon termination of this Agreement.

"Retention Amount" means the insured's deductible (initially equal to 8% of the aggregate insured portion of the Amount Financed of the Receivables) under the terms of the Risk Default Policy as described therein.

"Review Firm" means Ernst & Young LLP, or its successors and assigns.

"Risk Default Insurance Policy" or "Risk Default Policy" means the insurance policy listed on Exhibit I issued by the Risk Default Insurer to the Trustee for the benefit of the Trust as named insured thereunder, including all endorsements thereto, the original of which policy and endorsements shall be delivered to the Custodian on or prior to the Closing Date.

"Risk Default Insurance Proceeds" means the proceeds received by the Trustee, the Backup Servicer, the Servicer, the insured or any other Person under the Risk Default Policy, which proceeds shall include allocations to principal and interest as determined by the Servicer.

"Risk Default Insurer" means The Connecticut Indemnity Company, its successors and assigns.

"Schedule of Receivables" means the list of Receivables annexed hereto as Exhibit D; provided that Exhibit D shall be deemed to be amended on each Funding Date to add Additional Receivables acquired by the Trust on each such date pursuant to this Agreement such Exhibit shall be amended from time to time.

"Scheduled Payment" means the fixed payment required to be made by the Obligor during the respective Collection Period sufficient to fully amortize the Principal Balance under the Simple Interest Method over the term of the Receivable and to provide interest at the applicable APR, including any delinquent payment; provided, however, that "Scheduled Payment" does not include Miscellaneous Servicer Collections.

"Securities Act" shall have the meaning set forth in Section 7.03.

"Seller" means Aegis Auto Funding Corp., a Delaware corporation, as the seller of the Receivables to the Trust under this Agreement, and its successors (in the same capacity) pursuant to Section 8.03.

"Servicer" means Aegis Finance, as servicer of the Receivables pursuant to the Servicing Agreement or any other Eligible Servicer acting as servicer pursuant to the Servicing Agreement in accordance with Section 4.01, as the context may require.

"Servicer Files" shall have the meaning set forth in Section 3.03(b).

"Servicing Agreement" means the Aegis Finance Servicing Agreement or another servicing agreement entered into by the Backup Servicer and the Trustee with an Eligible Servicer which shall be substantially in the form of the Aegis Finance Servicing Agreement or such other form as shall be approved by the Majority Certificateholders.

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

"Servicing Officer" means any officer of the Servicer involved in, or responsible for, the administration and servicing of Receivables whose name appears on a list of servicing officers attached to an Officer's Certificate furnished to the Trustee by the Servicer, as such list may be amended from time to time.

"Simple Interest Method" means 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 APR multiplied by the unpaid principal balance multiplied by a fraction the numerator of which is the number of days elapsed since the preceding payment was made and the denominator of which is 365.

"Simple Interest Receivable" means any Receivable under

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

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successors thereto.

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

"Substitute Receivable" means any replacement Receivable substituted for another Receivable in accordance with Section 3.02(b).

"Total Available Distribution Amount" means, for each Distribution Date, the sum of the Available Interest Distribution Amount, the Available Principal Distribution Amount and the Miscellaneous Servicer Collections.

"Transition Costs" means an amount necessary to reimburse the successor to the Servicer, the Trustee or the Backup Servicer, as the case may be, for reasonable costs and expenses incurred in connection with such transition(s).

"Trust" means the Aegis Auto Receivables Trust 1996-3 created by this Agreement, the estate of which shall consist of the Trust Property.

"Trust Property" shall have the meaning set forth in Section 2.01(c).

"Trustee" means the Person acting as Trustee of the Trust under this Agreement, its successor in interest and any successor trustee pursuant to Section 11.10.

"Trustee Officer" means any vice president or assistant vice president, any assistant secretary, any trust officer or any other officer of the Corporate Trust Department of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Trustee's Certificate" means a certificate completed and executed by the Trustee by a Trustee Officer pursuant to Section 11.02, substantially in the form of, in the case of an assignment to the Seller, Exhibit B.

"UCC" means the Uniform Commercial Code as in effect

from time to time in the relevant jurisdictions.

"Underwriting Guidelines" means the underwriting guidelines of Aegis Finance with respect to each of its programs, a copy of which is annexed to the Risk Default Insurance Policy.

"Vendor's Single Interest Physical Damage Insurance Policy" means the insurance policy listed on Exhibit J issued by the VSI Insurer, including all endorsements thereto.

"Voting Interests" means the portion of the voting interests of all the Certificates that is allocated to any Certificate for purposes of the voting provisions of this Agreement. Voting Interests shall be allocated to the Class A, Class B and Class C Certificates, respectively, in proportion to their Class Certificate Balances. Voting Interests allocated to each Class of Certificates shall be allocated among the Certificates within each such class in proportion to their Certificate Balances. Where the Voting Interests are relevant in determining whether the vote of the requisite percentage of the Certificateholders necessary to effect any consent, waiver, request or demand shall have been obtained, the Voting Interests shall be deemed to be reduced by the amount equal to the Voting Interests (without giving effect to this provision) represented by the interests evidenced by any Certificate registered in the name of the Servicer, Aegis Finance, the Seller or any Person known to a Trustee Officer to be an Affiliate of any such foregoing entities, unless such entity owns all affected Certificates.

"VSI Insurance Policy" means Vendor's Single Interest Physical Damage Insurance Policy.

"VSI Insurer" means Guaranty National Insurance Company.

Section 1.02. Usage of Terms. With respect to all terms in this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to "writing" include printing, typing, lithography and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Agreement; references to Persons include their permitted successors and assigns; and the term "including" means "including without limitation."

Section 1.03. Cutoff Date and Record Date. All references to the Record Date prior to the first Record Date in the life of the Trust shall be to the Closing Date.

Section 1.04. Section References. Unless otherwise indicated, all section references shall be to Sections in this Agreement.

ARTICLE II

CREATION OF TRUST

Upon the execution by the parties hereto, there is hereby created the Aegis Auto Receivables Trust 1996-3. The situs and administration of the Trust shall be in Minneapolis, Minnesota or in such other city in which the Corporate Trust Office is located from time to time.

Section 2.01. Conveyance and Acceptance by Trustee.

(a) In consideration of the Trustee's delivery of the Certificates to or upon the order of the Seller in an aggregate principal amount equal to the aggregate Principal Balance of the Initial Receivables plus the Original Pre-Funded Amount, the Seller does hereby irrevocably sell, assign, and otherwise convey to the Trustee, in trust for the benefit of the Certificateholders, without recourse (subject to the obligations herein):

(i) all right, title and interest of the Seller in and to the Initial Receivables identified on Exhibit D, all moneys received thereon on and after the Cutoff Date allocable to principal, and all moneys received thereon allocable to interest accrued from and including the Cutoff Date;

(ii) the interest of the Seller in the security interests in the Financed Vehicles granted by the Obligors pursuant to the Initial Receivables;

(iii) the interest of the Seller in any Risk Default Insurance Proceeds and any proceeds from claims on any Insurance Policies (including the VSI Insurance Policy) covering the Initial Receivables, the Financed Vehicles or the Obligors from the Cutoff Date;

(iv) all right, title and interest of the Seller in and to the Funding Account and all moneys and investments from time to time on deposit therein;

(v) the right of the Seller to realize upon any property (including the right to receive future

Liquidation Proceeds) that shall have secured an Initial Receivable and have been repossessed by or on behalf of the Trustee;

(vi) the interest of the Seller in any Dealer Recourse relating to the Initial Receivables;

(vii) all right, title and interest of the Seller in and to the Purchase Agreement; and

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

(b) Subject to the conditions set forth in Section 3.08 hereof, in consideration of the Trustee's delivery on the related Funding Dates to or upon the order of the Seller of all or a portion of the balance in the Funding Account in an amount equal to the aggregate Receivables Cash Purchase Price of the Additional Receivables to be acquired on the Funding Date (a portion of which shall be deposited into the Reserve Fund in accordance with Section 5.07(b) hereof), the Seller shall on such Funding Date sell, transfer, assign, set over and otherwise convey to the Trustee, without recourse (subject to the obligations herein):

(i) all right, title and interest of the Seller in and to Additional Receivables and all moneys received thereon, on and after the related Cutoff Date, allocable to principal, and all moneys received thereon allocable to interest accrued from and including the related Cutoff Date;

(ii) the interest of the Seller in the security interests in the Financed Vehicles granted by Obligors pursuant to the Additional Receivables;

(iii) the interest of the Seller in any Risk Default Insurance Proceeds or any proceeds from claims on any Insurance Policies (including the VSI Insurance Policy) covering the Additional Receivables, the Financed Vehicles or the Obligors from the related Cutoff Date;

(iv) the right of the Seller to realize upon any property (including the right to receive future Liquidation Proceeds) that shall have secured an Additional Receivable and have been repossessed by or on behalf of the Trustee;

(v) the interest of the Seller in any Dealer Recourse relating to the Additional Receivables;

(vi) all right, title and interest of the Seller in and to the Purchase Agreement; and

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

(c) It is the intention of the Seller and the Trustee that the transfer and assignment of the Seller's right, title and interest in and to the assets identified in clauses (i) through (vii) of Section 2.01(a) and clauses (i) through (vii) of Section 2.01(b) (collectively, the "Trust Property") shall constitute an absolute sale by the Seller to the Trustee in trust for the benefit of the Certificateholders. In the event a court of competent jurisdiction were to recharacterize the transfer of the Trust Property as a secured borrowing rather than a sale, contrary to the intent of the Seller and the Trustee, the Seller does hereby grant, assign and convey to the Trustee and the Trust, as security for all amounts payable to the Certificateholders, a security in and lien upon all of its right, title and interest in and to the Trust Property, including all amounts deposited to the Lock-Box Account, the Collection Account, the Certificate Account and the Funding Account, said security interest to be effective from the date of execution of this Agreement.

(d) The Trustee does hereby accept all consideration conveyed by the Seller pursuant to Section 2.01(a) and 2.01(b), and declares that the Trustee shall hold such consideration upon the trusts herein set forth for the benefit of all present and future Certificateholders, subject to the terms and provisions of this Agreement.

The Trustee and the Certificateholders acknowledge and agree that the Seller is the holder of the Residual Interest and, subject to the terms and provisions of this Agreement, shall be entitled to receive all distributions of Excess Receipts.

ARTICLE III

THE RECEIVABLES

Section 3.01. Representations and Warranties of Seller.

(a) The Seller makes the following representations and warranties as to the Receivables on

which the Trustee relies in accepting the Receivables in trust on the Closing Date and each Funding Date and executing and authenticating the Certificates on the Closing Date. Such representations and warranties speak as of the Closing Date with respect to the Initial Receivables and as of the related Funding Date with respect to Additional Receivables to be acquired on such date, but shall survive the sale, transfer and assignment of the Receivables to the Trustee.

(i) Characteristics of Receivables. Each Receivable (A) has been originated in the United States of America by Aegis Finance or a Dealer for the retail sale of a Financed Vehicle in the ordinary course of Aegis Finance's or such Dealer's business, has been fully and properly executed by the parties thereto, and, if originated by a Dealer, has been purchased by Aegis Finance from such Dealer or has been financed for such Dealer under an existing agreement with Aegis Finance, (B) has created a valid, subsisting and enforceable first priority security interest in favor of Aegis Finance or the Dealer in the Financed Vehicle, which security interest, (1) if in favor of the Dealer, has been assigned by the Dealer to Aegis Finance, (2) in either case has been duly assigned by Aegis Finance to the Seller, and (3) has been assigned by the Seller to the Trustee, (C) is covered by the VSI Insurance Policy and the Risk Default Insurance Policy, (D) contains customary and enforceable provisions such that the rights and remedies of the holder thereof are adequate for realization against the collateral of the benefits of the security and (E) provides for level monthly payments (provided that the payment in the first or last month in the life of the Receivable may be different from the level payment) that fully amortize the Amount Financed over an original term of no greater than 60 months and yield interest at the Annual Percentage Rate.

(ii) Schedule of Receivables. The information set forth in Exhibits D, F-1 and F-2 hereto is true, complete and correct in all material respects as of the opening of business on the applicable Cutoff Dates, as the case may be, and no selection procedures adverse to the Certificateholders have been utilized in selecting the Receivables.

(iii) Compliance With Law. Each Receivable and the sale of each Financed Vehicle

(A) complied at the time it was originated or made and at the Closing Date or the applicable Funding Date, as the case may be, complies in all material respects with all requirements of applicable federal, State and local laws and regulations thereunder, including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, State adaptations of the National Consumer Act and of the Uniform Consumer Credit Code, and other consumer credit laws and equal credit opportunity and disclosure laws and (B) does not contravene any applicable contracts to which Aegis Finance is a party and no party to such contract is in violation of any applicable law, rule or regulation which is material to the Receivable or the sale of the Financed Vehicle.

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

(v) No Government Obligor. None of the Receivables is due from the United States of America or any State or local government or from any agency, department or instrumentality of the United States of America or any State or local government.

(vi) Security Interest in Financed Vehicle. Immediately prior to the assignment and transfer thereof, each Receivable is secured by a validly perfected first priority security interest in the related Financed Vehicle in favor of the Seller as secured party or all necessary and appropriate actions have been commenced that would result in the valid perfection of a first priority security interest in the Financed Vehicle in favor of the Seller as the secured party. The Seller has caused each certificate of title (or copy of an application for title), or such other document delivered by the state title registration agency evidencing the security interest in each Financed Vehicle, to be delivered to the Custodian pursuant to Section 3.03 hereof, together with a power of attorney, duly executed by

Aegis Finance in favor of the Trustee, which powers of attorney are sufficient to change the lien holder on the certificate of title with respect to a Financed Vehicle.

(vii) Receivables in Force. No Receivable has been satisfied, subordinated or rescinded, nor has any Financed Vehicle been released from the lien granted by the related Receivable in whole or in part.

(viii) No Waiver. No provision of a Receivable has been waived, impaired, altered or modified in any respect except in accordance with the Servicing Agreement, the substance of which is reflected in the Schedule of Receivables contained in the Purchase Agreement as it relates to the information included thereon.

(ix) No Amendments. No Receivable has been amended such that either the original Scheduled Payment has been decreased or the number of originally scheduled due dates has been increased except as permitted under the terms of the Risk Default Policy covering such Receivable.

(x) No Defenses. No right of rescission, setoff, recoupment, counterclaim or defense has been asserted or threatened with respect to any Receivable.

(xi) No Liens. No Liens or claims have been filed for work, labor or materials relating to a Financed Vehicle that are Liens prior to, or equal or coordinate with, the security interest in the Financed Vehicle granted by the Obligor pursuant to the Receivable.

(xii) No Default. Except for payment delinquencies continuing for a period of not more than thirty (30) days as of the applicable Cutoff Date for any Receivable, no default, breach, violation or event permitting acceleration under the terms of any Receivable has occurred; and no continuing condition that with notice or the lapse of time would constitute a default, breach, violation or event permitting acceleration under the terms of any such Receivable has arisen; and the Seller has not waived any of the foregoing. As of the date hereof and as of each Funding Date, the Seller has no knowledge of any facts regarding any particular

Receivable indicating that such Receivable would not be paid in full.

(xiii) Insurance. Each Receivable is covered, as of the Closing Date or Funding Date when acquired, as the case may be, and throughout the shorter of the term of the Trust or the term of the Receivable, under the VSI Insurance Policy and the Risk Default Insurance Policy, and each such insurance policy is valid and remains in full force and effect. Aegis Finance, in accordance with its customary procedures, has required that each Obligor obtain, and has determined that each Obligor has obtained, physical damage insurance covering the Financed Vehicle as of the date of execution of the Receivable insuring repair or replacement of such Financed Vehicle subject to a deductibility not in excess of \$500.

(xiv) Title. It is the intention of the Seller that the transfer and assignment of the Receivables from the Seller to the Trust herein contemplated be treated as an absolute sale for financial accounting purposes, and that the beneficial interest in and title to the Receivables not be part of the property of the Seller for any purpose under state or federal law. No Receivable has been sold, transferred, assigned or pledged by the Seller to any Person other than the Trustee. Immediately prior to the transfer and assignment herein contemplated, the Seller had good and marketable title to each Receivable free and clear of all Liens and rights of others and, immediately upon the transfer thereof, the Trustee for the benefit of the Certificateholders will have good and marketable title to each Receivable, free and clear of all Liens and rights of others; and the transfer has been validly perfected under the UCC.

(xv) Lawful Assignment. No Receivable has been originated in, or is subject to the laws of, any jurisdiction under which the pledge, transfer and assignment of such Receivable under this Agreement or pursuant to transfers of the Certificates is or shall be unlawful, void or voidable.

(xvi) All Filings Made. All filings (including, without limitation, UCC filings) necessary in any jurisdiction to give the Trustee a first perfected ownership interest in the Receivables have been made.

(xvii) One Original. There is only one original executed copy of each Receivable.

(xviii) Maturity of Receivables. Each Receivable had an original term to maturity of not more than 60 months; the weighted average original term to maturity of the Initial Receivables was 54.22 months as of the Cutoff Date while the weighted average remaining term to maturity as of the Cutoff Date for such Initial Receivables was 53.58 months; the remaining term to maturity of each Receivable was 60 months or less as of the respective Cutoff Date; the addition of the Additional Receivables on each Funding Date will not extend the weighted average remaining term to maturity of all Receivables sold hereunder by more than 1 month as of the applicable Cutoff Dates.

(xix) Scheduled Payments. Each Initial Receivable has a next scheduled payment due date on or prior to November 20, 1996; no Receivables had a payment that was more than 30 days overdue as of the applicable Cutoff Date; and each Receivable has a final scheduled payment due no later than the Final Scheduled Distribution Date.

(xx) Monthly Payments. Each Receivable provides for level monthly payments (provided that the payment in the first or last month in the life of the Receivable may be minimally different from such level payment) which fully amortize the amount financed over the original term; provided, however, that the Risk Default Policy provides that loan extensions will be allowed, subject to no more than one extension during each twelve (12) months in the Receivable's term.

(xxi) Outstanding Principal Balance; Annual Percentage Rate. Each Initial Receivable had an outstanding Principal Balance as of the applicable Cutoff Date of at least \$1,121.37; and no Initial Receivable has an outstanding Principal Balance in excess of \$34,659.46. As of their Cutoff Date, the weighted average APR of the Initial Receivables was 20.23% per annum. The addition of the Additional Receivables on each Funding Date will not decrease the weighted average APR of all Receivables sold hereunder by more than 10 basis points.

(xxii) Financing. Each Receivable represents a Simple Interest Receivable.

(xxiii) Bankruptcy Proceeding. No Receivable as of the respective Cutoff Date is noted in Aegis Finance's or the Seller's records as a dischargeable debt under a bankruptcy proceeding.

(xxiv) Chattel Paper, Valid and Binding. Each Receivable constitutes "chattel paper" under the UCC, and is the legal, valid and binding obligation of the Obligor thereunder in accordance with the terms thereof.

(xxv) States of Origination. At the time of origination, each Receivable was originated in one of the following states, which are the only states in which the Receivables were originated: Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia and West Virginia. After the addition of all Additional Receivables to the Trust, not more than 25% of the Receivables will have been originated in any one state.

(xxvi) Age of Financed Vehicles. Approximately 6.15% of the Initial Receivables relate to new Financed Vehicles and approximately 93.85% of the Initial Receivables relate to used Financed Vehicles.

(xxvii) No Future Advances. The full principal amount of each Receivable has been advanced to each Obligor or advanced in accordance with the directions of each such Obligor, and there is no requirement for future advances thereunder. The Obligor with respect to the Receivable does not have any options under such Receivable to borrow from any person additional funds secured by the Financed Vehicle. Each Receivable as of the Closing Date and each related Funding Date is secured by the related Financed Vehicle.

(xxviii) Underwriting Guidelines. Each Receivable has been originated in accordance with the applicable Underwriting Guidelines of Aegis Finance in effect at the time of origination and in

accordance with underwriting guidelines acceptable to the Risk Default Insurer. Such guidelines include but are not limited to the following:

(A) the purchase of the Financed Vehicle by the Obligor, at the time of funding of the Receivable, was affordable to the Obligor based upon Aegis Finance's existing Underwriting Guidelines with respect to discretionary income; and

(B) at the time of funding of the Receivable, the Financed Vehicle was purchased from, and the Receivable originated by, a Dealer located in one of the states specified in paragraph (xxv) above.

(xxix) Financed Vehicle in Good Repair. To the best of the Seller's knowledge, each Financed Vehicle is in good repair and working order.

(xxx) Principal Balance. No Receivable has a Principal Balance which includes capitalized interest, physical damage insurance or late charges.

(xxxi) Servicing. At the applicable Cutoff Date, each Receivable was being serviced by the Servicer.

(xxxii) Eligible Loan. Each Receivable constitutes an "Instrument" and each Financed Vehicle constitutes "Eligible Collateral" as defined in and for purposes of the Risk Default Insurance Policy. Neither the insured under the Risk Default Insurance Policy nor any Person acting on behalf of such insured has concealed or misrepresented any material facts or circumstances regarding any matter that would serve as a basis for the Risk Default Insurer to void the Risk Default Insurance Policy.

(xxxiii) Original Principal Amount. The original principal amount of each Receivable (A) originated under the original "Zero Down" and the "Reduced Income" programs, was not more than (1) in the case of new Financed Vehicles, the lower of (x) 105% of the manufacturer's suggested retail price plus rebatable premiums on cancelable items and (y) 120% of the manufacturer's suggested retail price or (2) in the case of used Financed Vehicles, the lower of (x) 105% of the retail value of the

Financed Vehicle at the time of origination of the Receivable as set forth in the Kelley "Blue Book" for the appropriate region plus rebatable premiums on cancelable items and (y) 120% of such Kelley "Blue Book" retail value; (B) originated under the "First Time Buyer" program, was not more than (1) in the case of new Financed Vehicles, 95% of the manufacturer's suggested retail price plus rebatable premiums on cancelable items of up to 15% of the manufacturer's suggested retail price or (2) in the case of used Financed Vehicles, 95% of the retail value of the Financed Vehicle at the time of origination of the Receivable as set forth in the Kelley "Blue Book" for the appropriate region plus rebatable premiums on cancelable items of up to 15% of the manufacturer's suggested retail price and (C) originated under the "Military Program" was not more than 105% of the manufacturer's suggested retail price or, in the case of used Financed Vehicles, 105% of the Kelley "Blue Book" retail value. Calculations made with respect to the percentages referenced above are rounded to the nearest whole percentage point. All of the Additional Receivables will be originated in accordance with the applicable Underwriting Guidelines.

(xxxiv) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of the Seller, threatened before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or its respective properties: (A) asserting the invalidity of any of the Receivables; (B) seeking to prevent the enforcement of any of the Receivables; or (C) seeking any determination or ruling that might materially and adversely affect the payment on or enforceability of any Receivable.

(xxxv) Licensing. With respect to each Receivable originated in the State of Pennsylvania, the Trust, the Seller, Funding Corp. III, Aegis Finance and each prior holder of any such Receivable were each properly licensed under applicable Pennsylvania laws and regulations during the respective times the Trust, the Seller, Aegis Finance and each prior holder of any such Receivable held such Receivable, except where the failure to be so licensed would not have a material adverse effect on the ability of the Trust to collect

principal or interest payments on such Receivable or to realize upon the Financed Vehicle underlying any such Receivable in accordance with the terms thereof.

(xxxvi) Additional Receivables. Each Additional Receivable shall have been identified and approved by Aegis Finance on or prior to the Closing Date, as evidenced by Aegis Finance's dated notation of approval on the loan application (or other writing).

(b) The Seller makes the following additional representations, warranties and covenants on which the Trustee relies in accepting the Receivables in trust on the Closing Date and each Funding Date and executing and authenticating the Certificates on the Closing Date, which representations, warranties and covenants shall survive the Closing Date and each Funding Date.

(i) Location of Servicer Files. The Servicer Files are kept at the location or locations listed in Exhibit E hereto, with the exception of (A) the original certificates of title or other documents under applicable state laws evidencing the security interest of Aegis Finance in the Financed Vehicles, and (B) the original Receivables, which documents shall be kept at an office of the Custodian.

(ii) Evidence of Security Interest. On the Closing Date (in the case of the Initial Receivables) and the applicable Funding Date (in the case of each Additional Receivable), the Seller shall deliver or cause to be delivered to the Custodian (A) an original certificate of title or (B) if the applicable state title registration agency does not deliver certificates of title to lienholders, such other document under applicable state laws evidencing the security interest of Aegis Finance in the Financed Vehicle, or (C) a guarantee of title or a copy of an application for title if no certificate of title or other evidence of the security interest in the Financed Vehicle has yet been issued, for each Financed Vehicle relating to each Receivable sold, transferred, assigned and conveyed hereunder; provided, however, that any original certificate of title or other document under applicable law evidencing the security interest of Aegis Finance in the Financed Vehicle not so delivered on the Closing Date or Funding Date, as the case may be, due to the fact that such certificate of title or other

document has not yet been issued by a state title registration agency and delivered to the Seller as of such date, shall be delivered by the Seller to the Custodian within one hundred twenty (120) days after the Closing Date or the applicable Funding Date, as the case may be, or such later date permitted by the Rating Agencies in accordance with Section 3.03(a); provided, further, that failure to so deliver any original certificate of title or other document evidencing the security interest of Aegis Finance in the Financed Vehicle to the Trustee shall be deemed to be a breach by the Seller of its representations and warranties contained in this Section 3.01, and such occurrence shall constitute a breach pursuant to Section 3.02.

(c) Review of Receivables. The Seller will (i) engage the Review Firm to conduct a Receivable Review with respect to the Initial Receivables and the Additional Receivables; and (ii) instruct the Review Firm to provide written notice to the Trustee, the Seller, Aegis Finance, the Rating Agencies and each Certificateholder of the results of each Receivable Review. All services, duties and responsibilities of the Review Firm shall be performed and carried out by the Review Firm as an independent contractor of the Seller, and none of the provisions of any agreement between the Seller and the Review Firm shall be deemed to make, authorize or appoint the Review Firm as agent or representative of the Seller, the Trustee, Aegis Finance or the Rating Agencies or their respective successors and assigns.

Section 3.02. Repurchase or Substitution Upon Breach.

(a) The Seller, the Backup Servicer or the Trustee, as the case may be, shall inform the other parties to this Agreement and each Certificateholder promptly, in writing, upon its discovery of (i) any breach of the Seller's representations and warranties made pursuant to Section 3.01(a), or of Aegis Finance's representations and warranties made pursuant to Section 3.01(b) of the Purchase Agreement, or (ii) the failure of the Seller to deliver original certificates of title or other documents evidencing the security interest of Aegis Finance in the Financed Vehicle pursuant to Section 3.01(b) and 3.03. Neither the Backup Servicer nor the Trustee has any duty to investigate or determine the existence of any breach or non-delivery except as specified herein. Unless (i) the breach shall have been cured by the thirtieth day following

the discovery thereof by the Trustee or receipt by the Trustee of notice from the Seller, the Servicer or the Backup Servicer of such breach, or (ii) the non-delivery shall have been cured by the seventh Business Day following receipt by an officer of the Seller of notice from the Trustee by certified mail, the Seller shall repurchase each Receivable (x) to which such breach relates by the fifth Business Day following such 30 day cure period or (y) relating to the non-delivery by the fifth Business Day following such seven day cure period. Concurrently therewith, the Seller shall cause Aegis Finance to repurchase such Receivable pursuant to the Purchase Agreement for the Purchase Amount. In consideration of the purchase of the Receivable, the Seller shall remit or cause Aegis Finance to remit the Purchase Amount to the Trustee for application in the manner specified in Section 5.05. For purposes of this Section 3.02, the Purchase Amount of a Receivable which is not consistent with the warranty pursuant to Section 3.01(a)(i)(E) shall include such additional amount as shall be necessary to provide the full amount of principal and interest as contemplated therein.

(b) The foregoing notwithstanding, the Seller shall also have the option of substituting, within the five Business Day period following the applicable cure period, one or more replacement Receivables conforming to the requirements hereof (a "Substitute Receivable") for any breach or failing Receivable instead of repurchasing such Receivable, provided any such substitution occurs within ninety (90) days of the Closing Date. It shall be a condition of any such substitution that (i) the outstanding Principal Balance of the Substitute Receivables as of the date of substitution shall be less than or equal to the outstanding Principal Balance of the replaced Receivable as of the date of substitution; provided that an amount equal to the difference, if any, between the outstanding Principal Balance of the replaced Receivable and the outstanding Principal Balance of the Substitute Receivable shall be deposited into the Collection Account and shall be applied to repay the outstanding Principal Balance of the Certificates on the next Distribution Date; (ii) the remaining term to maturity of the Substitute Receivable shall not be greater than that of the replaced Receivable; (iii) the Cutoff Date with respect to the Substitute Receivable shall be deemed to be the first day of the month in which the substitution occurs; (iv) the Substitute Receivable otherwise shall satisfy the conditions of Section 3.01(a) and (b) hereof (and the Seller shall be deemed to make all representations and warranties contained in Sections 3.01(a) and (b) hereof with respect to the

Substitute Receivable as of the date of substitution); (v) the Seller shall have delivered to the Purchaser and the Trustee all of the documents specified in Section 3.03(a) or 3.08(b) hereof with respect to the Substitute Receivable on or before the date of substitution.

(c) The sole remedy of the Trustee, the Trust or the Certificateholders with respect to a breach of representations and warranties of the Seller pursuant to Section 3.01(a), or a breach of representations and warranties of Aegis Finance pursuant to Section 3.01(b) of the Purchase Agreement, or non-delivery of certificates of title pursuant to Section 3.01(b) and 3.03, shall be to require the Seller to repurchase or substitute for the Receivables pursuant to this Section 3.02 and to enforce Aegis Finance's obligation to repurchase such Receivables pursuant to the Purchase Agreement.

Section 3.03. Custody of Documents.

(a) To assure uniform quality in servicing the Receivables, to reduce administrative costs and to perfect the security interest conveyed by the Seller to the Trustee and the Trust pursuant to this Agreement in the Trust Property, the Trustee, upon the execution and delivery of this Agreement, is hereby irrevocably appointed as Custodian of the following documents or instruments, which are hereby delivered to the Custodian with respect to each Initial Receivable and shall be delivered to the Custodian with respect to each Additional Receivable on the applicable Funding Date:

(i) The original of the Receivable and any amendments thereto;

(ii) The original certificate of title or, if the applicable state title registration agency does not issue certificates of title to lienholders, such other document under applicable state laws evidencing the security interest of Aegis Finance in the Financed Vehicle, or a guarantee of title or a copy of an application for title if a certificate of title or other document evidencing the security interest in the Financed Vehicle has not yet been issued;

(iii) The original Risk Default Insurance Policy and a copy of the VSI Insurance Policy (including all endorsements thereto), including endorsements confirming insurance thereunder (as reflected on master lists of insured Receivables annexed to such endorsements) regarding each

Receivable covered thereby and, with respect to the VSI Insurance Policy, an endorsement naming the Trustee as an additional insured thereunder;

(iv) Such other documents as may be in existence evidencing the security interest of Aegis Finance in the Financed Vehicle; provided, however, that the Trustee has no obligation to determine the existence or necessity for such other documents.

The following documents shall be delivered to the Custodian within 30 days of the Closing Date:

(v) File-stamped copies of the UCC-1 financing statements filed pursuant to this Agreement.

Items (a)(i), (ii), (iii) and (iv) shall be referred to collectively as the "Custodian Files."

The Custodian shall review the Custodian Files (A) within 30 days after the end of the Funding Period to verify that all guarantees of title and all applications for title have been replaced by either an original certificate of title or other documents delivered by a state title registration agency evidencing the security interest of Aegis Finance in the Financed Vehicle, and (B) within 30 days after the Closing Date and each Funding Date, whichever is applicable with respect to each Receivable, to verify that an original installment sale contract is present for each Receivable and that each Receivable is covered by an endorsement to the Risk Default Policy confirming insurance thereunder. The Custodian shall immediately deliver written notice by certified mail to the Seller and Aegis Finance if any such document is missing or has not been delivered to the Custodian. With respect to Receivables for which the original certificates of title or other documents evidencing the security interest of Aegis Finance in the Financed Vehicle have not been delivered within 30 days after the end of the Funding Period, the Custodian shall review the related Custodian Files every thirty days thereafter to determine whether or not such documents have been delivered, and shall promptly notify the Seller, on a monthly basis, if any such documents have not been delivered as of the date of such notice. The Custodian shall deliver written notice to each Rating Agency and the Certificateholders if any original certificate of title or other document evidencing the security interest of Aegis Finance in the Finance Vehicle has not been delivered to the Custodian within 120 days after the end of

the Funding Period. Such notice shall confirm whether or not a guaranty of title or an application for title has been delivered to the Custodian with respect to the related Receivable.

With respect to Receivables for which the original retail installment sale contract has not been delivered to the Custodian in accordance with this Section 3.03(a), the Seller shall cause Aegis Finance to deliver the missing documents within seven (7) Business Days of receipt of such notice or repurchase such Receivables pursuant to Section 3.02 hereof. With respect to Receivables for which original certificates of title or other documents evidencing the security interest of Aegis Finance in the Financed Vehicle have not been delivered to the Custodian within 120 days of the end of the Funding Period, the Seller shall cause Aegis Finance to deliver such within such period of time as determined by the Rating Agencies (after receipt of notice as described in the preceding paragraph) or repurchase the Receivables pursuant to Section 3.02 hereof. Other than the reviews set forth in this paragraph, the Custodian shall have no duty or obligation to review any of the Custodian Files.

(b) The Seller shall deliver to the Servicer for custody pursuant to the Servicing Agreement the documents and instruments described in Paragraph III.B.3. of the Servicing Agreement (collectively, the "Servicer Files").

(c) The Custodian agrees to maintain the Custodian Files at the offices of the Custodian as shall from time to time be identified to the Trustee by written notice. Subject to the foregoing, the Trustee may temporarily move individual Custodian Files or any portion thereof without notice as necessary to conduct collection and other servicing activities in accordance with its customary practices and procedures.

The Custodian shall have and perform the following powers and duties:

(i) hold the Custodian Files for the benefit of all present and future Certificateholders, maintain accurate records pertaining to each Receivable to enable it to comply with the terms and conditions of this Agreement and maintain a current inventory thereof;

(ii) carry out such policies and procedures in accordance with its customary actions with respect to the handling and custody of the

Custodian Files so that the integrity and physical possession of the Custodian Files will be maintained; and

(iii) promptly release the original certificate of title to the Servicer upon receipt of a written request for release of documents certified by an officer of the Servicer, substantially in the form of Schedule C to the Servicing Agreement, with respect to the matters therein.

Section 3.04. Duties of Custodian.

(a) Safekeeping. The Trustee, as Custodian, shall hold the original Receivables and original certificates of title at the Corporate Trust Office, for the use and benefit of all present and future Certificateholders. In performing its duties the Custodian will comply with all applicable state and federal laws and will exercise that degree of skill and care consistent with the same degree of skill and care that the Custodian exercises with respect to similar motor vehicle loans held by the Custodian and that is consistent with prudent industry standards, and will apply in performing such duties and obligations, those standards, policies and procedures consistent with the same standards, policies and procedures the Custodian applies with respect to similar motor vehicle loans or motor vehicle retail installment sale contracts which the Custodian serves as custodian or in a similar capacity.

(b) Maintenance of and Access to Records. Subject to Section 3.03(c), the Custodian shall maintain the Custodian Files at the Corporate Trust Office or at such other office as shall be specified to the Trustee by written notice not later than 90 days after any change in location. The Custodian shall make available to the Servicer and the Certificateholders or their duly authorized representatives, attorneys or auditors a list of locations of the Custodian Files, and the related accounts, records and computer systems maintained by Custodian at such times as the Servicer or the Majority Certificateholders shall instruct.

(c) Release of Documents. In addition to releasing certificates of title pursuant to Section 3.03(c)(iii) upon receipt of written instructions from the Servicer in the form of Schedule C to the Servicing Agreement, the Custodian shall release any Custodian File to the Servicer, the Servicer's agent or the Servicer's designee, as the case may be, at such place or places as the Servicer may designate, as soon as practicable.

Section 3.05. Instructions; Authority to Act. The Custodian shall be deemed to have received proper instructions with respect to the Custodian Files upon its receipt of written instructions from the Servicer in the form of Schedule C to the Servicing Agreement.

Section 3.06. Custodian Fees; Indemnification.

(a) In consideration for services rendered as Custodian, the Custodian shall be paid the Custodian fees specified in Exhibit H.

(b) The Seller shall indemnify the Custodian for any and all liabilities, obligations, losses, compensatory damages, payments, costs or expenses of any kind whatsoever, including reasonable fees and expenses of counsel, that may be imposed on, incurred or asserted against the Custodian as the result of any improper act or omission by the Seller or alleged improper act or omission by the Seller in any way relating to the maintenance and custody by the Custodian of the Custodian Files; provided, however, that the Seller shall not be liable for any portion of any such amount resulting from the willful misfeasance, bad faith or negligence of the Custodian.

Section 3.07. Effective Period and Termination. The Trustee's appointment as Custodian shall become effective as of the Closing Date and shall continue in full force and effect until the Trustee resigns or is removed pursuant to Section 11.09. As soon as practicable after any termination of such appointment, the Custodian shall deliver the original documents identified in Section 3.03 to the successor Custodian at such place or places as the successor Custodian may reasonably designate.

Section 3.08. Funding Events.

(a) A funding event (each a "Funding Event") shall occur upon a Funding Date and in accordance with the requirements of this Section 3.08.

(b) During the Funding Period, the Seller shall, on Funding Dates, acquire Additional Receivables at the Receivables Cash Purchase Price from Aegis Finance pursuant to the Purchase Agreement with moneys deposited in the Funding Account on the Closing Date; provided, however, that the minimum amount of Additional Receivables acquired on any Funding Date other than the Final Funding Date shall be \$500,000.

The Seller shall transfer to the Trustee the Additional Receivables and the other property and rights

related thereto described in Section 2.01(b) only upon satisfaction of each of the following conditions on or prior to the related Funding Date:

(i) On or before the related Cutoff Date immediately preceding any Funding Date for the Additional Receivables, the Seller will review, package and forward to the Trustee for receipt by not less than two Business Days prior to the Funding Date (each, a "Delivery Date"), the following documents related to such Additional Receivables:

- (A) Original retail installment sales contracts evidencing such Receivables and any amendments thereto;
- (B) Original certificates of title, or copies of dealer blanket guarantees of title, or applications for title to the related Financed Vehicles;
- (C) An endorsement to the Risk Default Insurance Policy confirming insurance regarding each Receivable to be purchased on such Funding Date (as specified on a master list of Receivables annexed to such endorsement);
- (D) A list of Receivables being purchased on such Funding Date; and
- (E) A notice that the Funding Date will occur on the Friday immediately following the Delivery Date (or such other day as specified in such notice).

(ii) By the Delivery Date, the Seller shall deliver, or cause to be delivered, to the Trustee (with a copy to Seller's counsel), fully executed documents as follows:

- (A) Assignment (in the form of

Exhibit A to the Purchase Agreement) with Schedule A attached listing all Receivables to be sold on such Funding Date;

- (B) Assignment (in the form of Exhibit P hereto) with Schedule A attached listing all Receivables to be sold on such Funding Date;
- (C) Notice of Funding (in the form of Exhibit N hereto);
- (D) Officer's Certificate (in the form of Exhibit O hereto) with a copy, via telecopy, to the Rating Agency and the Trustee;
- (E) Power of Attorney by the Seller in favor of the Trust reflecting the Additional Receivables; and
- (F) A release and applicable UCC-3 Termination Statement executed by each warehouse lender terminating such person's prior security interests in such Additional Receivables granted by Aegis Finance.

(iii) On the Delivery Date, the Trustee will acknowledge receipt of a written certification of the Seller of the presence of the documents listed in Sections 3.08(b)(i) and (ii) above by sending notice, via telecopy, to Seller and Seller's counsel. The Trustee shall not be responsible for the accuracy of such documents. Only those Receivables for which the documents listed in Sections 3.08(b)(i) and (ii) are delivered to the Trustee on the Delivery Date will be included in the Funding Event. The Trustee will also stamp the Receivables to indicate their sale to the Seller and their subsequent transfer and assignment to the Trust.

(iv) Upon satisfaction of the above

requirements with respect to events to occur on or before the Funding Date, the Trustee will on the Funding Date withdraw funds from the Funding Account to (A) make the deposits required by Section 5.01(c) into the Reserve Fund and (B) pay to the Seller or its designee with respect to Additional Receivables acquired on such Funding Date, in cash by federal wire transfer funds, an amount equal to the balance of the Receivables Cash Purchase Price (net of the deposit to the Reserve Fund), all pursuant to the written directions provided to the Trustee in the Notice of Funding.

(v) By the Funding Date, the Seller shall deliver or cause to be delivered to the Rating Agency and the Trustee, a Receivables Characteristics report substantially in the form of Exhibit F-2 hereto with respect to all Receivables acquired on and prior to such Funding Date.

(vi) The Trustee shall review the documents delivered to it in connection with any Funding Event within 5 Business Days after the Funding Date to verify the presence of the documents listed in Sections 3.08(b)(i) and 3.08(b)(ii) for each Additional Receivable. The Trustee shall immediately deliver written notice by certified mail to the Seller, Aegis Finance and each Certificateholder, if any of such documents is missing. The Seller shall cause Aegis Finance to deliver to the Trustee the missing items within 3 Business Days of receipt of such notice.

(c) If the Seller does not provide on or prior to September 25, 1996 written direction to the Trustee of its intent to acquire Additional Receivables pursuant to this Section 3.08 on or prior to September 30, 1996, then the funds on deposit in the Funding Account after September 30, 1996 (excluding earnings on investments or reinvestments thereof) shall be used for the purpose of partially prepaying the Certificates in accordance with Section 5.06(d) hereof. The Trustee shall provide notice to the Certificateholders of any such partial prepayment, which prepayment shall be made on October 21, 1996.

(d) The Seller shall take any action required to maintain the first perfected ownership interest of the Trust in the Trust Property and the first perfected security interest of the Trustee in the Reserve Fund Property.

ARTICLE IV

ADMINISTRATION AND SERVICING OF RECEIVABLES

Section 4.01. Servicing Duties.

(a) On or before the Closing Date, the Backup Servicer and the Trustee will enter into the Aegis Finance Servicing Agreement with Aegis Finance pursuant to which Aegis Finance shall act as Servicer with respect to the Receivables. Any Servicer shall be, and shall remain, for so long as it is acting as Servicer, an Eligible Servicer. The Backup Servicer shall review each Monthly Servicing Certificate required to be provided by the Servicer pursuant to paragraph III.B.6 of the Servicing Agreement and shall notify the Trustee, each Rating Agency and each Certificateholder of any discrepancy in such Monthly Servicing Certificate which cannot be corrected in accordance with paragraph III.B.6 of the Servicing Agreement.

(b) In the event of termination of the rights and obligations of the Servicer under the Servicing Agreement, the Backup Servicer shall, in accordance with paragraph VI of the Servicing Agreement, act as Servicer of the Receivables by assuming such rights and obligations under the Servicing Agreement unless a successor Servicer, other than the Backup Servicer, is appointed by the Trustee under the Servicing Agreement; provided, however, that the Backup Servicer shall not be liable for any acts, omissions or obligations of the Servicer prior to such succession or for any breach by the Servicer of any of its representations and warranties contained in the Servicing Agreement or in any related document or agreement.

(c) Any Servicing Agreement that may be entered into and any other transactions or servicing arrangements relating to the Receivables and the other Trust Property involving a Servicer in its capacity as such shall be deemed to be for the benefit of the Trust, the Trustee and the Certificateholders.

(d) Other than the duties specifically set forth in this Agreement and the Servicing Agreement, the Backup Servicer shall have no obligation hereunder, including, without limitation, to supervise, verify, monitor or administer the performance of the Servicer. The Backup Servicer shall have no liability for any actions taken or omitted by the Servicer. The duties and obligations of the Backup Servicer shall be determined solely by the express provisions of this Agreement and the Servicing Agreement and no implied covenants or obligations shall be read into

this Agreement against the Backup Servicer.

Section 4.02. Resignation of Backup Servicer. The Backup Servicer may resign from the obligations and duties imposed on it under this Agreement and the Servicing Agreement as Backup Servicer, and shall resign at any time when it ceases to be an Eligible Servicer, by giving written notice of such resignation to the Trustee and the Certificateholders; provided, however, that (a) at least 45 days prior to such resignation the Backup Servicer shall have notified the Rating Agency, in writing, of (i) its intention to resign and (ii) the identity of the proposed successor Backup Servicer, and (b) each Rating Agency shall have, within a reasonable time thereafter, notified the Backup Servicer of its approval of such proposed successor Backup Servicer, which approval shall not be unreasonably withheld by the Rating Agency. No such resignation shall become effective until a successor Backup Servicer that is an Eligible Servicer acceptable to the Majority Certificateholders shall have assumed the responsibilities and obligations of the Backup Servicer in accordance with Section 10.02; provided however, if a successor Backup Servicer has not assumed the responsibilities and obligations of the Backup Servicer within 30 days after such resignation, the Backup Servicer may petition a court of competent jurisdiction for its removal.

In the event the Backup Servicer shall for any reason no longer be acting as such (including by reason of resignation as set forth in this Section 4.02 or an Event of Backup Servicing Default as specified in Section 10.01), the successor Backup Servicer shall thereupon assume all of the rights and obligations of the outgoing Backup Servicer under the Servicing Agreement. In such event, the successor Backup Servicer shall be deemed to have assumed all of the Backup Servicer's interest therein and to have replaced the outgoing Backup Servicer as a party to the Servicing Agreement to the same extent as if the Servicing Agreement had been assigned to the successor Backup Servicer, except that the outgoing Backup Servicer shall not thereby be relieved of any liability or obligations on the part of the outgoing Backup Servicer to the Servicer under such Servicing Agreement to the extent such obligations or liabilities arose prior to the assumption by the successor Backup Servicer of the obligations of the Backup Servicer thereunder. The outgoing Backup Servicer shall, upon request of the Trustee, deliver to the successor Backup Servicer all documents and records relating to the Servicing Agreement and the Receivables and otherwise use its reasonable efforts to effect the orderly and efficient transfer of the Servicing Agreement to the successor Backup Servicer.

Section 4.03. Covenant of Backup Servicer. The Backup Servicer shall promptly notify the Trustee of the occurrence of any Event of Backup Servicing Default or Event of Servicing Default of which it has obtained actual knowledge and any breach by the

Backup Servicer or the Seller of any of its respective covenants or representations and warranties contained in this Agreement.

Section 4.04. Servicing Fees. The total servicing fees payable on each Distribution Date to the Backup Servicer and the Servicer shall equal the Backup Servicer Fee and the Servicing Fee, respectively. Any proposed increase in the Backup Servicer Fee or the Servicing Fee due to the assumption of duties hereunder or under the Servicing Agreement by a successor Backup Servicer or successor Servicer shall be approved by the Seller, each Rating Agency and the Majority Certificateholders. The Backup Servicer shall also be entitled to any reimbursement pursuant to Section 9.03. Any Servicing Fee payable to the Servicer hereunder or pursuant to the Servicing Agreement shall be paid to the Servicer and/or to one or more subservicers as the servicer may from time to time direct in writing to the Trustee.

Section 4.05. Costs and Expenses. All reasonable out-of-pocket costs and expenses incurred by the Backup Servicer in carrying out its duties as Backup Servicer hereunder, including all out-of-pocket fees and expenses not expressly stated hereunder to be for the account of the Trust or the Seller, shall be paid or caused to be paid by the Backup Servicer, and the Backup Servicer shall be entitled to reimbursement therefor hereunder. Nothing in this Section 4.05 shall be construed to limit the compensation to be paid to or retained by the Backup Servicer pursuant to Section 4.04.

Section 4.06. Standard of Care. In managing, administering, servicing and making collections on the Receivables, and in performing its obligations under the Servicing Agreement after succeeding as Servicer thereunder, the Backup Servicer will exercise that degree of skill and care consistent with the same degree of skill and care that the Backup Servicer exercises with respect to similar motor vehicle loans owned and/or serviced by the Backup Servicer and that is consistent with prudent industry standards, and will apply in the management, administration, servicing and collection of the Receivables and in the administration and enforcement of the Insurance Policies relating to the Receivables, those standards, policies and procedures consistent with the best standards, policies and procedures the Backup Servicer applies with respect to similar motor vehicle loans owned or serviced by it, and, to the extent not inconsistent with the foregoing, to exercise that degree of skill and care it uses in servicing assets held for its own account; provided, however, that notwithstanding the foregoing, the Backup Servicer shall not, except pursuant to a judicial order from a court of competent jurisdiction, or as otherwise required by applicable law or regulation, release or waive the right to collect the unpaid balance on any Receivable and provided, further, that the Backup Servicer shall not amend or modify any Receivable, unless a

default with respect to such Receivable has occurred or is, in the judgment of the Backup Servicer, imminent. In performing its duties and obligations hereunder or under the Servicing Agreement, in the event there is no Servicer managing, administering, servicing or making collections on the Receivables and administering and enforcing the Insurance Policies relating to the Receivables, the Backup Servicer shall comply with all applicable federal and state laws and regulations, shall maintain all state and federal licenses and franchises necessary for it to perform its servicing responsibilities hereunder and thereunder, and in such event it shall exercise the same degree of skill and care it uses in managing, administering, servicing and making collection on the Receivables and administering and enforcing the Insurance Policies in its capacity as Backup Servicer hereunder, and shall not impair the rights of the Trust or the Certificateholders in the Trust Property.

ARTICLE V

DISTRIBUTIONS; ACCOUNTS; STATEMENTS TO CERTIFICATEHOLDERS

Section 5.01. Accounts.

(a) The Trustee shall establish the Collection Account, the Funding Account and the Certificate Account in the name of the Trustee for the benefit of the Certificateholders. The Collection Account, the Funding Account and the Certificate Account shall be segregated trust accounts established with the trust department of the Trustee. The Servicer shall establish the Lock-Box Account pursuant to the Servicing Agreement. The Lock-Box Account shall be a non-interest bearing account established with a Lock-Box Account Depository, which shall at all times be an Eligible Institution, by the Servicer for the sole benefit of the Trust and other holders of retail installment sales contracts originated by Aegis Finance or its Affiliates. All of the foregoing Accounts shall be Eligible Accounts.

(b) Amounts held in the Collection Account, the Certificate Account and the Funding Account shall be invested by the Trustee, upon the written direction of the Seller, in Eligible Investments. Any such investment in the Certificate Account or the Funding Account shall mature no later than (i) one Business Day before the Distribution Date (or Funding Date with respect to the Funding Account), next succeeding the date of investment or, (ii) in the case of money market fund investments, on such Distribution Date. Any such investment in the Collection Account shall mature not later than two Business Days before such

Distribution Date. Any written investment direction by the Seller shall certify that any such investment is authorized by this Section 5.01. The Trustee shall have no authority to sell or otherwise dispose of Eligible Investments attributable to funds held in the Certificate Account, the Collection Account or the Funding Account prior to their respective maturity dates. Interest and earnings on investments of funds in any Account shall be credited to and all losses borne by the Account with respect to which they were derived. All accounts with the Trustee must be trust accounts subject to regulations substantially similar to 12 C.F.R. SEC 9.10(b). The Trustee shall not have any responsibility or liability for any investment of moneys at the direction of the Seller or any loss resulting therefrom.

(c) The Servicer has appointed Wells Fargo Bank, N.A., as the initial Lock-Box Account Depository under the Servicing Agreement. All funds of the Trust held by a Lock-Box Account Depository are and shall remain the property of the Trust.

Section 5.02. Collections. Pursuant to the Servicing Agreement, the Servicer shall remit to the Lock-Box Account as soon as practicable, but in no event later than its close of business on the Business Day after receipt thereof by the Servicer, all payments by or on behalf of the Obligor with respect to each Receivable (other than Purchased Receivables), all Recoveries and all Risk Default Insurance Proceeds, all as collected during the Collection Period. As provided in the Servicing Agreement, the Servicer shall cause the Lock-Box Account Depository to transfer all available funds applied to the Receivables in excess of \$2,000 from the Lock-Box Account to the Collection Account on each Business Day. In the event an Obligor remits funds to the Trustee rather than remitting such funds directly to the Servicer, the Trustee shall notify the Servicer and shall deposit such amounts into the Collection Account within one (1) Business Day after receipt.

Section 5.03. Application of Collections. All collections for the Collection Period shall be applied by the Trustee in accordance with reports provided to the Trustee by the Servicer pursuant to the Servicing Agreement, as follows:

With respect to each Receivable (other than a Purchased Receivable), payments by or on behalf of the Obligor shall be applied to the Scheduled Payment. Any excess payments received constituting Scheduled Payments for subsequent Collection Periods shall be applied to the Principal Balance of the Receivables on the Distribution Date relating to such subsequent Collection Period.

Section 5.04. Miscellaneous Servicer Collections. All

Miscellaneous Servicer Collections shall be deposited by the Servicer to the Lock-Box Account within one Business Day of receipt thereof.

Section 5.05. Additional Deposits. The Trustee shall deposit or cause to be deposited in the Collection Account the aggregate Purchase Amount received with respect to Purchased Receivables and shall, upon receipt, deposit such other amounts to such accounts as may be specified herein. All such deposits shall be made in Automated Clearinghouse Corporation next-day funds or immediately available funds, on or before the Business Day preceding the Distribution Date.

Section 5.06. Distributions.

(a) On each Distribution Date, the Trustee shall cause to be made the transfers and distributions set forth in this Section 5.06 in the amounts set forth in the Monthly Servicing Certificate for such Distribution Date.

(b) The Trustee shall, on each Determination Date, based upon a certificate delivered to the Trustee from the Backup Servicer, calculate the Total Available Distribution Amount, the Class A Distributable Amount, the Class B Distributable Amount, the Class C Distributable Amount, the Reserve Fund balance and, based on the Total Available Distribution Amount, determine the amount distributable to the Certificateholders and the other distributions to be made on such Distribution Date.

(c) Two (2) Business Days prior to each Distribution Date, the Trustee shall transfer from the Collection Account to the Certificate Account an amount equal to the Total Available Distribution Amount and all investment earnings and interest on the funds in the Collection Account.

(d) The rights of the Class B Certificateholders to receive distributions in respect of the Class B Certificates shall be and hereby are subordinated to the rights of the Class A Certificateholders to receive distributions in respect of the Class A Certificates to the extent provided in this Section. The rights of the Class C Certificateholders to receive distributions in respect of the Class C Certificates shall be and hereby are subordinated to the rights of the Class A Certificateholders and the Class B Certificateholders to receive their respective distributions to the extent provided in this Section. Except as otherwise provided below, on each Distribution Date, the Trustee (based on the information contained in the Monthly

Servicing Certificate delivered on the related Determination Date pursuant to the Servicing Agreement) shall make the following distributions from the funds then on deposit in the Certificate Account (including funds transferred from the Reserve Fund when necessary as set forth below and pursuant to Section 5.07) in the following order of priority:

(i) to the Backup Servicer, the Backup Servicer Fee and expenses and all unpaid Backup Servicer Fees and unreimbursed expenses from prior Collection Periods; to the Servicer, the Servicing Fees and expenses, and all unpaid Servicing Fees and unreimbursed expenses from prior Collection Periods; to the Trustee and Custodian, the Trustee and Custodian fees and expenses and all unpaid Trustee and Custodian fees and unreimbursed expenses from prior Collection Periods; and to the successor to the Servicer, the Trustee or the Backup Servicer, Transition Costs, if any;

(ii) to the Class A Certificateholders of record, an amount equal to the sum of the Class A Interest Distributable Amount and any Class A Interest Carryover Shortfall from the prior Distribution Date;

(iii) to the Class B Certificateholders of record, an amount equal to the sum of the Class B Interest Distributable Amount and any Class B Interest Carryover Shortfall from the prior Distribution Date;

(iv) to the Class C Certificateholders of record, an amount equal to the sum of the Class C Interest Distributable Amount and any Class C Interest Carryover Shortfall from the prior Distribution Date;

(v) to the Class A Certificateholders of record, an amount equal to the sum of the Class A Principal Distributable Amount and any Class A Principal Carryover Shortfall from the prior Distribution Date;

(vi) to the Class B Certificateholders of record, an amount equal to the sum of the Class B Principal Distributable Amount and any Class B Principal Carryover Shortfall from the prior Distribution Date; and

(vii) to the Class C Certificateholders of record, an amount equal to the sum of the Class C

Principal Distribution Amount and any Class C
Principal Carryover Shortfall from the prior
Distribution Date.

(e) On each Distribution Date, the Trustee shall distribute any Excess Receipts in the following amounts and in the following order of priority: (i) into the Reserve Fund until the amount on deposit therein equals the Reserve Fund Requirement for such date and (ii) any remaining Excess Receipts will be distributed to the Seller.

(f) All distributions with respect to each Class of Certificates on each Distribution Date shall be made pro rata among the outstanding Certificates of such Class, in proportion to the Percentage Interests evidenced thereby. All payments to Certificateholders shall be made on each Distribution Date to each Certificateholder of record on the related Record Date by check, or, if requested by a Certificateholder holding Certificates with Original Certificate Balances in the aggregate in excess of \$1,000,000, by wire transfer to the account designated in writing by such Holder in the form of Exhibit G hereto (or such other account as such Certificateholder may designate in writing) delivered to the Trustee prior to the Determination Date, in immediately available funds.

Section 5.07. Reserve Fund; Priority of Distributions.

(a) In order to assure that sufficient amounts to make required payments to the Certificateholders specified therein will be available, there shall be established and maintained with the Trustee the following Eligible Account: the "Reserve Fund--Aegis Auto Receivables Trust 1996-3" (the "Reserve Fund"), which will include the money and other property deposited and held therein pursuant to Section 5.06(e) and this Section. The Reserve Fund shall not be part of Trust, but instead will be held for the benefit of the Certificateholders. The Seller and the Trustee acknowledge that any amounts on deposit in the Reserve Fund (and any investment earnings thereon) will be owned directly by the Seller, and such parties hereby agree to treat the same as assets (and investment earnings) of the Seller for federal income tax purposes.

(b) (i) The Reserve Fund shall be initially funded on the Closing Date in the amount of the Reserve Fund Initial Deposit.

(ii) On each Funding Date, the Trustee shall deposit in the Reserve Fund an amount transferred from the Funding Account pursuant to Section 5.08(b) equal to 3.0%

of the Principal Balance of the Additional Receivables to be purchased by the Seller and sold to the Trust on such Funding Date.

(c) Amounts held in the Reserve Fund shall be invested in Eligible Investments, in accordance with written instructions from the Seller or its designee, and such investments shall not be sold or disposed of prior to their maturity but shall mature no later than two Business Days before the Distribution Date next succeeding the date of investment. All such investments shall be made in the name of the Trustee or its nominee. Any loss on investment of amounts held in the Reserve Fund and all income and gain realized on the Reserve Fund shall be credited to such fund. As provided in Section 11.05, the Trustee shall not have any responsibility for moneys invested by the Trustee hereunder or any losses resulting therefrom.

(d) In order to provide for the prompt payment to the Certificateholders, the Trustee, the Custodian, the Servicer and the Backup Servicer in accordance with Section 5.06(d), and to assure availability of the amounts maintained in the Reserve Fund, the Seller, subject to the terms and conditions hereof and solely for the purpose of providing for payment of the fees and expenses of the Backup Servicer, the Trustee and the Custodian and making the distributions to the Certificateholders provided for in Section 5.06 and this Section 5.07, hereby grants in favor of the Trustee, as collateral agent, and its successor and assigns, a security interest in and lien upon all its right, title and interest in and to the Reserve Fund, including the Reserve Fund Initial Deposit and all proceeds of the foregoing, and hereby pledges to the Trustee, as collateral agent, and its successors and assigns, all other amounts and investments held from time to time in the Reserve Fund (whether in the form of deposit accounts, instruments, book-entry securities, uncertificated securities or otherwise) (all of the foregoing, subject to the limitations set forth below, the "Reserve Fund Property"); to have and to hold all the aforesaid property, rights and privileges unto the Trustee, its successors and assigns, in trust for the uses and purposes, and subject to the terms and provisions, set forth in this Section 5.07. The Trustee hereby acknowledges such transfer and accepts the trust hereunder and shall hold and distribute the Reserve Fund Property in accordance with the terms and provisions of this Section 5.07.

(e) The Seller agrees to take or cause to be taken such further actions, to execute, deliver and file or cause to be executed, delivered and filed such further

documents and instruments (including, without limitation, any UCC financing statements or this Agreement) as may be determined to be necessary to perfect the interests created by this Section in favor of the Trustee and otherwise fully to effectuate the purposes, terms and conditions of this Section. The Seller (with respect to Reserve Fund Property) shall:

(i) promptly execute, deliver and file any financing statements, amendments, continuation statements, assignments, certificates and other documents with respect to such interests and perform all such other acts as may be necessary in order to perfect or to maintain the perfection of the Trustee's security interest in the Reserve Fund Property; and

(ii) make the necessary filings of financing statements or amendments thereto within ten business days after the occurrence of any of the following: (1) any change in its corporate name or any trade name; (2) any change in the location of its chief executive office or principal place of business; and (3) any merger or consolidation or other change in its identity or corporate structure and promptly notify the Trustee of any such filings.

(f) If on any Distribution Date the Total Available Distribution Amount is insufficient to distribute the full amount described in clauses (i) through (vii) of Section 5.06(d), the Trustee shall withdraw an amount equal to such insufficiency from the Reserve Fund (any such amount, the "Reserve Fund Draw") and apply such amount (in the order of priority provided by Section 5.06(d)) in respect of such insufficiencies. If on any Distribution Date amounts on deposit in the Reserve Fund are in excess of the Reserve Fund Requirement for such date (after giving effect to Reserve Fund Draws on such date, if applicable), the Trustee shall release such excess to the Seller. Any amounts released from the Reserve Fund on any Distribution Date shall not be available for Reserve Fund Draws on following Distribution Dates. Upon termination of this Agreement, any amounts on deposit in the Reserve Fund, after payment of all amounts due the Backup Servicer, the Trustee, the Custodian, the Servicer and the Certificateholders, shall be paid to the Seller.

(g) Amounts properly received by the Seller pursuant to this Agreement shall not be available to the Trustee or the Trust for the purpose of making deposits to the Reserve Fund or making payments to the

Certificateholders, nor shall the Seller be required to refund any amount properly received by them.

Section 5.08. Funding Account.

(a) The Trustee shall establish the Funding Account for the benefit of the Certificateholders. The Funding Account shall be initially funded in the amount of \$7,709,463.60.

(b) The Trustee shall use funds on deposit in the Funding Account on a Funding Date to (i) deposit funds to the Reserve Fund as required by Section 5.07(b)(ii) hereof (assuming the occurrence of a Funding Event on such Funding Date) and (ii) acquire Additional Receivables on behalf of the Trust.

(c) Two Business Days prior to the Initial Distribution Date, the Trustee shall first transfer all amounts received as earnings on income from any investments or reinvestments of funds in the Funding Account to the Collection Account and, second, shall transfer all remaining funds in the Funding Account to the Certificate Account for the purpose of prepaying the Certificates on the Initial Distribution Date.

Section 5.09. Statements to Certificateholders; Tax Returns. With each distribution from the Certificate Account to the Certificateholders made on a Distribution Date, the Trustee shall provide to the Rating Agency, the Backup Servicer, the Seller and each Certificateholder of record, based on the Monthly Servicing Certificate provided to the Backup Servicer and the Trustee by the Servicer in the form of Schedule B to the Servicing Agreement, a statement substantially in the form of Exhibit C to this Agreement setting forth at least the following information with respect to such Distribution Date and the related Collection Period, to the extent applicable:

(a) Servicer Collections:

(i) The Available Interest Distribution Amount;

(ii) The Available Principal Distribution Amount;

(iii) The Miscellaneous Servicer Collections; and

(iv) The Total Available Distribution Amount.

(b) Distributions:

(i) the amount of such distribution allocable to principal in respect of each Class of Certificates;

(ii) the amount of such distribution allocable to interest in respect of each Class of Certificates;

(iii) the amount of the Backup Servicing Fee, Servicing Fee, Trustee and Custodian Fees and expenses for the related Collection Period and the portion of such fees allocable to each Class of Certificates;

(iv) the amount of Class Interest Carryover Shortfalls, if any, on such Distribution Date in respect of each Class of Certificates and the amount of the Class Principal Carryover Shortfalls, if any, on such Distribution Date in respect of each Class of Certificates;

(v) the Pool Factor and the Class Factor for each Class of Certificates as of such Distribution Date, after giving effect to payments allocated to principal reported under clause (i) above;

(vi) the amount on deposit in the Reserve Fund on such Distribution Date, after giving effect to amounts deposited in the Reserve Fund and Reserve Fund Draws on such date;

(vii) the aggregate amount of Reserve Fund Draws, and the breakdown of the application of such draws to cover payment shortfalls to Class A, B or C Certificateholders, made on such Distribution Date;

(viii) the amount of net investment earnings with respect to the Reserve Fund earned during the related Collection Period;

(ix) the amounts, if any, released from the Reserve Fund to the Seller;

(c) Pool Information:

The Original Pool Balance, the Pool Balance, the weighted average coupon, the weighted

average maturity (in months) and the remaining number of Receivables for both the first and the last day of the preceding Collection Period, after giving effect to payments allocated to principal reported in (b) (ii) above.

(d) Receivables Repurchased or Substituted by Seller:

The number and aggregate Purchase Amount of Receivables repurchased by Seller and for any substitution of Receivables, the number and principal balance of both the Receivables being replaced and the Receivables substituted.

(e) Delinquency Information:

The amount of Receivables (other than Defaulted Receivables and Liquidated Receivables) as to which Obligor are (i) 30 days to 59 days past due (ii) 60 days to 89 days past due, and (iii) 90 days past due in making Scheduled Payments.

(f) Repossession Information:

The number and principal balance of Receivables as to which the Servicer has repossessed the Financed Vehicle during the current period and on a cumulative basis.

(g) Liquidated and Defaulted Receivables Information:

The number and principal balance of Receivables which became Liquidated Receivables (other than Receivables previously characterized as Defaulted Receivables) and the number and principal balance of Receivables which became Defaulted Receivables during the Collection Period and on a cumulative basis.

(h) Recoveries:

The amount of Liquidation Proceeds, the amount of insurance claims paid under the VSI Insurance Policy, the amount of rebates received from the Servicer as a result of cancelled warranty or extended service contracts and the amount of claims paid under consumer insurance during the related Collection Period and on a cumulative basis.

(i) Retention Amount:

The beginning balance, the amount added with respect to Additional Receivables or quarterly reserve loss deficiency, the amount subtracted with respect to approved claims and quarterly reserve loss surplus, and the ending balance.

(j) Risk Default Insurance Proceeds:

The amount of insurance proceeds paid under the Risk Default Insurance Policy.

(k) Net Losses:

The amount of Net Losses, if any, on such Distribution Date and the cumulative amount of all Net Losses realized on the Receivables since the Closing Date.

(l) Insurance Claims:

The number of Receivables as to which a claim was filed under the Risk Default Policy or the VSI Insurance Policy, the amount of such claims, the number of claims rejected and the principal balance of related Receivables rejected under the Risk Default Policy for the related Collection Period and on a cumulative basis.

(m) Funding Account:

The beginning balance, the amount withdrawn to purchase Additional Receivables and to make deposits to the Reserve Fund, the amount of any reinvestment income earned on the moneys on deposit therein, and the ending balance.

(n) Collection Account:

The amount of reinvestment income on funds held in the Collection Account.

(o) Other Information:

Any other information regarding each distribution which any Certificateholder reasonably requests in writing 30 days prior to such distribution and which the Trustee can provide without undue expense or effort.

Within thirty (30) days after the end of each calendar year, the Trustee shall furnish to each Person who at any time during such calendar year was a Certificateholder of record and received any payment thereon (a) a report as to the aggregate of amounts reported pursuant to clauses (b)(i), (ii) and (iii) of this Section 5.09 for such calendar year or applicable portion thereof during which such Person was a Certificateholder and (b) such information as may be reasonably requested by the Certificateholders or required by the Code, and the regulations thereunder, to enable such Holders to prepare their federal and state income tax returns. Within thirty (30) days after the end of each calendar year, the Trustee shall furnish or shall cause to be furnished to the Seller a statement containing such of the information provided pursuant to this Section 5.09 as relates to distributions to the Seller, aggregated for such calendar year, as well as information respecting the amounts which were transferred from the Reserve Fund to make payments to Certificateholders and amounts otherwise distributable to the Seller which were placed in the Reserve Fund. The obligation of the Trustee set forth in this paragraph shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Backup Servicer pursuant to any requirements of the Code.

The Seller shall prepare any tax returns or other forms required to be filed by the Trust. So long as no applicable statute, Treasury regulation or applicable Internal Revenue Service ruling or other administrative pronouncement requires to the contrary, all such tax returns shall be prepared in a manner consistent with tax information reporting positions described in the Offering Memorandum prepared in connection with the Certificates dated September 12, 1996. The Trustee, upon request, will furnish the Seller with all such information known to the Trustee as may be reasonably required in connection with the preparation of all tax returns of the Trust.

Section 5.10. Reliance on Information from the Servicer. Notwithstanding anything to the contrary contained in this Agreement, all distributions from any of the accounts described in this Article V and any movement of cash between such accounts shall be made by the Trustee in reliance on information provided to the Trustee by the Servicer in writing, whether by way of the Servicer's Monthly Servicing Certificate or otherwise unless the Trustee has actual knowledge or notice of any inaccuracy therein.

ARTICLE VI

RIGHTS OF CERTIFICATEHOLDERS

The Certificates shall represent fractional undivided

interests in the assets of the Trust which shall consist of the right to receive, at the time and in the amount specified herein pursuant to Section 5.01, a Percentage Interest in distributions with respect to the Trust Property secured by funds available pursuant to the Reserve Fund. Any other right to receive payments or distributions hereunder shall not represent any interest in the Accounts or the Reserve Fund, except as specifically provided in this Agreement. The parties hereto and the Certificateholders agree that the Certificates represent undivided interests in the Receivables, which Receivables shall constitute stripped bonds within the meaning of Section 1286 of the Code.

ARTICLE VII

THE CERTIFICATES

Section 7.01. The Certificates. The Certificates shall be substantially in the forms of Exhibit A-1 through A-3 hereto. The Class A, Class B and Class C Certificates shall be issuable in minimum denominations in Certificate Balances of \$250,000 and integral multiples of \$1,000 in excess thereof. The Certificates shall be executed on behalf of the Trust by manual or facsimile signature of a Trustee Officer of the Trustee under the Trustee's seal imprinted thereon and shall bear legends restricting the transfer thereof. Certificates bearing the manual or facsimile signatures of individuals who were, at the time when such signatures shall have been affixed, authorized to sign on behalf of the Trust, shall be valid and binding obligations of the Trust, notwithstanding that such individuals or any of them shall have ceased to be so authorized prior to the authentication and delivery of such Certificates or did not hold such offices at the date of such Certificates.

Section 7.02. Execution, Authentication of Certificates. The Trustee shall cause the Certificates to be executed on behalf of the Trust, and delivered to or upon the written order of the Seller pursuant to this Agreement. No Certificate shall entitle its Holder to any benefit under this Agreement or shall be valid for any purpose, unless there shall appear on such Certificate a certificate of authentication substantially in the form set forth in Exhibits A-1 to A-3 hereto executed by the Trustee by manual signature; such authentication shall constitute conclusive evidence that such Certificate shall have been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their authentication.

Section 7.03. Registration of Transfer and Exchange of Certificates.

(a) The Certificate Registrar shall maintain a

Certificate Register in which, subject to such reasonable regulations as it may prescribe, the Certificate Register shall provide for the registration of Certificates and transfers and exchanges of Certificates as provided in this Agreement. The Trustee is hereby initially appointed Certificate Registrar for the purpose of registering Certificates and transfers and changes of Certificates as provided in this Agreement. In the event that, subsequent to the Closing Date, the Trustee notifies the Seller that it is unable to act as Certificate Registrar, the Seller shall appoint another bank or trust company, having an office or agency located in the Borough of Manhattan, The City of New York, agreeing to act in accordance with the provisions of this Agreement applicable to it, and otherwise acceptable to the Trustee, to act as successor Certificate Registrar under this Agreement.

No transfer of a Certificate shall be made unless (I) (a) such transfer is made pursuant to an effective registration statement under the Securities Act and any applicable state securities laws or (b) (i) such transfer is exempt from the registration requirements under the Securities Act and such state securities laws or (ii) the Certificate Registrar is notified by such transferee that such Certificate will be registered in the name of the Clearing Agency or its nominee and shall be held by such transferee in book-entry form through the Clearing Agency, and (II) such transfer is to a Person that satisfies the requirements of paragraph (a) (2) (i) or (a) (2) (ii) of Rule 3a-7 as then in effect or any successor rule ("Rule 3a-7") under the Investment Company Act. Each prospective purchaser of a non-registered Certificate not held in book-entry form shall deliver a completed and duly executed Transferee's Certificate in the form of Exhibit K or L, as applicable, to the Trustee and to the Seller for inspection prior to effecting any requested transfer. The Seller and the Trustee may rely conclusively upon the information contained in any such certificate in the absence of knowledge to the contrary. In connection with any transfer within three years from the date of the initial issuance of the Certificates (other than the transfer of any Certificate that is or has become registered under the Securities Act on or before such transfer or any transfer of a Certificate held in book-entry form), the Trustee shall (except in the case of a transfer to a "qualified institutional buyer") require an Opinion of Counsel to the effect that such transfer may be effected without registration under the Securities Act, which Opinion of Counsel shall be addressed to the Seller and the Trustee and shall be secured at the expense of the Holder. Each Certificate Owner shall be deemed to have agreed to these restrictions on transfer.

(b) If an election is made to hold a Certificate in book-entry form, the Certificate shall be registered in the name of a nominee designated by the Clearing Agency (and may be aggregated as to denominations with other Certificates held by the Clearing Agency). With respect to Certificates held in book-entry form:

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

(2) the rights of Certificate Owners will be exercised only through the Clearing Agency and will be limited to those established by law and agreements between such Certificate Owners and the Clearing Agency and/or the Clearing Agency Participants pursuant to the Depository Agreement;

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

(4) without the consent of the Seller and the Trustee, no such Certificate may be transferred by the Clearing Agency except to a successor Clearing Agency that agrees to hold such Certificate for the account of the Certificate Owners or except upon the election of the Certificate Owner thereof or a subsequent transferee to hold such Certificate in physical form.

Neither the Trustee nor the Certificate Registrar shall have any responsibility to monitor or restrict the transfer of beneficial ownership in any Certificate an interest in which is transferable through the facilities of the Clearing Agency.

The Seller shall cause each Certificate to contain a legend stating that transfer of the Certificates is subject to certain restrictions and referring prospective purchasers of the Certificates to this Section 7.03 with respect to such restrictions.

(c) No transfer of an ERISA-Restricted Certificate (other than a Certificate held in book-entry form) shall be made to any Person unless the Trustee and Seller have received (A) a certificate (substantially in the form of Exhibit M) from such transferee to the effect that such transferee (i) is not a Plan or a Person that is using the assets of a Plan to acquire such Certificate or (ii) is an insurance company investing assets of its general account and the exemptions provided by Section III(a) of Department of Labor Prohibited Transactions Class Exemption 95-60, 60 Fed. Reg. 35925 (July 12, 1995) (the "Exemptions") apply to the transferee's acquisition and holding of any such Certificate or (B) an opinion of counsel satisfactory to the Trustee and the Seller to the effect that the purchase and holding of such Certificate will not constitute or result in the assets of the Trust being deemed to be "plan assets" subject to the prohibited transactions provisions of ERISA or Section 4975 of the Code and will not subject the Trustee or the Seller to any obligation in addition to those undertaken in the Agreement; provided, however, that the Trustee will not require such certificate or opinion in the event that, as a result of a change of law or otherwise, counsel satisfactory to the Trustee has rendered an opinion to the effect that the purchase and holding of a Certificate by a Plan or a Person that is purchasing or holding such a Certificate with the assets of a Plan will not constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code. Any Certificate Owners of a Certificate held in book-entry form shall be deemed to have made the representation in clause (A) of this preceding sentence by its acceptance of such Certificate. The preparation and delivery of the certificate and opinions referred to above shall not be an expense of the Trust, the Trustee nor any other party to the Agreement but shall be borne by the Holder.

(d) The Certificates, until such time, if at all, as they become registered under the Securities Act, shall bear legends stating that they have not been registered under the Securities Act and are subject to the restrictions on transfer described in Section 7.03(a). The Certificates shall additionally bear legends stating that they are subject to the restrictions on transfer described in Section 7.03(c). By purchasing a Certificate, each purchaser shall be deemed to

have agreed to these restriction on transfer.

(e) The Holder of a Certificate desiring to effect any transfer or assignment shall, and the transferee of such Certificate by purchasing such Certificate agrees to, indemnify the Trustee and the Seller against any liability that may result if the transfer or assignment is not made in accordance with the provisions of this Section 7.03 and applicable federal and state securities laws.

(f) Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office, the Trustee shall execute, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates of the same Class in authorized denominations of a like aggregate principal amount.

(g) At the option of a Class A, Class B or Class C Certificateholder, such holder's Certificates may be exchanged for other Certificates of the same Class in authorized denominations of a like aggregate principal amount, upon surrender of the Certificates to be exchanged at any such office or agency. Whenever any Certificates are so surrendered for exchange the Trustee on behalf of the Trust shall execute, authenticate and deliver the Certificates that the Certificateholder making the exchange is entitled to receive.

(h) Every Certificate presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder or his attorney duly authorized in writing. Each Certificate surrendered for registration of transfer and exchange shall be cancelled and subsequently disposed of by the Trustee.

(i) No service charge shall be made to the Certificateholders for any registration of transfer or exchange of Certificates, but the Trustee may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

(j) The Class A Certificates shall initially be issued in book-entry form to "qualified institutional buyers" as defined in Rule 144A under the Securities Act.

Section 7.04. Mutilated, Destroyed, Lost or Stolen Certificates. If (a) any mutilated Certificate shall be surrendered to the Certificate Registrar, or if the Certificate Registrar shall

receive evidence to its satisfaction of the destruction, loss or theft of any Certificate (provided that a Certificateholder's written statement with respect to such destruction, loss or theft shall constitute satisfactory evidence thereof) and (b) there shall be delivered to the Certificate Registrar and the Trustee such security or indemnity as may be required by them to save each of them harmless, then in the absence of notice that such Certificate shall have been acquired by a bona fide purchaser, the Trustee on behalf of the Trust shall execute and the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like tenor and denomination. In connection with the issuance of any new Certificate under this Section 7.04, the Trustee and the Certificate Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Certificate issued pursuant to this Section 7.04 shall constitute conclusive evidence of ownership in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

Section 7.05. Persons Deemed Owners. Prior to due presentation of a Certificate for registration of transfer, the Trustee or the Certificate Registrar may treat the Person in whose name any Certificate shall be registered as the owner of such Certificate for the purpose of receiving distributions pursuant to Section 5.06 and for all other purposes whatsoever, and neither the Trustee nor the Certificate Registrar shall be bound by any notice to the contrary.

Section 7.06. Access to List of Certificateholders' Names and Addresses. The Trustee shall furnish or cause to be furnished to the Servicer, at the expense of the Trust, within 15 days after receipt by the Trustee of a request therefor from the Servicer in writing, a list, in such form as the Servicer may reasonably require, of the names and addresses of the Certificateholders as of the most recent Record Date. Each Holder, by receiving and holding a Certificate, shall be deemed to have agreed to hold neither the Servicer nor the Trustee accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

Section 7.07. Maintenance of Office or Agency. The Trustee shall maintain in Minneapolis, Minnesota, or New York, New York, an office or offices or agency or agencies where Certificates may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Trustee in respect of the Certificates and this Agreement may be served. The Trustee initially designates the Corporate Trust Office as specified in this Agreement as its office for such purposes. The Trustee shall give prompt written notice to the Backup Servicer and to the Certificateholders of any change in the location of the

Certificate Register or any such office or agency.

Section 7.08. Notices to Certificateholders. Whenever notice or other communication to the Certificateholders is required under this Agreement, the Trustee shall give all such notices and communications specified herein to be given to Holders of the Certificates at their respective addresses as they appear in the Certificate Register.

ARTICLE VIII

THE SELLER

Section 8.01. Representations of Seller. The Seller makes the following representations on which the Trustee relies in accepting the Receivables in trust and executing and authenticating the Certificates on the Closing Date. The representations speak as of the Closing Date, but shall survive the pledge, transfer and assignment of the Receivables to the Trustee in trust for the benefit of the Certificateholders.

(a) Organization and Good Standing. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) Due Qualification. The Seller is in good standing and duly qualified to do business and has obtained all necessary licenses and approvals in the States of Delaware and New Jersey and all other jurisdictions in which the ownership or lease of property or the conduct of its business shall require such qualifications, unless the failure of the Seller to obtain such licenses and approvals would have no material adverse effect on the Seller's ability to fulfill its obligations hereunder.

(c) Power and Authority. The Seller has the power and authority to execute and deliver this Agreement and to carry out its terms; the Seller has full power and authority to sell and assign the property to be so sold and assigned to and deposited with the Trustee as part of the Trust and such sale and assignment is valid and binding against the Seller and has been duly authorized by the Seller by all necessary action; and the execution, delivery and performance of this Agreement have been duly authorized by the Seller by all necessary action and this Agreement is the legal, valid and binding obligation of the Seller, enforceable in accordance with its terms. The Seller has duly executed and delivered this Agreement and any other agreements and documents necessary to effectuate the transactions contemplated hereby.

(d) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof neither conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the certificate of incorporation or bylaws of the Seller, or any indenture, agreement, or other instrument to which the Seller is a party or by which it shall be bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than this Agreement); nor violate any law or, to the best of the Seller's knowledge, any order, rule or regulation applicable to the Seller of any court or of any federal or State regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or its properties.

(e) No Proceedings. To the Seller's knowledge, there are no proceedings or investigations pending, or threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Seller or its properties: (i) asserting the invalidity of this Agreement, the Purchase Agreement or the Certificates; (ii) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by the Purchase Agreement or this Agreement; (iii) seeking any determination or ruling that might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Agreement, the Purchase Agreement or the Certificates; or (iv) relating to the Seller and which might adversely affect the federal or State income tax attributes of the Certificates.

(f) No Approvals. No approval, authorization or other action by, or filing with, any governmental authority of the United States of America or any of the States is required or necessary to consummate the transactions contemplated hereby, except as such as have been duly obtained or made by the Closing Date. Seller complies in all material respects with all applicable laws, rules and orders with respect to itself, its business and properties and the Receivables; and Seller maintains all applicable permits and certifications.

(g) Taxes. The Seller has filed all federal, State, county, local and foreign income, franchise and other tax returns required to be filed by it through the date hereof, and has paid all taxes reflected as due thereon.

There is no pending dispute with any taxing authority that, if determined adversely to the Seller, would result in the assertion by any taxing authority of any material tax deficiency, and the Seller has no knowledge of a proposed liability for any tax to be imposed upon the Seller's properties or assets for which there is not an adequate reserve reflected in the Seller's current financial statements.

(h) Adequate Provisions for Taxes. The provisions for taxes on the Seller's books are in accordance with generally accepted accounting principles.

(i) Pension/Profit Sharing Plans. No contribution failure has occurred with respect to any pension or profit sharing plan, and all such plans have been fully funded as of the date of this Agreement.

(j) Trade Names. "Aegis Auto Funding Corp." is the only trade name under which the Seller is currently operating its business and under which the Seller operated its business for the period of time during which the Seller was in existence preceding the Closing Date.

(k) Ability to Perform. There has been no material impairment in the ability of Seller to perform its obligations under this Agreement.

(l) Chief Executive Office. Since its inception, the Seller has maintained its chief executive office in the State of New Jersey and there have been no other locations of the Seller's chief executive office preceding the Closing Date. The Seller shall give written notice to the Trustee and the Certificateholders at least 30 days prior to relocating its chief executive office and shall make such filings under the UCC as shall be necessary to maintain the perfected, first priority security interest in the Receivables granted hereunder in favor of the Trust.

(m) Adverse Orders. There is no injunction, writ, restraining order or other order of any nature binding upon Seller that adversely affects Seller's performance of this Agreement and the transactions contemplated thereby.

(n) Solvent. Seller is solvent and will not become insolvent after giving effect to the transactions contemplated hereunder; Seller is paying its debts as they become due; Seller, after giving effect to the contemplated transactions, will have adequate capital to conduct its business.

(o) Lock-Box Account. Each Obligor of a

Receivable has been directed and is required to remit payments to the Lock-Box Account.

(p) Consolidation. Seller has operated and will operate its business such that its assets and liabilities will not be substantively consolidated with the assets and liabilities of Aegis Finance and its separate existence will not be disregarded in any state or federal court proceeding.

(q) Business Purpose. The Seller will acquire and sell, transfer, assign and otherwise convey (for state law, tax and financial accounting purposes) the Receivables for a bona fide business purpose.

(r) Federal Income Tax Purposes. The Seller intends to treat the transactions contemplated under this Agreement as a sale of the Receivables to the Trust for federal income tax purposes, subject to the retention by the Seller of a stripped coupon therein as described in Section 1286 of the Code. The Seller and the Trustee intend to cause to be filed all returns or reports in a manner consistent with such treatment.

(s) Valid Transfer. The Purchase Agreement constitutes a valid transfer to the Seller of all of Aegis Finance's right, title and interest in the Receivables transferred to the Seller pursuant to such Purchase Agreement.

(t) Seller's Obligations. The Seller has submitted all necessary documentation for payment of the Receivables to the Obligors and has fulfilled all of its applicable obligations hereunder required to be fulfilled as of the Closing Date.

(u) Rating. The Seller will maintain a rating on the Certificates with each Rating Agency. The expenses of maintaining such rating shall be paid as an expense of the Trust.

(v) 1940 Act. The Seller is not, and is not controlled by, an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended.

Section 8.02. Liability of Seller; Indemnities. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement, and only to the extent of the Seller's interest in the Trust Property.

(a) The Seller shall indemnify, defend and hold harmless the Trustee, the Trust, the Backup Servicer, the Custodian and each Certificateholder from and against any taxes, other than income and franchise taxes, that may at any time be asserted against the Trustee, the Trust, the Backup Servicer, the Custodian or the Certificateholders with respect to, and as of the date of, the transfer of the Receivables to the Trust or the issuance and original sale of the Certificates, including any sales, gross receipts, general corporation, tangible personal property, privilege or license taxes and costs and expenses in defending against the same.

(b) The Seller shall assume, defend and hold harmless the Trustee, the Trust, the Backup Servicer, the Custodian and each Certificateholder from and against any loss, liability, expense or action, suit, claim or damage incurred by reason of (i) the Seller's willful misfeasance, bad faith or negligence in the performance of its duties under this Agreement, or by reason of reckless disregard of its obligations and duties under this Agreement (and such indemnity shall extend to the performance of the Seller's duties and the satisfaction of its obligations with respect to any Receivables that become Purchased Receivables, as provided in this Agreement), (ii) the Seller's violation of federal or State securities laws in connection with the exemption from registration of the sale of the Certificates, and (iii) any transaction arising out of or contemplated by this Agreement except any loss, liability, expense, action, suit, claim or damage arising out of the failure to pay principal, premium, if any, or interest with respect to the Certificates to the extent such failure does not result from the Seller's omission to comply with the terms of this Agreement or acts of the Seller in contravention of this Agreement.

The assumption of liability or indemnification under this Section 8.02 shall include, without limitation, reasonable fees and expenses of counsel and expenses of litigation and shall survive termination of this Agreement. If the Seller shall have made any payments to the Trustee pursuant to this Section and the Trustee thereafter shall collect any of such amounts from others, the Trustee shall repay such amounts to such party without interest. Notwithstanding anything to the contrary herein, the liability of the Seller under this Section 8.02 is intended to be the same primary liability as would apply to the general partner of a limited partnership organized under the laws of the State of Delaware. Potential creditors of the Trust are intended beneficiaries of the assumption of liabilities by the Seller under this Section 8.02 and may enforce such assumption in accordance with its tenor.

Section 8.03. Merger or Consolidation of, or Assumption of the Obligations of, Seller. Any Person (a) into which the Seller may be merged or consolidated, (b) which may result from any merger or consolidation to which the Seller shall be a party, or (c) which may succeed to the properties and assets of the Seller substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Seller under this Agreement, shall be the successor to the Seller hereunder without the execution or filing of any document or any further act by any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty or covenant made pursuant to Section 3.01 or Section 8.01 shall have been breached, no Event of Servicing Default, and no event that, after notice or lapse of time, or both, would become an Event of Servicing Default shall have happened and be continuing and the conditions of Section 8.07(a)(ii) shall have been satisfied, (ii) the Seller shall have delivered to the Trustee and each Certificateholder an Officer's Certificate and an Opinion of Counsel, which shall be independent outside counsel, each stating that such consolidation, merger or succession and such agreement or assumption comply with this Section 8.03 and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with and (iii) the Seller shall have delivered to the Trustee an Opinion of Counsel, which shall be independent outside counsel, either (A) stating that, in the opinion of such counsel, all financing statements and continuation statements and amendments thereto have been executed and filed that are necessary fully to preserve and protect the interest of the Trustee in the Receivables, and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest. The Seller shall provide notice of any merger, consolidation or succession pursuant to this Section 8.03 to each Rating Agency and each Certificateholder and each Rating Agency shall have confirmed in writing to the Seller and the Trustee (a copy of which confirmation shall have been delivered by the Seller to each Certificateholder) that such merger, consolidation or succession shall not result in a downgrade or withdrawal of the current rating of the Certificates by such Rating Agency. Notwithstanding anything herein to the contrary, the execution of the foregoing agreement of assumption and compliance with clauses (i), (ii) and (iii) above shall be conditions to the consummation of the transactions referred to in clauses (a), (b) or (c) above.

Section 8.04. Limitation on Liability of Seller and Others. The Seller and any director or officer or employee or agent of the Seller or the Seller's general partner may rely in good faith on the written advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder.

Section 8.05. Seller May Own Certificates. The Seller and any Affiliate of the Seller may in its individual or any other capacity become the owner or pledgee of Certificates with the same rights as it would have if it were not the Seller or an Affiliate thereof, except as otherwise provided in the definition of "Certificateholder" in Section 1.01. Certificates so owned by or pledged to the Seller or such Affiliate shall have an equal and proportionate benefit under the provisions of this Agreement, without preference, priority or distinction as among all of the Certificates, other than with respect to Voting Interests. Notwithstanding the foregoing, the Seller will not, and will not permit any of their Affiliates (or any Person acting on behalf of the Seller or any such Affiliate) to directly or indirectly acquire or make any offer to acquire any Certificates unless the Seller or such Affiliate (or such Person acting on behalf thereof) shall have offered to acquire Certificates, pro rata, from all Holders and upon the same terms.

Section 8.06. Covenants of the Seller. The Seller shall:

(a) not impair the rights of the Certificateholders or the Trustee in the Receivables;

(b) except for the sale and assignment effected under this Agreement and prior to the termination of the Trust, not sell, pledge, assign, or transfer to any other Person, or grant, create, incur, assume, or suffer to exist any Lien on any Receivable sold to the Trustee or any interest therein;

(c) immediately notify the Trustee of the existence of any Lien on any Receivable;

(d) defend the right, title, and interest of the Trustee in, to, and under the Receivables transferred to the Trustee, against all claims of third parties claiming through or under the Seller, Aegis Finance or the Servicer;

(e) make at its sole cost and expense any filings, reports, notices, applications, registrations with, and seek any consents or authorizations from, the Securities and Exchange Commission and any state securities authority on behalf of the Trust as may be necessary or advisable or reasonably requested by the Trustee, and shall comply with any federal or State securities or reporting requirements laws;

(f) comply in all respects with the terms and conditions of the Purchase Agreement and not amend, modify, or waive any provision of the Purchase Agreement

in any manner relating to the obligation of Aegis Finance to repurchase Receivables or in any manner that would have a materially adverse effect on the interests of the Certificateholders;

(g) promptly notify the Trustee and the Certificateholders of the occurrence of any Event of Backup Servicing Default or Event of Servicing Default and any breach by the Seller or the Backup Servicer of any of its respective covenants or representations and warranties contained in this Agreement or, with respect to the Seller, in the Purchase Agreement;

(h) make at its sole cost and expense any filings, reports, notices, or applications and seek any consents or authorizations from any and all government agencies, tribunals, or authorities in accordance with the UCC and any State vehicle license or registration authority on behalf of the Trust as may be necessary or advisable or reasonably requested by the Trustee to create, maintain and protect a first-priority perfected security interest of the Trust in, to, and on the Financed Vehicles and a first-priority perfected ownership interest of the Trust in, to, and on the Receivables transferred to it;

(i) maintain a rating on the Certificates with each Rating Agency; the expenses of maintaining such rating shall be paid as an expense of the Trust; and

(j) upon request of any Certificateholder, furnish the information required by paragraph (d)(4) of Rule 144A promulgated under the Securities Act.

Section 8.07. Enforcement by Trustee. The Seller hereby acknowledges and agrees that the following covenants and agreements of the Seller shall be enforceable by the Trustee at all times until the Trust is terminated.

(a) Covenants Regarding Operations:

(i) The Seller shall not engage in any business or activity other than in connection with or relating to the purchase of auto loan receivables and the issuance of rated debt secured by, or certificates of participation in, a pool of auto loan receivables.

(ii) The Seller shall not consolidate or merge with or into any other entity or convey or transfer its properties and assets substantially as an entirety to any entity unless (A) the entity (if other than the Seller) formed or surviving such

consolidation or merger, or that acquires by conveyance or transfer the properties and assets of the Seller substantially as an entirety, shall be organized and existing under the laws of the United States of America or any State thereof or the District of Columbia, and shall expressly assume in form satisfactory to the Rating Agency and the Majority Certificateholders, the performance of every covenant on the part of the Seller to be performed or observed pursuant to this Agreement and the Purchase Agreement, (B) immediately after giving effect to such transaction, no default or event of default under this Agreement shall have occurred and be continuing and (C) the Seller shall have delivered to the Rating Agency, each Certificateholder and the Trustee an Officers' Certificate and an opinion of independent counsel, each stating that such consolidation, merger, conveyance or transfer comply with this Agreement.

(iii) The Seller shall not dissolve or liquidate, in whole or in part, except (A) as permitted in paragraph (ii) above or (B) with the prior written consent of the Trustee and prior written confirmation from the Rating Agency (a copy of which shall be provided to the Trustee and each Certificateholder by the Seller) that such dissolution or liquidation will have no adverse effect on the rating assigned to the Rated Certificates.

(iv) The funds and other assets of the Seller shall not be commingled with those of any other corporation, entity or Person, including, but not limited to, the parent or Affiliates of the Seller.

(v) The Seller shall not hold itself out as being liable for the debts of any other party, including, but not limited to, the debts of the parent or Affiliates of the Seller.

(vi) The Seller shall not form, or cause to be formed, or otherwise have, any subsidiaries.

(vii) The Seller shall act solely in its corporate name and through the duly authorized officers or agents in the conduct of its business, and shall conduct its business so as not to mislead others as to the identity of the entity with which they are concerned.

(viii) At all times, except in the case of a

temporary vacancy, which shall promptly be filled, the Seller shall have on its board of directors at least one director who qualifies as an "Independent Director" as such term is defined in the Seller's Certificate of Incorporation as originally filed with the Delaware Secretary of State's office.

(ix) The Seller shall maintain records and books of account of the Seller and shall not commingle such records and books of account with the records and books of account of any Person. The books of the Seller may be kept (subject to any provision contained in the statutes) inside or outside the State of New Jersey at such place or places as may be designated from time to time by the board of directors of the Seller.

(x) The board of directors of the Seller shall hold appropriate meetings to authorize all of its corporate actions. Regular meetings of the board of directors of the Seller shall be held not less frequently than three times per annum.

(xi) Meetings of the shareholders of the Seller shall be held not less frequently than one time per annum.

(xii) The Seller shall not amend, alter, change or repeal any provision contained in this Section 8.07(a) without (A) the affirmative vote in favor thereof of eighty percent (80%) of the then outstanding shares of the Seller entitled to vote thereon; (B) the prior written consent of the Trustee and the Majority Certificateholders; and (C) the prior written confirmation from the Rating Agency that the rating on the Rated Certificates will not be impaired.

(xiii) The Seller shall not, without the affirmative unanimous vote of the whole board of directors of the Seller (including at least one director referred to in clause (viii) above), institute any proceedings to adjudicate the Seller a bankrupt or insolvent, consent to the institution of bankruptcy or insolvency proceedings against the Seller, file a petition seeking or consenting to reorganization or relief under any applicable federal or State law relating to bankruptcy, consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Seller or a substantial part of its property or admit its

inability to pay its debts generally as they become due or authorize any of the foregoing to be done or taken on behalf of the Seller.

(xiv) The Seller is not and shall not be involved in the day-to-day or other management of its parent or any of its Affiliates.

(xv) Other than the purchase and sale or pledge of assets as provided in this Agreement and related agreements with respect to this transaction and other transactions relating to the purchase of auto loan receivables and the issuance of rated debt or rated certificates of participation, the Seller shall engage in no other transactions with any of its Affiliates.

(xvi) Seller shall maintain a separate business office and telephone number from any of its Affiliates.

(xvii) Seller's financial statements shall reflect its separate legal existence from any of its Affiliates.

(xviii) The Seller will not amend its Certificate of Incorporation in any respect material to the Certificateholders without the consent of the Rating Agency.

(xix) The Seller shall use separate invoices, stationery and checks.

(xx) The Seller shall not suffer or permit the credit or assets of Aegis Finance to be held out as available for the obligations of the Seller.

(xxi) The Seller shall enter into transactions with Aegis Finance or its affiliates only on commercially reasonable terms.

(xxii) The Seller shall not incur or issue any "Obligation" (as such term is defined in its Certificate of Incorporation) in contravention of the limitations set forth therein.

(xxiii) The Seller shall not issue any "Securities" or incur or issue any "Obligations" (as such terms are defined in its Certificate of Incorporation) under any other pooling and servicing agreement, purchase agreement or

otherwise, unless such agreement contains an express provision substantially similar to Section 13.10 hereof limiting recourse to the Seller to the assets involved in the transaction to which such agreement relates.

Section 8.08. No Bankruptcy Petition. The Seller covenants and agrees that prior to the date which is one year and one day after the payment in full of all securities issued by the Seller or by a trust for which the Seller was the depositor, which securities were rated by any nationally recognized statistical rating organization, it will not institute any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or State bankruptcy or similar law.

ARTICLE IX

THE BACKUP SERVICER

Section 9.01. Representations of Backup Servicer. The Backup Servicer makes the following representations on which the Trustee relies in accepting the Receivables in trust and executing and authenticating the Certificates on the Closing Date. The representations speak as of the Closing Date, but shall survive the sale and assignment of the Receivables to the Trustee in trust for the benefit of the Certificateholders.

(a) Organization and Good Standing. The Backup Servicer shall have been duly organized and shall be validly existing and in good standing under the federal laws of the United States of America, with power and authority to own its properties and to conduct its business as such properties shall be currently owned and such business is presently conducted.

(b) Power and Authority. The Backup Servicer shall have the power and authority to execute and deliver this Agreement and the Servicing Agreement and to carry out their respective terms; and the execution, delivery and performance of this Agreement and the Servicing Agreement shall have been duly authorized by the Backup Servicer by all necessary corporate action. Each of this Agreement and the Servicing Agreement constitutes the valid and binding obligation of the Backup Servicer enforceable in accordance with its terms.

(c) No Violation. The consummation of the transactions by the Backup Servicer contemplated by this Agreement and the Servicing Agreement and the fulfillment of the terms hereof and thereof neither conflict with, result in any breach of any of the terms and provisions of, nor

constitute (with or without notice or lapse of time) a default under, the charter or bylaws of the Backup Servicer, or, to the best of the Backup Servicer's knowledge, any indenture, agreement or other instrument to which the Backup Servicer is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than this Agreement and the Servicing Agreement); nor to the best of the Backup Servicer's knowledge, any law, order, rule or regulation applicable to the Backup Servicer of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Backup Servicer or its properties.

(d) No Proceedings. To the Backup Servicer's best knowledge, there are no proceedings or investigations pending, or threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Backup Servicer or its respective properties: (A) asserting the invalidity of this Agreement or the Servicing Agreement; (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Servicing Agreement; or (C) seeking any determination or ruling that might materially and adversely affect the performance by the Backup Servicer of its obligations under, or the validity or enforceability of, this Agreement or the Servicing Agreement.

Section 9.02. Merger or Consolidation of, or Assumption of the Obligations of, or Resignation of Backup Servicer. 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 shall be a party, (c) which may succeed to the properties and assets of the Backup Servicer substantially as a whole, or (d) which may succeed to the duties and obligations of the Backup Servicer under this Agreement and the Servicing Agreement following the resignation of the Backup Servicer, whether or not such Person executes an agreement of assumption to perform every obligation of the Backup Servicer hereunder and thereunder, shall be the successor to the Backup Servicer under this Agreement and the Servicing Agreement without further act on the part of any of the parties to this Agreement or the Servicing Agreement. If at any time thereafter the Rating Agency shall have delivered to the Backup Servicer and to the Trustee a statement that such transaction will have an adverse effect on the rating assigned to the Rated Certificates, then such transaction shall be deemed to constitute an Event of Backup Servicing Default.

Section 9.03. Limitation on Liability of Backup Servicer and Others. Neither the Backup Servicer nor any of the directors or officers or employees or agents of the Backup Servicer shall be under any liability to the Trust or the Certificateholders, except as provided under this Agreement, for any action taken or for refraining from the taking of any action pursuant to this Agreement; provided, however, that this provision shall not protect the Backup Servicer or any such Person against any liability that would otherwise be imposed by reason of willful misfeasance, bad faith or negligence in the performance of duties or by reason of reckless disregard of obligations and duties under this Agreement. The Backup Servicer and any director or officer or employee or agent of the Backup Servicer may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising under this Agreement.

Except as provided in this Agreement, the Backup Servicer shall not be under any obligation to appear in, prosecute or defend any legal action that shall not be incidental to its duties under this Agreement and the Servicing Agreement, and that in its opinion may involve it in any expense or liability; provided, however, that the Backup Servicer may undertake any reasonable action that it may deem necessary or desirable in respect of this Agreement and the Servicing Agreement and the rights and duties of the parties to this Agreement and the Servicing Agreement and the interests of the Certificateholders under this Agreement and the Servicing Agreement. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses, costs and liabilities of the Trust and the Backup Servicer shall be entitled to be reimbursed therefor.

The Trustee shall distribute out of the Collection Account on the Distribution Date succeeding the delivery of the Opinion of Counsel referred to below, without regard to any deficiencies in the amounts required to be distributed pursuant to Section 5.06, any expenses, costs or liabilities required from the Trust pursuant to this Section 9.03, provided, however, that the Trustee shall only distribute amounts pursuant to this Section 9.03 upon the Trustee's receipt of an Opinion of Counsel to the effect that such distribution is permitted by this Agreement.

Section 9.04. Successor Backup Servicer. The Backup Servicer under this Agreement shall at all times be a corporation or a banking association organized and existing in good standing under the laws of the United States or a state thereof; having a combined capital and surplus as designated from time to time by each Rating Agency or as otherwise approved by the Rating Agency (but in any event not less than \$100,000,000) and subject to supervision or examination by federal or state authorities. If such association or corporation shall publish reports of condition

at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 9.04, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Backup Servicer shall cease to be eligible in accordance with the provisions of this Section 9.04, or shall cease to be an Eligible Servicer, the Backup Servicer shall resign immediately in the manner and with the effect specified in Section 4.02.

Section 9.05. No Bankruptcy Petition. The Backup Servicer covenants and agrees that prior to the date which is one year and one day after the payment in full of all securities issued by the Seller or by the Trust it will not institute against, or join any other Person in instituting against, the Seller any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law; provided, however, that nothing contained herein shall prohibit the Backup Servicer from participating in any existing bankruptcy proceeding.

ARTICLE X

BACKUP SERVICING DEFAULT

Section 10.01. Events of Backup Servicing Default. If any one of the following events ("Events of Backup Servicing Default") shall occur and be continuing:

(a) Failure to make any payment, transfer or deposit required to be made by the Backup Servicer under the terms of this Agreement or the Servicing Agreement, which failure shall continue for two (2) Business Days after the date due; or

(b) Failure on the part of the Backup Servicer duly to observe or to perform in any material respect any covenant or agreement of the Backup Servicer set forth in this Agreement or the Servicing Agreement, which failure shall (i) materially and adversely affect the rights of Certificateholders and (ii) continue unremedied for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been sent (A) to the Backup Servicer by the Trustee, or (B) to the Backup Servicer and to the Trustee by the Holders of Certificates evidencing not less than 20% of the Voting Interests thereof; or

(c) The entry of a decree or order by a court or agency or supervisory authority having jurisdiction in the

premises for the appointment of a conservator, receiver or liquidator for the Backup Servicer in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 30 consecutive days; or

(d) The consent by the Backup Servicer to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Backup Servicer or of or relating to substantially all of its property; or the Backup Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations;

then, and in each and every case, so long as an Event of Backup Servicing Default shall not have been remedied, either the Trustee, or the Holders of the Certificates evidencing not less than 20% of the Voting Interests thereof, by notice then given in writing to the Backup Servicer (and to the Trustee if given by the Certificateholders) may terminate all of the rights and obligations of the Backup Servicer under this Agreement. Thirty (30) days after the receipt by the Backup Servicer of such written notice, all authority and power of the terminated Backup Servicer under this Agreement, whether with respect to the Certificates or the Receivables or otherwise, shall, without further action, pass to and be vested in the Trustee if the Trustee is not the same entity as the terminated Backup Servicer and a successor Backup Servicer has not been appointed under Section 10.02. The Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Backup Servicer, as attorney in fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination. The predecessor Backup Servicer shall cooperate with the successor Backup Servicer and the Trustee in effecting the termination of the responsibilities and rights of the predecessor Backup Servicer under this Agreement. Upon receipt of notice of the occurrence of an Event of Backup Servicing Default, the Trustee shall give notice thereof to the Rating Agency.

Section 10.02. Appointment of Successor.

(a) Upon a Backup Servicer's receipt of notice of termination pursuant to Section 10.01 or a Backup Servicer's resignation in accordance with Section 4.02, the

predecessor Backup Servicer shall continue to perform its functions as Backup Servicer under this Agreement until receipt of such notice and, in the case of resignation, until a successor Backup Servicer shall have assumed the duties of the Backup Servicer in accordance with this Section 10.02. In the event of a Backup Servicer's termination hereunder, the Trustee (with the consent of the Majority Certificateholders) shall appoint a successor Backup Servicer, and the successor Backup Servicer shall accept its appointment by a written assumption in form acceptable to the Trustee. In the event that a successor Backup Servicer has not been so appointed (i) within 45 days of delivery of notice of termination, or (ii) within 30 days of resignation, the Trustee may petition a court of competent jurisdiction to appoint any established institution, having a combined capital and surplus of not less than \$100,000,000 and which is an Eligible Servicer, as the successor to the Backup Servicer under this Agreement.

(b) Upon appointment, the successor Backup Servicer shall be the successor in all respects to the predecessor Backup Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter relating thereto placed on the predecessor Backup Servicer, including, but not limited to, the assumption by the Backup Servicer of all duties and obligations of the Servicer in the event of an Event of Servicing Default with respect to the Servicer under the Servicing Agreement pursuant to the terms therein and shall be entitled to all of the rights granted to the predecessor Backup Servicer, by the terms and provisions of this Agreement.

(c) The outgoing Backup Servicer shall deliver to the successor Backup Servicer all documents and records in its possession which are necessary to enable the successor Backup Servicer to perform its duties relating to the Servicing Agreement and the Receivables and otherwise use its best efforts to effect the orderly and efficient transfer of the Servicing Agreement to the successor Backup Servicer.

Section 10.03. Notification to Certificateholders. Upon any termination of, or appointment of a successor to, a Backup Servicer pursuant to this Article X, the Trustee shall give prompt written notice thereof to Certificateholders at their respective addresses appearing in the Certificate Register and to the Rating Agency.

Section 10.04. Waiver of Past Defaults. The Majority Certificateholders (or, in the case of a default referred to in Section 10.01(a), the Holders of Certificates evidencing 100% of

the Voting Interests thereof) may, on behalf of all Holders of Certificates, waive any default by the Backup Servicer in the performance of its obligations hereunder and its consequences. Upon any such waiver of a past default, such default shall cease to exist, and any Event of Backup Servicing Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE XI

THE TRUSTEE

Section 11.01. Duties of Trustee. The Trustee, both prior to the occurrence of an Event of Backup Servicing Default and after an Event of Backup Servicing Default shall have been cured or waived, shall undertake to perform only such duties as are specifically set forth in this Agreement. If an Event of Backup Servicing Default shall have occurred and shall not have been cured or waived, the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs; provided, however, that if the Trustee shall assume the duties of a Backup Servicer pursuant to Section 10.02, the Trustee shall perform such duties in accordance with Section 4.06. If the Trustee is uncertain with respect to performing its duties or if a conflict arises regarding the Trustee's rights, duties and obligations, the Trustee may petition a court of competent jurisdiction for written direction or to interplead necessary parties. Notwithstanding anything in this Agreement to the contrary, neither the Trustee nor the Backup Servicer shall have any authority to perform any act which would cause the Trust to be characterized as an association taxable as a corporation for federal income tax purposes.

The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee that shall be specifically required to be furnished pursuant to any provision of this Agreement, shall examine them to determine whether they conform as to form to the requirements of this Agreement; provided, however, in the absence of bad faith on its part, the Trustee can assume the truth and accuracy of the statements made therein and the genuineness of the signatures thereon.

The Trustee shall take and maintain custody of the Schedule of Receivables included as an exhibit to this Agreement and shall retain all Monthly Servicing Certificates identifying Receivables that become Purchased Receivables and Liquidated Receivables.

The Trustee shall give written notice to each Rating Agency, the Certificateholders, the Seller and Aegis Finance of the occurrence, to its actual knowledge, which notice shall be given within three (3) Business Days' of the Trustee's receipt of actual knowledge thereof, of any waiver of or any action taken to cure (i) any default, breach, violation or event permitting acceleration under the terms of any Receivable; (ii) any continuing condition that with notice or the lapse of time would constitute a default, breach, violation or event permitting acceleration under the terms of any Receivable; (iii) any default or delinquency under the terms of any Receivable that remained uncured for more than thirty (30) days after notice to the Seller; or (iv) any event which constitutes or with notice or the lapse of time would constitute an Event of Backup Servicing Default or Event of Servicing Default.

The Trustee shall give written notice to each Rating Agency and each Certificateholder promptly upon receipt of a notice from the Backup Servicer pursuant to Section 4.02 hereof or from the Servicer pursuant to paragraph IV.F.1 of the Servicing Agreement or the Seller pursuant to Section 8.06(g) hereof of an event which with the giving of notice or the lapse of time, or both, would constitute an Event of Backup Servicing Default or an Event of Servicing Default.

The Trustee shall deliver to each Rating Agency by no later than the 20th calendar day of each month, a certificate signed by an officer of the Trustee certifying that, as of the date of such certificate, based solely upon information provided to the Trustee by the Servicer or the Backup Servicer, the Trustee has no knowledge of, nor to the Trustee's best knowledge, has any event occurred which would cause the Trustee to reasonably believe, that an Event of Backup Servicing Default or an Event of Servicing Default has occurred.

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own bad faith; provided, however, that:

(a) Prior to the occurrence of an Event of Backup Servicing Default, and after the curing or waiving of all such Events of Backup Servicing Default that may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, the Trustee shall not be liable except for the performance of such duties and obligations as shall be specifically set forth in this Agreement, no implied covenants or obligations shall be read into this Agreement against the Trustee and, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely on the truth of the statements and the correctness of the

opinions expressed upon any certificates or opinions furnished to the Trustee and conforming as to form to the requirements of this Agreement;

(b) The Trustee shall not be liable for an error of judgment made in good faith by a Trustee Officer, unless it shall be proved that the Trustee shall have been negligent in ascertaining the pertinent facts;

(c) The Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken in good faith in accordance with this Agreement or at the direction of the Holders of Certificates evidencing not less than 20% of the Voting Interests thereof relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement;

(d) The Trustee shall not be charged with knowledge of any failure by the Backup Servicer (so long as the Trustee is not the Backup Servicer) or the Servicer to comply with the obligations, covenants or representations or warranties of the Backup Servicer or the Servicer under this Agreement or the Servicing Agreement, as the case may be, or of any failure by the Seller to comply with the obligations, covenants or representations or warranties of the Seller under this Agreement, unless a Trustee Officer assigned to the Trustee's Corporate Trust Department obtains actual knowledge of such failure (it being understood that, so long as the Trustee is not the Backup Servicer, knowledge of the Backup Servicer is not attributable to the Trustee) or the Trustee receives written notice of such failure from the Backup Servicer, Servicer or the Seller, as the case may be, or any Holder of Certificates; and

(e) Without limiting the generality of this Section or Section 11.04, the Trustee (except if also serving as the Backup Servicer and the duties of the Backup Servicer require such) shall have no duty (i) to see to any recording, filing or depositing of this Agreement or any agreement referred to therein or any financing statement or continuation statement evidencing a security interest in the Receivables or the Financed Vehicles, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, 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 Trust, (iv) to confirm or verify the contents of any reports or certificates of the Servicer delivered to the Trustee pursuant to this Agreement or the Servicing Agreement believed by the Trustee 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 Seller's or the Servicer's representations, warranties or covenants or the Servicer's duties and obligations as Servicer under this Agreement and the Servicing Agreement.

The Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it believes in its sole discretion 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 or the Servicing Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Servicer, the Backup Servicer or a Servicer under this Agreement or the Servicing Agreement, as the case may be.

Section 11.02. Trustee's Certificate. On or as soon as practicable after each Distribution Date on which Receivables shall be assigned to the Seller pursuant to Section 11.03, the Trustee shall execute a Trustee's Certificate (in the form of Exhibit R), based on the information contained in the Monthly Servicing Certificate for the related Collection Period, amounts deposited to the Certificate Account and notices received pursuant to this Agreement, identifying the Receivables repurchased by the Seller pursuant to Section 3.02 during such Collection Period, and shall deliver such Trustee's Certificate, accompanied by a copy of the Monthly Servicing Certificate for such Collection Period to the Seller. The Trustee's Certificate submitted with respect to such Distribution Date shall operate, as of such Distribution Date, as an assignment, without recourse, representation or warranty, to the Seller, of all the Trustee's right, title and interest in and to such repurchased Receivable, and all security and documents relating thereto, such assignment being an assignment outright and not for security.

Section 11.03. Trustee's Assignment of Purchased Receivables. With respect to all Receivables repurchased by the Seller pursuant to Section 3.02, the Trustee shall by a Trustee's Certificate (in the form of Exhibit R) assign, without recourse, representation or warranty, to the Seller all the Trustee's right, title and interest in and to such Receivables, and all security and documents relating thereto.

Section 11.04. Certain Matters Affecting Trustee. Except as otherwise provided in Section 11.01:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officer's Certificate, Monthly Servicing Certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Trustee may consult with counsel and any written Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it under this Agreement in good faith and in accordance with such written Opinion of Counsel.

(c) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation under this Agreement or in relation to this Agreement, at the request, order or direction of any of the Certificateholders pursuant to the provisions of this Agreement, unless such Certificateholders shall have offered to the Trustee security or indemnity, reasonably satisfactory to the Trustee, against the costs, expenses and liabilities that may be incurred therein or thereby.

(d) The Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement.

(e) Except as expressly provided herein, the Trustee shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing so to do by Holders of Certificates evidencing not less than 20% of the Voting Interests thereof; provided, however, that the Trustee may require reasonable indemnity against any cost, expense or liability as a condition to so proceeding at the direction of the Certificateholders.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties under this Agreement either directly or by or through agents or attorneys or a custodian. The Trustee shall not be

responsible for any misconduct or negligence of any such agent or custodian appointed with due care by it hereunder or of the Servicer in its capacity as Servicer. The Trustee may act upon the opinion or advice of accountants, engineers or such other professionals as the Trustee deems necessary and selected by it in the exercise of reasonable care, and the Trustee may pay reasonable compensation and shall be entitled to reimbursement hereunder for such compensation paid to such professionals, which fee shall be considered an expense of the Trustee to be paid pursuant to Section 5.06(d) (i).

(g) Subsequent to the sale of the Receivables by the Seller to the Trust, the Trustee shall have no duty of independent inquiry, and the Trustee may rely upon the representations and warranties and covenants of the Seller and the Servicer contained in this Agreement and the Servicing Agreement with respect to the Receivables.

Section 11.05. Trustee Not Liable for Certificates or Receivables. The recitals contained herein and in the Certificates (other than the certificate of authentication on the Certificates) shall be taken as the statements of the Seller, and the Trustee assumes no responsibility for the correctness thereof. The Trustee shall make no representations as to the validity or sufficiency of this Agreement, the Trust Property or of the Certificates (other than the certificate of authentication on the Certificates), or of any Receivable or related document or the validity, genuineness or originality of any document delivered to the Trustee in its capacity as Custodian. The Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity and enforceability of any security interest in any Financed Vehicle or any Receivable, or the perfection and priority of such a security interest or the maintenance of any such perfection and priority, or for or with respect to the efficacy of the Trust or its ability to generate the payments to be distributed to Certificateholders under this Agreement, including, without limitation: the existence, condition, location and ownership of any Financed Vehicle; the review of any Servicer File or Custodian File therefor; the existence and enforceability of any physical damage insurance thereon; the existence and contents of any Receivable or any Servicer File or Custodian File or any computer or other record thereof; the validity of the assignment of any Receivable to the Trust or of any intervening assignment; the completeness of any Receivable or any Servicer File or Custodian File; the performance or enforcement of any Receivable; the compliance by the Seller or the Servicer, with any warranty or representation made under this Agreement or the Servicing Agreement or in any related document and the accuracy of any such warranty or representation prior to the Trustee's receipt of notice or other discovery of any noncompliance therewith or any breach thereof (provided,

however, that the receipt of notice or other discovery of such noncompliance or breach shall only obligate the Trustee to comply with the terms of Section 3.02 hereof); any investment of moneys by the Trustee or any loss resulting therefrom (it being understood that the Trustee shall remain responsible for any Trust property that it may hold); the acts or omissions of the Seller, the Servicer or any Obligor; an action of the Servicer taken in the name of the Trustee; or any action by the Trustee taken at the instruction of the Servicer; provided, however, that the foregoing shall not relieve the Trustee of its obligation to perform its duties under this Agreement. Except if caused by its negligence or its failure to act in accordance with reasonable and proper instructions given in writing received by the Trustee, the Trustee shall not be liable for losses on investments on the funds or on the accounts established pursuant to Section 5.01. The Trustee shall not be liable for collections received by the Servicer prior to deposit by the Servicer of such collections into the Collection Account or for the application or misapplication of funds, or for other acts or defaults, by any person, firm or corporation except its own directors, officers, agents and employees. Except with respect to a claim based on the Trustee's negligence or willful misconduct, no recourse shall be had for any claim based on any provision of this Agreement, the Certificates or any Receivable or assignment thereof against the Trustee in its individual capacity, the Trustee shall not have any personal obligation, liability or duty whatsoever to any Certificateholder or any other Person with respect to any such claim, and any such claim shall be asserted solely against the Trust or any indemnitor who shall furnish indemnity as provided in this Agreement. The Trustee shall not be accountable for the use or application by the Seller of any of the Certificates or of the proceeds of such Certificates, or for the use or application of any funds paid to a Servicer in respect of the Receivables. The Seller hereby certifies to the Trustee that the rating agency rating the Rated Certificates is the Rating Agency, and that its address is as set forth in Section 13.05. The Trustee may rely on the accuracy of such certification until it receives from the Seller an Officer's Certificate superseding such certification.

Section 11.06. Trustee May Own Certificates. The Trustee in its individual or any other capacity may become the owner or pledgee of Certificates and may deal with the Seller and the Servicer in banking transactions with the same rights as it would have if it were not Trustee, except as otherwise provided in the definition of "Certificateholder" in Section 1.01.

Section 11.07. Trustee's Fees and Expenses. The Trustee shall be entitled to its customary compensation as set forth on Exhibit H to this Agreement (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by it in the execution of the trusts created by this Agreement and in the exercise and

performance of any of the Trustee's powers and duties under this Agreement. The Trustee shall be paid or reimbursed pursuant to Section 5.06 upon its request for all reasonable expenses and disbursements (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ) incurred or made by the Trustee in accordance with any provisions of this Agreement, except any such expense or disbursement as may be attributable to its willful misfeasance, negligence or bad faith. Unpaid fees and expenses of the Trustee shall bear interest at the prime rate then in effect plus 2%. The Seller shall indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without willful misfeasance, negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the Trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. Additionally, the Seller, pursuant to Section 8.02, shall indemnify the Trustee with respect to certain matters. The Trustee shall not be required to furnish any surety bond. The provisions of this Section 11.07 shall survive the termination of this Agreement.

Section 11.08. Eligibility Requirements for Trustee. The Trustee shall at all times be a corporation having an office in the same state as the location of the Corporate Trust Office as specified in or pursuant to this Agreement; and organized and doing business under the laws of such state or the United States of America; authorized under such laws to exercise corporate trust powers; having a combined capital and surplus of at least \$100,000,000 and subject to supervision or examination by federal or state authorities. If such corporation shall publish reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 11.08, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 11.08, the Trustee shall resign immediately in the manner and with the effect specified in Section 11.09.

Section 11.09. Resignation or Removal of Trustee. The Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice thereof to the Seller and each Certificateholder. Upon receiving such notice of resignation, the Majority Certificateholders with the approval of each Rating Agency shall promptly appoint a successor Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no successor Trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such

notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If at any time the Trustee shall cease to be eligible in accordance with the provisions of Section 11.08 and shall fail to resign after written request therefor by the Seller, or if at any time the Trustee shall be legally unable to act, or shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Majority Certificateholders may remove the Trustee. If the Majority Certificateholders shall remove the Trustee under the authority of the immediately preceding sentence, the Majority Certificateholders with the approval of the Rating Agency shall promptly appoint a successor Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the outgoing Trustee so removed and one copy to the successor Trustee and payment of all fees and expenses owed to the outgoing Trustee.

Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 11.09 shall not become effective until acceptance of appointment by the successor Trustee pursuant to Section 11.10 and payment of all fees and expenses owed to the outgoing Trustee or upon order of a court of competent jurisdiction. The Seller shall provide notice of such resignation or removal of the Trustee to each Rating Agency.

Section 11.10. Successor Trustee. Any successor Trustee appointed pursuant to Section 11.09 shall execute, acknowledge and deliver to the Backup Servicer, the Servicer and to the predecessor Trustee an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as Trustee. The predecessor Trustee shall upon payment of its fees and expenses deliver to the successor Trustee all documents and statements and moneys held by it under this Agreement; and the Seller and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Trustee all such rights, powers, duties and obligations.

No successor Trustee shall accept appointment as provided in this Section 11.10 unless at the time of such acceptance such

successor Trustee shall be eligible pursuant to Section 11.08.

Upon acceptance of appointment by a successor Trustee pursuant to this Section 11.10, the successor Trustee shall mail notice of the successor of such Trustee under this Agreement to all Holders of Certificates at their addresses as shown in the Certificate Register and to the Rating Agency.

Section 11.11. Merger or Consolidation of Trustee. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be eligible pursuant to Section 11.08, without the execution or filing of any instrument or any further act on the part of any of the parties hereto; provided, further, that the Trustee shall mail notice of such merger or consolidation to the Rating Agency and each Certificateholder.

Section 11.12. Appointment of Co-Trustee or Separate Trustee. Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust or any Financed Vehicle may at the time be located, the Backup Servicer and the Trustee acting jointly shall have the power and shall execute and deliver all instruments to appoint one or more Persons approved by the Trustee to act as co-trustee, jointly with the Trustee, or separate trustee or separate trustees, of all or any part of the Trust, and to vest in such Person, in such capacity and for the benefit of the Certificateholders, such title to the Trust, or any part thereof, and, subject to the other provisions of this Section 11.12, such powers, duties, obligations, rights and trusts as the Backup Servicer and the Trustee may consider necessary or desirable. If the Backup Servicer shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in the case an Event of Backup Servicing Default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment. No co-trustee or separate trustee under this Agreement shall be required to meet the terms of eligibility as a successor trustee pursuant to Section 11.08 and no notice of a successor trustee pursuant to Section 11.10 and no notice to Certificateholders of the appointment of any co-trustee or separate trustee shall be required pursuant to Section 11.10.

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

- (a) All rights, powers, duties and obligations

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

(b) No trustee under this Agreement shall be personally liable by reason of any act or omission of any other trustee under this Agreement; and

(c) The Backup Servicer and the Trustee acting jointly may at any time accept the resignation of or remove any separate trustee or co-trustee.

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

Any separate trustee or co-trustee may at any time appoint the Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor separate trustee or co-trustee.

Section 11.13. Representations and Warranties of Trustee.

The Trustee makes the following representations and warranties on which the Seller and Certificateholders rely:

(a) The Trustee is a banking association duly organized, validly existing, and in good standing under the laws of its place of incorporation.

(b) The Trustee has full corporate power, authority and legal right to execute, deliver and perform its obligations under this Agreement and the Servicing Agreement, and shall have taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and the Servicing Agreement.

(c) This Agreement and the Servicing Agreement shall have been duly executed and delivered by the Trustee, and each constitutes the valid and binding obligation of the Trustee enforceable in accordance with its terms.

(d) The execution, delivery and performance by the Trustee of this Agreement (a) does not violate any provision of any law governing the banking and trust powers of the Trustee or any order, writ, judgment or decree of any court, arbitrator, or governmental authority applicable to the Trustee or any of its assets, (b) does not violate any provision of the corporate charter or by-laws of the Trustee, and (c) does not violate any provision of, or constitute, with or without notice or lapse of time, a default under, or result in the creation or imposition of any lien on any properties included in the Trust pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which it is a party, which violation, default or lien could reasonably be expected to materially and adversely affect the Trustee's performance or ability to perform its duties under this Agreement or the transactions contemplated in this Agreement.

(e) The execution, delivery and performance by the Trustee of this Agreement does not require the authorization, consent, or approval of, the giving of notice to, the filing or registration with, or the taking of any other action in respect of, any governmental authority or agency regulating the banking and corporate trust activities of the Trustee.

Section 11.14. No Bankruptcy Petition. Except with the consent of the Majority Certificateholders, the Trustee covenants and agrees that prior to the date which is one year and one day after the payment in full of all securities issued by the Seller or by the Trust it will not institute against, or join any other Person in instituting against, the Seller any bankruptcy, reorganization,

arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law; provided, however, that nothing contained herein shall prohibit the Trustee from participating in any existing bankruptcy proceeding.

ARTICLE XII

TERMINATION

Section 12.01. Termination of the Trust.

(a) The Trust and the respective obligations of the Seller, the Backup Servicer and the Trustee created by this Agreement (except such obligations as are hereinafter set forth) shall terminate upon the earliest of (i) payment to the Certificateholders of all amounts required to be paid to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property, (ii) the purchase as of any Distribution Date by the Seller, at its option, of the corpus of the Trust as described in Section 12.02, (iii) the Final Scheduled Distribution Date or (iv) subject to Section 12.01(c), 90 days after the Dissolution of the Seller. The Seller shall promptly notify the Trustee of any prospective termination pursuant to this Section 12.01.

(b) Notice of any prospective termination, specifying the Distribution Date for payment of the final distribution and requesting the surrender of the Certificates for cancellation, shall be given promptly by the Trustee by letter to Certificateholders mailed not earlier than the 15th day and not later than the 25th day of the month next preceding the specified Distribution Date stating (A) the Distribution Date upon which final payment of the Certificates shall be made and (B) the amount of any such final payment. Surrender of the Certificates shall not be a condition of payment of the final distribution; however, each Certificateholder, by accepting the Certificates, hereby agrees to indemnify and hold harmless the Trustee, the Seller and the Certificate Registrar from and against any and all claims arising from such failure, including but not limited to claims by third parties claiming to be bona fide purchasers subsequently presenting such Certificates for payment.

(c) The Seller shall not voluntarily take any action that would cause it to cease being deemed a general partner of the Trust if the Trust were deemed a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and the Residual Interest were deemed to represent the sole general partnership interest in

such a partnership.

In the event of the Dissolution of the Seller or any action that would cause the Seller to cease being deemed a general partner of the Trust if the Trust were deemed a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and the Residual Interest were deemed to represent the sole general partnership interest in such a partnership, the Trust shall terminate 90 days after the date of such event and its assets liquidated in accordance with Section 12.01(d) unless:

A. The Majority Certificateholders inform the Trustee in writing before the end of such 90 day period that they disapprove of the liquidation of the assets of the Trust; and

B. The Seller and the Trustee shall receive an Opinion of Counsel from independent counsel to the effect that the continuation of the Trust shall not cause the Trust to be treated as an association taxable as a corporation for federal income tax purposes.

During any period that the Certificates are outstanding, the Seller agrees that it shall not voluntarily take action that will cause the Dissolution of the Seller.

If the Trust will be terminated and its assets liquidated in accordance with this Section 12.01(c), the Trustee shall act as liquidator of the assets of the Trust, but shall continue to have all the powers, rights and duties of the Trustee hereunder, under the Servicing Agreement and the Purchase Agreement until the disposition of the assets of the Trust and the final distribution to the Certificateholders, the Trustee and the Backup Servicer of all amounts required to be paid to them pursuant to this Agreement.

(d) Upon receipt by the Trustee from the Seller of notice of any prospective termination of the Trust pursuant to Section 12.01(a)(iii) or (iv), the Trustee shall, subject to the direction of the Majority Certificateholders (provided that, if the Majority Certificateholders shall not have provided such direction to the Trustee within 30 days of the Trustee having sent a written request for such direction to the Certificateholders, the Trustee shall proceed without such direction) sell the remaining assets of the Trust, if any, at public or private sale, in a commercially reasonable manner and on commercially reasonable terms. The Seller agrees to cooperate with the Trustee to effect any such sale, including by executing such

instruments of conveyance or assignment as shall be necessary or required by the purchaser. Proceeds of sale, net of expenses, shall be treated as collections on the assets of the Trust and shall be deposited into the Collection Account. On the Distribution Date specified for final payment, the Trustee shall cause to be distributed to Certificateholders and the Seller amounts distributable on such Distribution Date pursuant to Section 5.06 and Section 5.07.

Section 12.02. Optional Purchase of All Receivables. The Seller shall have the option to purchase the corpus of the Trust on the Distribution Date following the last day of any Collection Period as of which the Pool Balance as a percentage of the Original Pool Balance shall be less than or equal to the Optional Purchase Percentage. To exercise such option, the Seller shall (i) give notice to the Trustee and the Certificateholders not less than 30 days prior to the Distribution Date on which such purchase is to be effected and (ii) on or before such Distribution Date, deposit in the Collection Account an amount equal to the Purchase Amount for the Receivables and the appraisal value of any other property held by the Trust. After payment of such amounts, the Seller shall succeed to all interests in and to the Trust Property.

Section 12.03. Notice. The Trustee shall give notice of termination of the Trust to the Seller and each Rating Agency.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.01. Amendment. (a) This Agreement may be amended by written instrument executed by the Seller, the Backup Servicer and the Trustee, without the consent of any of the Certificateholders, (i) to cure any ambiguity, to correct or supplement any provisions in this Agreement, (ii) to add, change or eliminate any other provisions with respect to matters or questions arising under this Agreement that shall not be inconsistent with the provisions of this Agreement; or (iii) to add or amend any provision therein in connection with permitting transfers of the Certificates or to add or provide for any credit enhancement for the Certificates; provided, however, that any such action described in clause (ii) shall not adversely affect in any material respect the interests of the Certificateholders and provided, further, that in connection with any such amendment delivery to the Trustee of a letter from each Rating Agency to the effect that such amendment will not cause the then-current rating on the Rated Certificates to be qualified, reduced or withdrawn shall constitute conclusive evidence that such amendment does not adversely affect in any material respect the interests of the Class A, Class B or Class C Certificateholders.

(b) This Agreement may also be amended from time to time or the provisions hereof waived from time to time by a written instrument executed by the Seller, the Backup Servicer and the Trustee with the consent of the Holders of the Certificateholders affected thereby (which consent of any Holder of a Certificate given pursuant to this Section or pursuant to any other provision of the Agreement shall be conclusive and binding on such Holder and on all future Holders of such Certificate and of any Certificate issued upon the transfer thereof or in exchange thereof or in lieu thereof whether or not notation of such consent is made upon the Certificate) evidencing not less than 51% of the Voting Interests of all the affected Certificates for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement, or of modifying in any manner the rights of any Class of Certificateholders; provided, however, that no such amendment or waiver shall, without the consent of the Holders of all Certificates affected thereby then outstanding, (a) increase or reduce in any manner the amount of, or accelerate or delay the timing of, collections of payments on Receivables or distributions that shall be required to be made on any Certificate or (b) reduce the aforesaid percentage of the Voting Interests of the Certificates required to consent to any such amendment.

(c) Prior to any such amendment, the Trustee shall furnish written notification of the substance of the proposed amendment to each Rating Agency and each Rating Agency shall provide written confirmation to the Trustee that such amendment will have no adverse effect on the ratings assigned to the Rated Certificates. Any amendment which affects the Trustee's own rights, duties or immunities under the Agreement or otherwise shall not be effective to such extent unless the Trustee shall have joined thereto.

(d) Promptly after the execution of any such amendment or consent, the Trustee shall furnish a copy of such amendment or consent to each Certificateholder and the Rating Agency. It shall not be necessary for the consent of Certificateholders pursuant to this Section 13.01 to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents (and any other consents of Certificateholders provided for in this Agreement) and of evidencing the authorization of the execution thereof by Certificateholders shall be subject to such reasonable requirements as the Trustee may prescribe.

(e) Prior to the execution of any amendment to this Agreement, the Trustee shall be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement.

Section 13.02. Protection of Title to Trust.

(a) The Seller shall execute and file such financing statements and cause to be executed and filed such continuation statements, all in such manner and in such places as may be required by law fully to preserve, maintain and protect the interest of the Certificateholders and the Trustee in the Receivables and the other assets of the Trust Property and in the proceeds thereof. The Seller shall deliver (or cause to be delivered) to the Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing.

(b) The Seller shall not change its name, identity or corporate structure in any manner that would, could or might make any financing statement or continuation statement filed in accordance with paragraph (a) above seriously misleading within the meaning of SEC 9-402(7) of the UCC, unless it shall have given the Trustee at least thirty (30) days' prior written notice thereof and shall have promptly filed appropriate amendments to all previously filed financing statements or continuation statements.

(c) The Seller shall give the Trustee at least 30 days' prior written notice of any relocation of its chief executive office. If, as a result of such relocation, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement, it shall promptly file any such amendment and shall give the amendment with the recorder's file stamp thereon to the Custodian promptly upon receipt thereof.

Section 13.03. Limitation on Rights of Certificateholders. The death or incapacity of any Certificateholder shall not operate to terminate this Agreement or the Trust, nor entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations and liabilities of the parties to this Agreement or any of them.

Nothing in this Agreement set forth, or contained in the terms of the Certificates, shall be construed so as to constitute the Certificateholders from time to time as partners or members of an association; nor shall any Certificateholder be under any liability to any third Person by reason of any action taken pursuant to any provision of this Agreement.

No Certificateholder shall have any right by virtue or by availing itself of any provisions of this Agreement to institute any

suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Holder previously shall have given to the Trustee a written notice of default and of the continuance thereof, and unless also the Holders of Certificates evidencing not less than 20% of the Voting Interests thereof shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee under this Agreement and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 30 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and during such 30-day period no request or waiver inconsistent with such written request has been given to the Trustee pursuant to this Section or Section 10.04; no one or more Holders shall have any right in any manner whatever by virtue or by availing itself or themselves of any provisions of this Agreement to affect, disturb or prejudice the rights of the Holders of any other of the Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Agreement except in the manner provided in this Agreement and for the equal, ratable and common benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section 13.03, each Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 13.04. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD OR REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS OF SUCH STATE.

Section 13.05. Notices. All demands, notices and communications upon or to the Seller, the Backup Servicer, the Trustee, or either Rating Agency under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, and shall be deemed to have been duly given upon receipt:

(a) in the case of the Seller, to

Angelo R. Appierto
President
Aegis Auto Funding Corp.
525 Washington Boulevard
Jersey City, New Jersey 07310

or at such other address as shall be designated by the Seller in a written notice to the Trustee;

(b) in the case of the Backup Servicer, to

Norwest Bank Minnesota, National
Association
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479-0070
Attention: Corporate Trust Services--Asset
Backed Administration

or at such other address as shall be designated by the Backup Servicer in a written notice to the Seller;

(c) in the case of the Trustee or Custodian, to

Norwest Bank Minnesota, National
Association
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479-0070
Attention: Corporate Trust Services--Asset
Backed Administration

or at such other address as shall be designated by the Trustee in a written notice to the Seller;

(d) in the case of the Rating Agencies, to

Duff & Phelps Credit Rating Co.
55 East Monroe Street
Chicago, Illinois 60603
Attention: Asset-Backed Finance
Research and Monitoring

Fitch Investors Service, L.P.
One State Street Plaza
New York, New York 10004
Attention:

Any notice or other communication required or permitted to be mailed to a Certificateholder shall be given by first class mail, postage prepaid, at the address of such Holder as shown in the Certificate Register (with copies thereof to such other Person(s) as such Certificateholder shall have requested in writing, the address of such other Person(s) to receive such copies also to be reflected in the Certificate Register), and shall be deemed to have been given upon receipt.

Section 13.06. Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this

Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or the rights of the Holders thereof.

Section 13.07. Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Sections 8.03, this Agreement may not be assigned by the Seller without the prior written consent of the Trustee and the Holders of Certificates evidencing not less than 66% of the Voting Interests thereof.

Section 13.08. Certificates Nonassessable and Fully Paid. Certificateholders shall not be personally liable for obligations of the Trust. The interests represented by the Certificates shall be nonassessable for any losses or expenses of the Trust or for any reason whatsoever.

Section 13.09. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

Section 13.10. Limited Recourse to Seller. The parties hereto agree that the obligations of the Seller hereunder, including, without limitation, the obligation of the Seller in respect of indemnification pursuant to Sections 3.06, 8.02 and 11.07 in respect of repurchases or substitutions of Receivables upon breach of representations and warranties pursuant to Section 3.02, and in respect of fees, costs and expenses pursuant to Sections 3.06, 4.04 and 4.05, are payable solely from the Seller's interests in the Trust Property and that no party may look to any other property or assets of the Seller in respect of such obligations.

IN WITNESS WHEREOF, the Seller, the Backup Servicer and the Trustee have caused this Pooling and Servicing Agreement to be duly executed by their respective officers as of the day and year first above written.

AEGIS AUTO FUNDING
CORP.,
as Seller

By
Angelo R. Appierto

President

NORWEST BANK
MINNESOTA, NATIONAL
ASSOCIATION, as Trustee

By
Stephen Seitz
Corporate Trust Officer

NORWEST BANK
MINNESOTA, NATIONAL
ASSOCIATION, as Backup

Servicer

By
Stephen Seitz
Corporate Trust Officer

EXHIBIT A-1

FORM OF CLASS A CERTIFICATE

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES OR BLUE SKY LAWS OF ANY STATE IN THE UNITED STATES OR ANY FOREIGN SECURITIES LAWS. BY ITS ACCEPTANCE OF THIS CERTIFICATE THE HOLDER OF THIS CERTIFICATE IS DEEMED TO REPRESENT TO THE SELLER AND THE TRUSTEE (i) THAT IT IS AN INSTITUTIONAL INVESTOR THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") AND THAT IT IS ACQUIRING THIS CERTIFICATE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE INSTITUTIONAL ACCREDITED INVESTORS UNLESS THE HOLDER IS A BANK ACTING IN ITS FIDUCIARY CAPACITY) FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, THE PUBLIC DISTRIBUTION HEREOF OR (II) THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS ACQUIRING SUCH CERTIFICATE FOR ITS OWN ACCOUNT

(AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE QUALIFIED INSTITUTIONAL BUYERS).

NO SALE, PLEDGE OR OTHER TRANSFER OF THIS CERTIFICATE MAY BE MADE BY ANY PERSON UNLESS EITHER (i) SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO THE SELLER, (ii) SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT EXECUTES A CERTIFICATE, SUBSTANTIALLY IN THE FORM SPECIFIED IN THE AGREEMENT, TO THE EFFECT THAT IT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACTING FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE INSTITUTIONAL ACCREDITED INVESTORS UNLESS THE HOLDER IS A BANK ACTING IN ITS FIDUCIARY CAPACITY), (iii) SO LONG AS THIS CERTIFICATE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO A PERSON WHOM THE ISSUER REASONABLY BELIEVES AFTER DUE INQUIRY IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A), ACTING FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE QUALIFIED INSTITUTIONAL BUYERS) TO WHOM NOTICE IS GIVEN THAT THE SALE, PLEDGE OR TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (iv) SUCH SALE, PLEDGE OR OTHER TRANSFER IS OTHERWISE MADE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN WHICH CASE (A) THE TRUSTEE SHALL REQUIRE THAT BOTH THE PROSPECTIVE TRANSFEROR AND THE PROSPECTIVE TRANSFEREE CERTIFY TO THE TRUSTEE AND THE SELLER IN WRITING THE FACTS SURROUNDING SUCH TRANSFER, WHICH CERTIFICATION SHALL BE IN FORM AND SUBSTANCE SATISFACTORY TO THE TRUSTEE AND THE SELLER, AND (B) THE TRUSTEE SHALL REQUIRE A WRITTEN OPINION OF COUNSEL (WHICH SHALL NOT BE AT THE EXPENSE OF THE SELLER OR THE TRUSTEE) SATISFACTORY TO THE SELLER AND THE TRUSTEE TO THE EFFECT THAT SUCH TRANSFER WILL NOT VIOLATE THE SECURITIES ACT. NO SALE, PLEDGE OR OTHER TRANSFER MAY BE MADE TO ANY ONE PERSON FOR CERTIFICATES WITH A FACE AMOUNT OF LESS THAN \$250,000 AND, IN THE CASE OF ANY PERSON ACTING ON BEHALF OF ONE OR MORE THIRD PARTIES (OTHER THAN A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE SECURITIES ACT) ACTING IN ITS FIDUCIARY CAPACITY),

FOR CERTIFICATES WITH A FACE AMOUNT OF LESS
THAN \$250,000 FOR EACH SUCH THIRD PARTY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN
AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY
TRUST COMPANY, A NEW YORK CORPORATION ("DTC"),
TO THE DEPOSITOR OR ITS AGENT FOR REGISTRATION
OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY
CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF
CEDE & CO. OR IN SUCH OTHER NAME AS IS
REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF
DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR
TO SUCH OTHER ENTITY AS IS REQUESTED BY AN
AUTHORIZED REPRESENTATIVE OF DTC), ANY
TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE
OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL
INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE
& CO., HAS AN INTEREST HEREIN.

AEGIS AUTO RECEIVABLES TRUST 1996-3
AUTOMOBILE RECEIVABLE PASS-THROUGH
CERTIFICATES

CLASS A CERTIFICATE

PPN:

CUSIP:

NUMBER R-1

Original Certificate Balance:

Class A Rate

\$ _____

Final Scheduled Distribution Date: March 20, 2002

Initial Class A Certificate Balance of all Class A Certificates: \$

THIS CERTIFIES THAT _____ is the
registered owner of this _____ DOLLARS Class A
Certificate. This Certificate evidences a fractional undivided
interest in the Aegis Auto Receivables Trust 1996-3 (the "Trust")
(excluding the Residual Interest in the Trust), formed by Aegis
Auto Funding Corp., a Delaware corporation (the "Seller"). The
Trust was created pursuant to a Pooling and Servicing Agreement
dated as of September 1, 1996 (the "Agreement") among the
Seller, Norwest Bank Minnesota, National Association, as backup
servicer (the "Backup Servicer"), and Norwest Bank Minnesota,
National Association, as trustee (the "Trustee"). The property of
the Trust includes, among other assets, a pool of motor vehicle
retail installment sale contracts secured by new and used
automobiles and light-duty trucks. (This Class A Certificate does
not represent an interest in or obligation of the Seller or any of the
respective Affiliates thereof, except to the extent described below.)
A summary of certain of the pertinent provisions of the Agreement
is set forth below. To the extent not otherwise defined herein, the

capitalized terms used herein have the meanings assigned to them in the Agreement. The Certificate Balance of this Class A Certificate will be decreased by the payments on this Class A Certificate in respect of principal as described in the Agreement. Accordingly, following the initial issuance of the Class A Certificates, the Certificate Balance of this Class A Certificate will over time be less than the original denomination shown above. Anyone acquiring this Class A Certificate may ascertain its current Certificate Balance by inquiry of the Trustee.

This Certificate is one of the duly authorized Certificates designated as "Automobile Receivable Pass-Through Certificates," issued in three Classes (Class A, Class B and Class C, collectively, the "Certificates"). To the extent described in the Agreement the Class B and C Certificates are subordinate in payment to the Class A Certificates and the Class C Certificates are subordinate in payment to the Class A and Class B Certificates. This Class A Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Class A Certificate by virtue of the acceptance hereof assents and by which such Holder is bound. The property of the Trust includes, without limitation, a pool of motor vehicle retail installment sale contracts (the "Receivables") acquired on the Closing Date and on Funding Dates (both as defined in the Agreement) secured by new and used automobiles and light-duty trucks (the "Financed Vehicles"), all moneys due thereunder after the applicable Cutoff Dates (as defined in the Agreement), proceeds from claims on certain insurance policies and certain other rights under the Agreement, all right, title and interest of the Seller in and to the Purchase Agreement and any and all proceeds of the foregoing.

This Class A Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and immunities of the Trustee. Copies of the Agreement and all amendments thereto will be provided to any Certificateholder, at its expense, upon a written request to the Trustee.

Under the Agreement, there will be distributed on the 20th day of each month or, if such 20th day is not a Business Day, the next Business Day (the "Distribution Date"), commencing on October 21, 1996, to the person in whose name this Class A Certificate is registered at the close of business on the last day of the Collection Period preceding a Distribution Date or termination of the Trust (the "Record Date") an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount, if any required to be distributed to the holders of all Class A Certificates.

All payments to Certificateholders shall be made on each Distribution Date to each Certificateholder of record on the related Record Date by check, or, if requested by a Certificateholder holding Certificates with Original Certificate Balances in aggregate in excess of \$1,000,000, by wire transfer to the account designated in writing by such Holder in the form of Exhibit G to the Agreement (or such other account as such Certificateholder may designate in writing) delivered to the Trustee prior to the Determination Date, in immediately available funds. Except as otherwise provided in the Agreement and notwithstanding the above, the final distribution on this Class A Certificate will be made after due notice by the Trustee of the pendency of such distribution, which notice shall request that the Certificateholder present and surrender this Class A Certificate at the office or agency maintained for that purpose by the Trustee in Minneapolis, Minnesota. Surrender of this Class A Certificate shall not be a condition of payment of the final distribution; however, the Holder, by accepting this Class A Certificate, hereby agrees to indemnify and hold harmless the Trustee, the Seller and the Certificate Registrar from and against any and all claims arising from such failure to present and surrender this Class A Certificate, including but not limited to claims by third parties claiming to be bona fide purchasers.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Trustee, by manual signature, this Class A Certificate shall not entitle the Holder hereof to any benefit under the Agreement or be valid for any purpose.

The Class A Certificates do not represent a recourse obligation of, or an interest in, the Seller, the Backup Servicer, the Trustee or any Affiliate of any of them. The Class A Certificates are limited in right of payment to certain collections and recoveries respecting the Receivables, all as more specifically set forth in the Agreement. A copy of the Agreement may be examined during normal business hours at the principal office of the Seller, and at such other places, if any, designated by the Seller, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Seller and the rights of the Certificateholders under the Agreement at any time by the Seller and the Trustee with the consent of the Holders of the Certificates affected thereby voting as a class evidencing not less than 51% of the Voting Interests of all affected Certificates. Any such consent by the Holder of this Class A Certificate shall be conclusive and binding on such Holder and on all future Holders of this Class A Certificate and of any Class A Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not

notation of such consent is made upon this Class A Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Class A Certificates.

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Class A Certificate is registrable in the Certificate Register upon surrender of this Class A Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Certificate Registrar, or by any successor Certificate Registrar, in Minneapolis, Minnesota, or such other office of the Trustee maintained for such purpose and designated by the Trustee in writing, accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Class A Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Class A Certificates of authorized denominations evidencing the same aggregate interest in the Trust will be issued to the designated transferee.

The Class A Certificates are initially issuable only as registered Class A Certificates without coupons in denominations of \$250,000 and integral multiples of \$1,000 in excess thereof, except that one Class A Certificate may be issued in a different denomination. As provided in the Agreement and subject to certain limitations set forth therein, Class A Certificates are exchangeable for new Class A Certificates evidencing the same aggregate denomination, as requested by the Holder surrendering the same. No service charge will be made to the Holder for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or governmental charges payable in connection therewith.

The Trustee, the Certificate Registrar, and any agent of the Trustee or the Certificate Registrar may treat the person in whose name this Class A Certificate is registered as the owner hereof for all purposes, and neither the Trustee, the Certificate Registrar, nor any such agent shall be affected by any notice to the contrary.

The Trust created by the Agreement shall terminate upon the earliest of (i) payment to the Certificateholders of all amounts required to be paid to them pursuant to the Agreement and the disposition of all property held as part of the Trust Property, (ii) March 20, 2002 or (iii) subject to the Agreement, 90 days after the Dissolution of the Seller. The Seller may, at its option, purchase the corpus of the Trust, in whole, at a price specified in the Agreement, and such purchase will effect early retirement of the Certificates; however, such right of purchase is exercisable only on a Distribution Date following the last day of any Collection

Period as of which the Pool Balance is less than or equal to 5% of the Original Pool Balance.

IN WITNESS WHEREOF, the Trustee, not in its individual capacity but on behalf of the Trust, has caused this Class A Certificate to be duly executed.

AEGIS AUTO
RECEIVABLES
TRUST 1996-3

By: NORWEST
BANK
MINNESOTA,
NATIONAL
ASSOCIATION, as
Trustee

By

Name:
Title:

This is one of the Class A Certificates referred to in the within-mentioned Agreement.

NORWEST BANK
MINNESOTA,
NATIONAL
ASSOCIATION, as
Trustee

By

Name:
Title:

Dated as of
_____, 199_

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

(Please print or typewrite name and address, including postal zip
code, of assignee)

the within Class A Certificate, and all rights thereunder, hereby
irrevocably constituting and appointing

Attorney
to transfer said Class A Certificate on the books of the Certificate
Registrar, with full power of substitution in the premises.

Dated:

*

Name:

*NOTICE: The signature to this assignment must correspond with
the name as it appears upon the face of the within Class A
Certificate in every particular, without alteration, enlargement or
any change whatever.

EXHIBIT A-2

FORM OF CLASS B CERTIFICATE

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF
PAYMENT AS DESCRIBED IN THE AGREEMENT
REFERRED TO HEREIN.

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE
REGISTERED UNDER THE SECURITIES ACT OF 1933, AS
AMENDED (THE "SECURITIES ACT"), OR UNDER THE
SECURITIES OR BLUE SKY LAWS OF ANY STATE IN THE
UNITED STATES OR ANY FOREIGN SECURITIES LAWS.
BY ITS ACCEPTANCE OF THIS CERTIFICATE THE
HOLDER OF THIS CERTIFICATE IS DEEMED TO
REPRESENT TO THE SELLER AND THE TRUSTEE (i) THAT
IT IS AN INSTITUTIONAL INVESTOR THAT IS AN

"ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") AND THAT IT IS ACQUIRING THIS CERTIFICATE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE INSTITUTIONAL ACCREDITED INVESTORS UNLESS THE HOLDER IS A BANK ACTING IN ITS FIDUCIARY CAPACITY) FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, THE PUBLIC DISTRIBUTION HEREOF OR (II) THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS ACQUIRING SUCH CERTIFICATE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE QUALIFIED INSTITUTIONAL BUYERS).

NO SALE, PLEDGE OR OTHER TRANSFER OF THIS CERTIFICATE MAY BE MADE BY ANY PERSON UNLESS EITHER (i) SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO THE SELLER, (ii) SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT EXECUTES A CERTIFICATE, SUBSTANTIALLY IN THE FORM SPECIFIED IN THE AGREEMENT, TO THE EFFECT THAT IT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACTING FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE INSTITUTIONAL ACCREDITED INVESTORS UNLESS THE HOLDER IS A BANK ACTING IN ITS FIDUCIARY CAPACITY), (iii) SO LONG AS THIS CERTIFICATE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO A PERSON WHOM THE ISSUER REASONABLY BELIEVES AFTER DUE INQUIRY IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A), ACTING FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE QUALIFIED INSTITUTIONAL BUYERS) TO WHOM NOTICE IS GIVEN THAT THE SALE, PLEDGE OR TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (iv) SUCH SALE, PLEDGE OR OTHER TRANSFER IS OTHERWISE MADE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN WHICH CASE (A) THE TRUSTEE SHALL REQUIRE THAT BOTH THE PROSPECTIVE TRANSFEROR AND THE PROSPECTIVE TRANSFEREE CERTIFY TO THE TRUSTEE AND THE SELLER IN

WRITING THE FACTS SURROUNDING SUCH TRANSFER,
WHICH CERTIFICATION SHALL BE IN FORM AND
SUBSTANCE SATISFACTORY TO THE TRUSTEE AND THE
SELLER, AND (B) THE TRUSTEE SHALL REQUIRE A
WRITTEN OPINION OF COUNSEL (WHICH SHALL NOT BE
AT THE EXPENSE OF THE SELLER OR THE TRUSTEE)
SATISFACTORY TO THE SELLER AND THE TRUSTEE TO
THE EFFECT THAT SUCH TRANSFER WILL NOT VIOLATE
THE SECURITIES ACT. NO SALE, PLEDGE OR OTHER
TRANSFER MAY BE MADE TO ANY ONE PERSON FOR
CERTIFICATES WITH A FACE AMOUNT OF LESS THAN
\$250,000 AND, IN THE CASE OF ANY PERSON ACTING ON
BEHALF OF ONE OR MORE THIRD PARTIES (OTHER
THAN A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE
SECURITIES ACT) ACTING IN ITS FIDUCIARY CAPACITY),
FOR CERTIFICATES WITH A FACE AMOUNT OF LESS
THAN \$250,000 FOR EACH SUCH THIRD PARTY.

THIS CERTIFICATE MAY NOT BE PURCHASED BY OR
TRANSFERRED TO ANY EMPLOYEE BENEFIT PLAN
SUBJECT TO THE EMPLOYEE RETIREMENT INCOME
SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR A
PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL
REVENUE CODE OF 1986, AS AMENDED ("SECTION 4975")
(A "PLAIN") OR A PERSON THAT IS USING THE ASSETS
OF A PLAN TO ACQUIRE THIS CERTIFICATE.
ACCORDINGLY, TRANSFER OF THIS CERTIFICATE IS
SUBJECT TO CERTAIN RESTRICTIONS SET FORTH IN THE
AGREEMENT.

AEGIS AUTO RECEIVABLES TRUST 1996-3
AUTOMOBILE RECEIVABLE PASS-THROUGH
CERTIFICATES

CLASS B CERTIFICATE

PPN:

CUSIP:

NUMBER R-1

Original Certificate Balance:

Class B Rate

\$ _____

Final Scheduled Distribution Date: March 20, 2002

Initial Class B Certificate Balance of all Class B Certificates: \$

THIS CERTIFIES THAT _____ is the
registered owner of this _____ DOLLARS Class B
Certificate. This Certificate evidences a fractional undivided
interest in the Aegis Auto Receivables Trust 1996-3 (the "Trust")
(excluding the Residual Interest in the Trust), formed by Aegis
Auto Funding Corp., a Delaware corporation (the "Seller"). The

Trust was created pursuant to a Pooling and Servicing Agreement dated as of September 1, 1996 (the "Agreement") among the Seller, Norwest Bank Minnesota, National Association, as backup servicer (the "Backup Servicer"), and Norwest Bank Minnesota, National Association, as trustee (the "Trustee"). The property of the Trust includes, among other assets, a pool of motor vehicle retail installment sale contracts secured by new and used automobiles and light-duty trucks. (This Class B Certificate does not represent an interest in or obligation of the Seller or any of the respective Affiliates thereof, except to the extent described below.) A summary of certain of the pertinent provisions of the Agreement is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. The Certificate Balance of this Class B Certificate will be decreased by the payments on this Class B Certificate in respect of principal as described in the Agreement. Accordingly, following the initial issuance of the Class B Certificates, the Certificate Balance of this Class B Certificate will over time be less than the original denomination shown above. Anyone acquiring this Class B Certificate may ascertain its current Certificate Balance by inquiry of the Trustee.

This Certificate is one of the duly authorized Certificates designated as "Automobile Receivable Pass-Through Certificates", issued in three Classes (Class A, Class B and Class C, collectively, the "Certificates"). To the extent described in the Agreement the Class B and C Certificates are subordinate in payment to the Class A Certificates and the Class C Certificates are subordinate in payment to the Class A and Class B Certificates. This Class B Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Class B Certificate by virtue of the acceptance hereof assents and by which such Holder is bound. The property of the Trust includes, without limitation, a pool of motor vehicle retail installment sale contracts (the "Receivables") acquired on the Closing Date and on Funding Dates (both as defined in the Agreement) secured by new and used automobiles and light-duty trucks (the "Financed Vehicles"), all moneys due thereunder after the applicable Cutoff Dates (as defined in the Agreement), proceeds from claims on certain insurance policies and certain other rights under the Agreement, all right, title and interest of the Seller in and to the Purchase Agreement and any and all proceeds of the foregoing.

This Class B Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and immunities of the Trustee. Copies of the Agreement and all amendments thereto will be provided to any Certificateholder, at its expense, upon a written request to the Trustee.

Under the Agreement, there will be distributed on the 20th day of each month or, if such 20th day is not a Business Day, the next Business Day (the "Distribution Date"), commencing on October 21, 1996, to the person in whose name this Class B Certificate is registered at the close of business on the last day of the Collection Period preceding a Distribution Date or termination of the Trust (the "Record Date") an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount, if any required to be distributed to the holders of all Class B Certificates.

All payments to Certificateholders shall be made on each Distribution Date to each Certificateholder of record on the related Record Date by check, or, if requested by a Certificateholder holding Certificates with Original Certificate Balances in aggregate in excess of \$1,000,000, by wire transfer to the account designated in writing by such Holder in the form of Exhibit G to the Agreement (or such other account as such Certificateholder may designate in writing) delivered to the Trustee prior to the Determination Date, in immediately available funds. Except as otherwise provided in the Agreement and notwithstanding the above, the final distribution on this Class B Certificate will be made after due notice by the Trustee of the pendency of such distribution, which notice shall request that the Certificateholder present and surrender this Class B Certificate at the office or agency maintained for that purpose by the Trustee in Minneapolis, Minnesota. Surrender of this Class B Certificate shall not be a condition of payment of the final distribution; however, the Holder, by accepting this Class B Certificate, hereby agrees to indemnify and hold harmless the Trustee, the Seller and the Certificate Registrar from and against any and all claims arising from such failure to present and surrender this Class B Certificate, including but not limited to claims by third parties claiming to be bona fide purchasers.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Trustee, by manual signature, this Class B Certificate shall not entitle the Holder hereof to any benefit under the Agreement or be valid for any purpose.

The Class B Certificates do not represent a recourse obligation of, or an interest in, the Seller, the Backup Servicer, the Trustee or any Affiliate of any of them. The Class B Certificates are limited in right of payment to certain collections and recoveries respecting the Receivables, all as more specifically set forth in the Agreement. A copy of the Agreement may be examined during normal business hours at the principal office of the Seller, and at such other places, if any, designated by the Seller, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Seller and the rights of the Certificateholders under the Agreement at any time by the Seller and the Trustee with the consent of the Holders of the Certificates affected thereby voting as a class evidencing not less than 51% of the Voting Interests of all affected Certificates. Any such consent by the Holder of this Class B Certificate shall be conclusive and binding on such Holder and on all future Holders of this Class B Certificate and of any Class B Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Class B Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Class B Certificates.

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Class B Certificate is registrable in the Certificate Register upon surrender of this Class B Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Certificate Registrar, or by any successor Certificate Registrar, in Minneapolis, Minnesota, or such other office of the Trustee maintained for such purpose and designated by the Trustee in writing, accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Class B Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Class B Certificates of authorized denominations evidencing the same aggregate interest in the Trust will be issued to the designated transferee.

The Class B Certificates are initially issuable only as registered Class B Certificates without coupons in denominations of \$250,000 and integral multiples of \$1,000 in excess thereof, except that one Class B Certificate may be issued in a different denomination. As provided in the Agreement and subject to certain limitations set forth therein, Class B Certificates are exchangeable for new Class B Certificates evidencing the same aggregate denomination, as requested by the Holder surrendering the same. No service charge will be made to the Holder for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or governmental charges payable in connection therewith.

The Trustee, the Certificate Registrar, and any agent of the Trustee or the Certificate Registrar may treat the person in whose name this Class B Certificate is registered as the owner hereof for all purposes, and neither the Trustee, the Certificate Registrar, nor any such agent shall be affected by any notice to the contrary.

The Trust created by the Agreement shall terminate upon the earliest of (i) payment to the Certificateholders of all amounts required to be paid to them pursuant to the Agreement and the disposition of all property held as part of the Trust Property, (ii) March 20, 2002 or (iii) subject to the Agreement, 90 days after the Dissolution of the Seller. The Seller may, at its option, purchase the corpus of the Trust, in whole, at a price specified in the Agreement, and such purchase will effect early retirement of the Certificates; however, such right of purchase is exercisable only on a Distribution Date following the last day of any Collection Period as of which the Pool Balance is less than or equal to 5% of the Original Pool Balance.

IN WITNESS WHEREOF, the Trustee, not in its individual capacity but on behalf of the Trust, has caused this Class B Certificate to be duly executed.

AEGIS AUTO
RECEIVABLES
TRUST 1996-3

By: NORWEST
BANK
MINNESOTA,
NATIONAL
ASSOCIATION, as
Trustee

By

Name:
Title:

This is one of the Class B Certificates referred to
in the within-mentioned Agreement.

NORWEST BANK
MINNESOTA,
NATIONAL
ASSOCIATION, as
Trustee

By

Name:
Title:

Dated as of
_____, 199_

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

(Please print or typewrite name and address, including postal zip
code, of assignee)

the within Class B Certificate, and all rights thereunder, hereby
irrevocably constituting and appointing

Attorney
to transfer said Class B Certificate on the books of the Certificate
Registrar, with full power of substitution in the premises.

Dated:

*

Name:

*NOTICE: The signature to this assignment must correspond with
the name as it appears upon the face of the within Class B
Certificate in every particular, without alteration, enlargement or
any change whatever.

EXHIBIT A-3-1

FORM OF CLASS C CERTIFICATE

THIS CERTIFICATE IS SUBORDINATED IN RIGHT OF
PAYMENT AS DESCRIBED IN THE AGREEMENT

REFERRED TO HEREIN.

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES OR BLUE SKY LAWS OF ANY STATE IN THE UNITED STATES OR ANY FOREIGN SECURITIES LAWS. BY ITS ACCEPTANCE OF THIS CERTIFICATE THE HOLDER OF THIS CERTIFICATE IS DEEMED TO REPRESENT TO THE SELLER AND THE TRUSTEE (i) THAT IT IS AN INSTITUTIONAL INVESTOR THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") AND THAT IT IS ACQUIRING THIS CERTIFICATE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE INSTITUTIONAL ACCREDITED INVESTORS UNLESS THE HOLDER IS A BANK ACTING IN ITS FIDUCIARY CAPACITY) FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, THE PUBLIC DISTRIBUTION HEREOF OR (II) THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS ACQUIRING SUCH CERTIFICATE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE QUALIFIED INSTITUTIONAL BUYERS).

NO SALE, PLEDGE OR OTHER TRANSFER OF THIS CERTIFICATE MAY BE MADE BY ANY PERSON UNLESS EITHER (i) SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO THE SELLER, (ii) SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT EXECUTES A CERTIFICATE, SUBSTANTIALLY IN THE FORM SPECIFIED IN THE AGREEMENT, TO THE EFFECT THAT IT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACTING FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE INSTITUTIONAL ACCREDITED INVESTORS UNLESS THE HOLDER IS A BANK ACTING IN ITS FIDUCIARY CAPACITY), (iii) SO LONG AS THIS CERTIFICATE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO A PERSON WHOM THE ISSUER REASONABLY BELIEVES AFTER DUE INQUIRY IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A), ACTING FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF

OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE QUALIFIED INSTITUTIONAL BUYERS) TO WHOM NOTICE IS GIVEN THAT THE SALE, PLEDGE OR TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (iv) SUCH SALE, PLEDGE OR OTHER TRANSFER IS OTHERWISE MADE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN WHICH CASE (A) THE TRUSTEE SHALL REQUIRE THAT BOTH THE PROSPECTIVE TRANSFEROR AND THE PROSPECTIVE TRANSFEREE CERTIFY TO THE TRUSTEE AND THE SELLER IN WRITING THE FACTS SURROUNDING SUCH TRANSFER, WHICH CERTIFICATION SHALL BE IN FORM AND SUBSTANCE SATISFACTORY TO THE TRUSTEE AND THE SELLER, AND (B) THE TRUSTEE SHALL REQUIRE A WRITTEN OPINION OF COUNSEL (WHICH SHALL NOT BE AT THE EXPENSE OF THE SELLER OR THE TRUSTEE) SATISFACTORY TO THE SELLER AND THE TRUSTEE TO THE EFFECT THAT SUCH TRANSFER WILL NOT VIOLATE THE SECURITIES ACT. NO SALE, PLEDGE OR OTHER TRANSFER MAY BE MADE TO ANY ONE PERSON FOR CERTIFICATES WITH A FACE AMOUNT OF LESS THAN \$250,000 AND, IN THE CASE OF ANY PERSON ACTING ON BEHALF OF ONE OR MORE THIRD PARTIES (OTHER THAN A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE SECURITIES ACT) ACTING IN ITS FIDUCIARY CAPACITY), FOR CERTIFICATES WITH A FACE AMOUNT OF LESS THAN \$250,000 FOR EACH SUCH THIRD PARTY.

THIS CERTIFICATE MAY NOT BE PURCHASED BY OR TRANSFERRED TO ANY EMPLOYEE BENEFIT PLAN SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED ("SECTION 4975") (A "PLAIN") OR A PERSON THAT IS USING THE ASSETS OF A PLAN TO ACQUIRE THIS CERTIFICATE. ACCORDINGLY, TRANSFER OF THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS SET FORTH IN THE AGREEMENT.

AEGIS AUTO RECEIVABLES TRUST 1996-3
AUTOMOBILE RECEIVABLE PASS-THROUGH
CERTIFICATES

CLASS C CERTIFICATE

PPN:
CUSIP:
NUMBER R-1

Original Certificate Balance:
Class C Rate

\$

Final Scheduled Distribution Date: March 20, 2002

Initial Class C Certificate Balance of all Class C Certificates: \$

THIS CERTIFIES THAT _____ is the registered owner of this _____ DOLLARS Class C Certificate. This Certificate evidences a fractional undivided interest in the Aegis Auto Receivables Trust 1996-3 (the "Trust") (excluding the Residual Interest in the Trust), formed by Aegis Auto Funding Corp., a Delaware corporation (the "Seller"). The Trust was created pursuant to a Pooling and Servicing Agreement dated as of September 1, 1996 (the "Agreement") among the Seller, Norwest Bank Minnesota, National Association, as backup servicer (the "Backup Servicer"), and Norwest Bank Minnesota, National Association, as trustee (the "Trustee"). The property of the Trust includes, among other assets, a pool of motor vehicle retail installment sale contracts secured by new and used automobiles and light-duty trucks. (This Class C Certificate does not represent an interest in or obligation of the Seller or any of the respective Affiliates thereof, except to the extent described below.) A summary of certain of the pertinent provisions of the Agreement is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. The Certificate Balance of this Class C Certificate will be decreased by the payments on this Class C Certificate in respect of principal as described in the Agreement. Accordingly, following the initial issuance of the Class C Certificates, the Certificate Balance of this Class C Certificate will over time be less than the original denomination shown above. Anyone acquiring this Class C Certificate may ascertain its current Certificate Balance by inquiry of the Trustee.

This Certificate is one of the duly authorized Certificates designated as "Automobile Receivable Pass-Through Certificates", issued in three Classes (Class A, Class B and Class C, collectively, the "Certificates"). To the extent described in the Agreement the Class B and C Certificates are subordinate in payment to the Class A Certificates and the Class C Certificates are subordinate in payment to the Class A and Class B Certificates. This Class C Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Class C Certificate by virtue of the acceptance hereof assents and by which such Holder is bound. The property of the Trust includes, without limitation, a pool of motor vehicle retail installment sale contracts (the "Receivables") acquired on the Closing Date and on Funding Dates (both as defined in the Agreement) secured by new and used automobiles and light-duty trucks (the "Financed Vehicles"), all moneys due thereunder after the applicable Cutoff Dates (as defined in the Agreement), proceeds from claims on certain

insurance policies and certain other rights under the Agreement, all right, title and interest of the Seller in and to the Purchase Agreement and any and all proceeds of the foregoing.

This Class C Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and immunities of the Trustee. Copies of the Agreement and all amendments thereto will be provided to any Certificateholder, at its expense, upon a written request to the Trustee.

Under the Agreement, there will be distributed on the 20th day of each month or, if such 20th day is not a Business Day, the next Business Day (the "Distribution Date"), commencing on October 21, 1996, to the person in whose name this Class C Certificate is registered at the close of business on the last day of the Collection Period preceding a Distribution Date or termination of the Trust (the "Record Date") an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount, if any required to be distributed to the holders of all Class C Certificates.

All payments to Certificateholders shall be made on each Distribution Date to each Certificateholder of record on the related Record Date by check, or, if requested by a Certificateholder holding Certificates with Original Certificate Balances in aggregate in excess of \$1,000,000, by wire transfer to the account designated in writing by such Holder in the form of Exhibit G to the Agreement (or such other account as such Certificateholder may designate in writing) delivered to the Trustee prior to the Determination Date, in immediately available funds. Except as otherwise provided in the Agreement and notwithstanding the above, the final distribution on this Class C Certificate will be made after due notice by the Trustee of the pendency of such distribution, which notice shall request that the Certificateholder present and surrender this Class C Certificate at the office or agency maintained for that purpose by the Trustee in Minneapolis, Minnesota. Surrender of this Class C Certificate shall not be a condition of payment of the final distribution; however, the Holder, by accepting this Class C Certificate, hereby agrees to indemnify and hold harmless the Trustee, the Seller and the Certificate Registrar from and against any and all claims arising from such failure to present and surrender this Class C Certificate, including but not limited to claims by third parties claiming to be bona fide purchasers.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Trustee, by manual signature, this Class C Certificate shall not entitle the Holder hereof to any benefit under the Agreement or be valid for any

purpose.

The Class C Certificates do not represent a recourse obligation of, or an interest in, the Seller, the Backup Servicer, the Trustee or any Affiliate of any of them. The Class C Certificates are limited in right of payment to certain collections and recoveries respecting the Receivables, all as more specifically set forth in the Agreement. A copy of the Agreement may be examined during normal business hours at the principal office of the Seller, and at such other places, if any, designated by the Seller, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Seller and the rights of the Certificateholders under the Agreement at any time by the Seller and the Trustee with the consent of the Holders of the Certificates affected there by voting as a class evidencing not less than 51% of the Voting Interests of all affected Certificates. Any such consent by the Holder of this Class C Certificate shall be conclusive and binding on such Holder and on all future Holders of this Class C Certificate and of any Class C Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Class C Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Class C Certificates.

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Class C Certificate is registrable in the Certificate Register upon surrender of this Class C Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Certificate Registrar, or by any successor Certificate Registrar, in Minneapolis, Minnesota, or such other office of the Trustee maintained for such purpose and designated by the Trustee in writing, accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Class C Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Class C Certificates of authorized denominations evidencing the same aggregate interest in the Trust will be issued to the designated transferee.

The Class C Certificates are initially issuable only as registered Class C Certificates without coupons in denominations of \$250,000 and integral multiples of \$1,000 in excess thereof, except that one Class C Certificate may be issued in a different denomination. As provided in the Agreement and subject to certain limitations set forth therein, Class C Certificates are exchangeable for new Class C Certificates evidencing the same

aggregate denomination, as requested by the Holder surrendering the same. No service charge will be made to the Holder for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or governmental charges payable in connection therewith.

The Trustee, the Certificate Registrar, and any agent of the Trustee or the Certificate Registrar may treat the person in whose name this Class C Certificate is registered as the owner hereof for all purposes, and neither the Trustee, the Certificate Registrar, nor any such agent shall be affected by any notice to the contrary.

The Trust created by the Agreement shall terminate upon the earliest of (i) payment to the Certificateholders of all amounts required to be paid to them pursuant to the Agreement and the disposition of all property held as part of the Trust Property, (ii) March 20, 2002 or (iii) subject to the Agreement, 90 days after the Dissolution of the Seller. The Seller may, at its option, purchase the corpus of the Trust, in whole, at a price specified in the Agreement, and such purchase will effect early retirement of the Certificates; however, such right of purchase is exercisable only on a Distribution Date following the last day of any Collection Period as of which the Pool Balance is less than or equal to 5% of the Original Pool Balance.

IN WITNESS WHEREOF, the Trustee, not in its individual capacity but on behalf of the Trust, has caused this Class C Certificate to be duly executed.

AEGIS AUTO
RECEIVABLES
TRUST 1996-3

By: NORWEST
BANK
MINNESOTA,
NATIONAL
ASSOCIATION, as
Trustee

By

Name:
Title:

This is one of the Class C Certificates referred to
in the within-mentioned Agreement.

NORWEST BANK
MINNESOTA,
NATIONAL
ASSOCIATION, as
Trustee

By

Name:
Title:

Dated as of
_____, 199_

EXHIBIT B

DEPOSITORY AGREEMENT

EXHIBIT C

TRUSTEE'S STATEMENT TO CERTIFICATEHOLDERS
Aegis Auto Receivables Trust 1996-3
Automobile Receivable Pass-Through Certificates

Distribution Date:
Last Day of Collection Period:

I. COLLECTIONS	INTEREST	PRINCIPAL
	TOTALS	

Scheduled Payments

Full & Partial Prepayments

Recoveries

Risk Default Insurance Proceeds

Receivable Repurchased by Seller

Miscellaneous Servicer Collections

Available Interest Distribution Amount
Available Principal Distribution Amount

Total Available Distribution Amount
Reinvestment Income on Collection Account

Withdrawals from
Reserve Fund

Total Amount Available

II. DISTRIBUTIONS

Backup Servicer Fee

Servicing Fee

Trustee and Custodian Fees

Allocation of Expenses by Class

Class A

Class B

Class C

Class A Interest Distribution

Class A Interest Carryover Shortfall

Class A Principal Distribution

Class A Principal Carryover Shortfall

Class B Interest Distribution

Class B Interest Carryover Shortfall

Class B Principal Distribution

Class B Principal Carryover Shortfall

Class C Interest Distribution

Class C Interest Carryover Shortfall

Class C Principal Distribution

Class C Principal Carryover Shortfall

Funding Account-Prepayment Distribution

Deposits to Reserve Fund

Releases to Seller

Total Funds Distributed

III. CLASS CERTIFICATE BALANCE

Original Class A Certificate Balance

Beginning Class A Certificate Balance

Ending Class A Certificate Balance

Class A Interest Carryover Shortfall

Class A Principal Carryover Shortfall

Class A Certificate Factor

Original Class B Certificate Balance
Beginning Class B Certificate Balance
Ending Class B Certificate Balance
Class B Interest Carryover Shortfall
Class B Principal Carryover Shortfall

Class B Certificate Factor

Original Class C Certificate Balance
Beginning Class C Certificate Balance
Ending Class C Certificate Balance
Class C Interest Carryover Shortfall
Class C Principal Carryover Shortfall

Class C Certificate Factor

IV. POOL BALANCE INFORMATION

Original Pool Balance:

	Beginning of Period	End of Period
--	---------------------	---------------

Pool Balance		
Pool Factor		
Weighted Average Coupon (WAC)		
Weighted Average Remaining Maturity (WAM) (in months)		
Remaining Number of Receivables		

V. RESERVE FUND

	Amount
Beginning Balance	
Plus: Deposits	
Plus: Reinvestment Income	
Withdrawals to Certificateholders	
Class A	
Class B	
Class C	
Withdrawals for expenses	
Released to Seller	

Ending Balance

VI. RECEIVABLES REPURCHASED/SUBSTITUTED BY SELLER

Number of Receivables Repurchased
Principal Amount
Number of Receivables Substituted
Principal Amount

VII. DELINQUENCY INFORMATION*

	# of Principal Contracts	% of Balance Pool
Balance		
30-59 Days Delinquent		
60-90 days Delinquent		
90 Days or more Delinquent		

*Excluding Liquidated and Defaulted Receivables

VIII. REPOSSESSION INFORMATION

	Current Period Cumulative
--	------------------------------

Number of Receivables as to which Vehicles have been
Reposessed (and not yet liquidated)

Principal Balances of Receivables relating to Vehicles
which have been Reposessed (and not yet liquidated)

IX. LIQUIDATED AND DEFAULTED RECEIVABLES

	Current Period Cumulative
--	------------------------------

Number of Liquidated Receivables
Principal Balances of Liquidated Receivables*
(Prior to Liquidation)
Number of Defaulted Receivables**

Principal Balances of Defaulted Receivables

Total Principal Balance of Liquidated
and Defaulted Receivables

* Excludes receivables previously characterized
as Defaulted Receivables

**Refers to Receivables that have become
180 days delinquent and are not Liquidated Receivables

X. RECOVERIES	Current Period
Cumulative	

Liquidation Proceeds
Rebate of Servicer Cancelled Warranty Contracts
VSI Physical Damage/Loss Insurance Proceeds
Consumer Insurance

Total Recoveries

XI. RETENTION AMOUNT

Beginning Balance
Plus: (Additional Receivables)
Plus: Quarterly Reserve Loss Deficiency
Less: Claims approved
Less: Quarterly Reserve Loss Surplus
Ending Balance

XII. RISK DEFAULT INSURANCE PROCEEDS	Current Period
	Cumulative

Risk Default Insurance Proceeds

XIII. NET LOSSES	Current Period
	Cumulative

Principal Balance of Liquidated and
Defaulted Receivables
Less: Recoveries
Less: Risk Default Insurance Proceeds

Net Losses

XIV. INSURANCE CLAIMS	Current Period
	Cumulative

Number of Risk Default Insurance Claims
Amount of Risk Default Insurance Claims
Number of VSI Physical Damage/Loss Insurance Claims

Amount of VSI Physical Damage/Loss Insurance Claims
Number of Risk Default Insurance Claims Rejected
Principal Balance of Receivables Rejected

XV. FUNDING ACCOUNT

Beginning Balance
Withdrawals (Additional Receivables)
Withdrawals (Reserve Fund)
Reinvestment Income Retained
Ending Balance

EXHIBIT D

SCHEDULE OF RECEIVABLES

Delivered to the Trustee on the Closing Date

(This Schedule shall be deemed to be amended on each Funding Date to add Additional Receivables and shall be deemed to be amended to account for any substitution of Receivables permitted by the Agreement upon the occurrence of any such substitution.)

(See Attached)

EXHIBIT E

LOCATION OF SERVICER FILES

American Lenders Facilities, Inc.

2600 Michaelson Drive

Suite 470

Irvine, CA 92715

EXHIBIT F-1

Aegis Auto Receivables Trust 1996-3

AUTO RECEIVABLES PASS-THROUGH CERTIFICATES

RECEIVABLE CHARACTERISTICS

As of September 1, 1996 (Cutoff Date)

Remaining Term Outstanding To Maturity Principal Balance	% Outstanding Principal Balance
19-24	0.00% \$ 0.00
25-30	0.00% 4,037.33
31-36	2.24% 2,301,363.07
37-42	7.08% 7,242,519.02
43-48	18.98% 19,411,239.22
49-54	28.17% 28,814,963.20
55-60	43.53% 44,516,414.56
Weighted Average Remaining Term to Maturity	53.58 months
Annual Percentage Rate	
Weighted Average Annual Percentage Rate	20.23%

Outstanding Model Year Principal Balance	% Outstanding Principal Balance
1991	2.29% \$ 2,342,988.93
1992	7.04% 7,196,580.94
1993	18.88% 19,308,420.59
1994	28.29% 28,940,415.41
1995	34.40% 35,187,437.73
1996	8.87% 9,075,934.78
1997	0.23%

238,758.02

	% Outstanding	
Outstanding		
New/Used Collateral		Principal Balance
Principal Balance		
New	6.15%	
	\$ 6,293,212.88	
Used	93.85%	
	95,997,323.52	
Outstanding		
Principal Balance		
Largest		\$34,659.46
Smallest	1,121.37	
Average		12,263.50

EXHIBIT F-2

RECEIVABLE CHARACTERISTICS (FUNDING DATE)

(This Exhibit F-2 shall take substantially the same form as
Exhibit F-1 except shall be dated the Cutoff Date
for the applicable Funding Date.)

EXHIBIT G

WIRING INSTRUCTIONS FORM

_____, 19____

Norwest Bank Minnesota, National Association
6th Street and Marquette Avenue
Minneapolis, MN 55479-0070

Re: Automobile Receivable Pass-Through Certificates
Class ____ Issued by Aegis Automobile Receivables
Trust 1996-3

Dear Sirs:

In connection with the sale of the above-captioned Certificate by
to
("Transferee") you, as Trustee with respect to the related Certificates, are
instructed to make all remittances to Transferee as Certificateholder as of
, 19____ and you are directed to send all notices to the appropriate
party at the address set forth on Schedule 1 hereto. You are further
instructed to treat the Transferee as the record holder for purposes of the
, 199__ Distribution Date.

[Transferee]

By

Title:

Acknowledged

[Seller]

By

Title:

EXHIBIT H

FEE SCHEDULE

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION

CORPORATE TRUST DEPARTMENT

SCHEDULE OF FEES

AEGIS AUTO RECEIVABLES TRUST 1996-3

- I. Trustee and Custodian Fee:
one-twelfth of the product of (i) 0.03% per annum and (ii) the aggregate Class Certificate Balance as of the close of business on the preceding Distribution Date or, in the case of the first Distribution Date, the original aggregate Class Certificate Balance.
- II. Monthly Backup Servicer Fee:
one-twelfth of the product of (i) 0.02% per annum and (ii) the outstanding Pool Balance as of the first day of the preceding Collection Period or, in the case of the first Distribution Date, as

of the Closing Date.

EXHIBIT I

RISK DEFAULT INSURANCE POLICY

Issuer: The Connecticut Indemnity Company
Policy Name: Secured Value Insurance Policy
Policy No.: ZSC _____
Date: September , 1996
Named Insured: Norwest Bank Minnesota, N.A., as Trustee for Aegis Receivables
Trust 1996-3
Endorsements: Exhibit A, Ed. 8/30/95 & Exhibit B, Ed. 11/7/95
and Exhibit C

EXHIBIT J

VSI INSURANCE POLICY

1. Issuer: Guaranty National Insurance Company
Policy Name: Lenders Comprehensive Single Interest Insurance Policy
Policy No.: ZYG 1500103
Date: February 1, 1994
Named Insured: Aegis Capital Markets
Endorsements: 42621-0 (10/93), 42623-0 (10/93), 42624-0 (10/93),
42627-0 (10/93), 42629-0 (10/93), 42630-0 (10/93),
41510-0 (6/90), Nos. 7, 8, Coverage Endorsements dated
3/23/94,
9/08/94 and 9/26/94, Nos. 16-24, 30-31

EXHIBIT K

FORM OF TRANSFEREE LETTER

[Date]

Aegis Auto Funding Corp.
525 Washington Boulevard
Jersey City, New Jersey 07310

Norwest Bank Minnesota, National Association
Sixth Street and Marquette Avenue
Minneapolis, MN 55479-0070
Attention: Corporate Trust Services Asset Backed Administration

Aegis Auto Receivables Trust 1996-3
Automobile Receivable Pass-Through Certificates, Class

Ladies and Gentlemen:

The undersigned (the "Purchaser") proposes to purchase one or more Automobile Receivable Pass-Through Certificates, Class ____ (the "Certificates") issued by Aegis Auto Receivables Trust 1996-3 (the "Trust") pursuant to that certain Pooling and Servicing Agreement dated as of September 1, 1996 (the "Pooling and Servicing Agreement") by and among Aegis Auto Funding Corp., a Delaware corporation, as seller ("Seller"), Norwest Bank Minnesota, National Association, as Backup Servicer, and Norwest Bank Minnesota, National Association, as Trustee. Unless the context or use indicates another or different meaning, each capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to it in the Pooling and Servicing Agreement.

1. The undersigned hereby certifies that, as indicated below, the undersigned is the President, Chief Executive/Financial Officer, Senior Vice President or other executive officer or investment officer of the Purchaser.

2. In connection with the purchase by the Purchaser of the Certificates, the undersigned hereby certifies to you that the Purchaser is a "qualified institutional buyer" as defined in Rule 144A ("Rule 144A") promulgated under the Securities Act of 1933, as amended, because:

[] (a) The Purchaser owned or invested on a discretionary basis \$100 million in securities (except for the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A) and the Purchaser satisfies the criteria in the subcategory marked below (check one):

- [] Insurance Company. The Purchaser is an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a State or territory or the District of Columbia.
- [] Investment Company. The Purchaser is (i) an investment company registered under the Investment Company Act of 1940, as amended (the "Investment Company Act") or (ii) a business development company as defined in Section 2(a)(48) of that Act.
- [] Small Business Investment Company. The Purchaser is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
- [] Corporation, Etc. The Purchaser is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a corporation (other than a bank, savings and loan association or similar institution), partnership or Massachusetts or similar business trust.
- [] State or Local Plan. The Purchaser is a plan established and maintained by a State or its political subdivisions, or any agency or instrumentality of a State or its political subdivisions, for the benefit of its employees.
- [] ERISA Plan. The Purchaser is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.
- [] Trust Fund. The Purchaser is a trust fund whose trustee is a bank or trust company and whose participants are exclusively plans established and maintained by a State or its political subdivision, or any agency or instrumentality of a State or its political subdivisions, for the benefit of its employees.
- [] Business Development Company. The Purchaser is a business development company as defined in Section 202(a)(22) of the Investment Adviser Act of 1940.
- [] Investment Advisor. The Purchaser is an investment advisor registered under the Investment Advisers Act of 1940, as amended.
- [] (b) The Purchaser is a dealer registered pursuant too Section 15

of the Exchange Act, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned such dealer.

[] (c) The Purchaser is a dealer registered pursuant to Section 15 of the Exchange Act acting in a riskless principal transaction on behalf of a qualified institutional buyer.

[] (d) The Purchaser is an investment company registered under the Investment Company Act, acting for its own account or for the accounts of other qualified institutional buyers, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers other than issuers that are affiliated with the investment company or are part of such family of investment companies. "Family of investment companies" means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided that, for purposes of this section:

(A) each series of a series company (as defined in Rule 18f-2 under the Investment Company Act (17 CFR 270.18f-2)) shall be deemed to be a separate investment company; and

(B) investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if on investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor).

[] (e) The Purchaser is an entity, all of the equity owners of which are qualified institutional buyers, acting for its own account or the accounts of other qualified institutional buyers.

[] (f) The Purchaser is a bank as defined in Section 3(a)(2) of the Act, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Act, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million as demonstrated in its latest annual financial statements, as of a date

not more than 16 months preceding the date of sale under the Rule in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Purchaser, (ii) securities that are part of an unsold allotment to or subscription by the Purchaser (if the Purchaser is a dealer), (iii) bank deposit notes and certificates of deposit, (iv) loan participations, (v) repurchase agreements, (vi) securities owned but subject to a repurchase agreement and (vii) currency, interest rate and commodity swaps.

For purposes of determining the aggregate amount of securities owned or invested on a discretionary basis by the Purchaser, the Purchaser used the cost of such securities to the Purchaser and did not include any of the securities referred to in the preceding paragraph.

Further, in determining such aggregate amount, the Purchaser may have included securities owned by subsidiaries of the Purchaser, but only if such subsidiaries are consolidated with the Purchaser in its financial statements prepared in accordance with generally accepted accounting principles and if the investments of such subsidiaries are managed under the Purchaser's direction. However, such securities were not included if the Purchaser is a majority-owned, consolidated subsidiary of another enterprise and the Purchaser is not itself a reporting company under the Securities Exchange Act of 1934, as amended.

3. The Purchaser certifies and acknowledges that it is familiar with Rule 144A and understands that you and your customers (if you act as a broker for one or more customers) are relying on the statements made therein.

4. The Purchaser certifies that the Purchaser is purchasing the Certificates in the capacity marked below (check one):

[] The Purchaser certifies that the Purchaser is purchasing the Certificates for its own account only; or

[] The Purchaser certifies that the Purchaser is purchasing the Certificates for the account of [one] [specify number:] other qualified institutional buyer(s), [each of] which is a "qualified institutional buyer." (Draw a line through inapplicable words and brackets.)

5. The Purchaser certifies that, to the extent it has requested same, it has received from the Seller the information that satisfies the requirements of paragraph (d)(4) of Rule 144A (the "Rule 144A Information").

6. The Purchaser certifies that it will comply with all

applicable federal and state securities laws in connection with any subsequent resale by the Purchaser of the Certificates. The Purchaser acknowledges that no Certificates may be exchanged for any new Certificates having an initial principal balance of less than \$250,000.

7. The Purchaser understands and acknowledges that the Certificates have not been and will not be registered under the Securities Act of 1933, as amended, or any state securities laws and may be resold only if (a) the Certificates are registered pursuant to the provisions of the Securities Act of 1933, as amended, and such state securities laws, or (b) if an exemption from such registration is available. The Purchaser understands and acknowledges that the Seller is not required to register the Certificates and that any transfer must comply with Section 7.03 of the Agreement. The Trustee is not obligated to provide Rule 144A Information.

8. The Purchaser understands that there is no market, nor is there any assurance that a market will develop, for the Certificates and that the Seller does not have any obligation to make or facilitate any such market (or to otherwise repurchase the Certificates from the Purchaser) under any circumstances.

9. The Purchaser has consulted with its own legal counsel, independent accountants and financial advisors to the extent it deems necessary regarding the tax consequences to it of ownership of the Certificates, is aware that its taxable income with respect to the Certificates in any accounting period may not correspond to the cash flow (if any) from the Certificates for such period, and is not purchasing the Certificates in reliance on any representations of the Seller or its counsel with respect to tax matters.

10. The Purchaser has reviewed the Offering Memorandum (the "Memorandum") dated September 12, 1996 with respect to the Certificates, and the agreements and other materials referred to therein, and has had the opportunity to ask questions and receive answers concerning the terms and conditions of the transactions contemplated by the Memorandum and to obtain additional information necessary to verify the accuracy and completeness of any information furnished to the Purchaser or to which the Purchaser had access.

11. The Purchaser hereby further agrees to be bound by all the terms and conditions of the Certificates as provided in the Pooling and Servicing Agreement.

12. If the Purchaser sells any of the Certificates, the Purchaser will obtain from any subsequent purchaser the same representations contained in this Letter.

Very truly yours,

[PURCHASER]

By

Name

Title

EXHIBIT L

FORM OF TRANSFEREE LETTER
(Non-Rule 144A Transfer)

[Date]

Aegis Auto Funding Corp.
525 Washington Boulevard
Jersey City, New Jersey 07310

Norwest Bank Minnesota, National Association
Sixth Street and Marquette Avenue
Minneapolis, MN 55479-0070
Attention: Corporate Trust Services Asset Backed Administration

Aegis Auto Receivables Trust 1996-3
Automobile Receivable Pass-Through Certificates, Class

Ladies and Gentlemen:

The undersigned (the "Purchaser") proposes to purchase certain Automobile Receivable Certificates, Class _____ (the "Certificates") issued by Aegis Auto Receivables Trust 1996-3 (the "Trust") pursuant to a Pooling and Servicing Agreement dated as of September 1, 1996 (the "Pooling and Servicing Agreement"), among Aegis Auto Funding Corp., as Seller, Norwest Bank Minnesota, National Association, as Backup Servicer, and Norwest Bank Minnesota, National Association as Trustee. Unless the context or use indicates another or different meaning, each capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to it in the Pooling and Servicing Agreement.

The Purchaser represents and warrants that:

(a) Information. The Purchaser acknowledges that it has been furnished, received and reviewed a copy of the Offering Memorandum dated September 12, 1996 describing the Certificates and material related matters (the "Private Offering Memorandum") and has made such investigation as the Purchaser deems necessary to evaluate the merits and risks involved with an investment in the Certificates, and has had an opportunity to meet with officers and employees of the Seller and to ask questions and receive answers regarding an investment in the Certificates and has asked any question he desired to ask and has received answers with respect to such questions to the full satisfaction of the Purchaser and has relied exclusively on the information set forth in the Private Offering Memorandum and information discussed at such meeting. The Purchaser acknowledges that the Private Offering Memorandum supersedes any and all other written materials relating to an investment in the Certificates which may have been previously delivered to the Purchaser and the Purchaser has not relied in any manner on such materials. No oral representations have been made or oral information furnished to the Purchaser in connection with the offering of the Certificates which were in any way inconsistent with the Private Offering Memorandum. The Purchaser also acknowledges that there are certain risks associated with the purchase of the Certificates and that the Purchaser has reviewed the information in the Private Placement Memorandum under the heading "Special Considerations."

(b) No Reliance on Other Purchasers. In making its investment decision with respect to subscribing for the Certificates, the Purchaser has not relied upon any statement, representation or advice of any other Purchaser of the Certificates.

(c) Purchase for Investment. The Purchaser is purchasing the Certificates without a view to any distribution, assignment, resale or other disposition of the Certificates in any manner which would violate the Securities Act of 1933, as amended (the "Securities Act"), or applicable state securities or "Blue Sky" laws, subject, nevertheless, to the understanding that the disposition of the Purchaser's property shall at all times be and remain within the Purchaser's control, and the Certificates are being purchased solely for the Purchaser's own account for investment purposes only and not for the account of any other person.

(d) Institutional Accredited Investor. The Purchaser is an institutional "accredited investor" as defined in Rule 501 under the Securities Act as follows (check one):

☐ A bank as defined in Section 3(a)(2) of the Securities Act, whether acting in its individual or fiduciary capacity;

☐ A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity;

() A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934;

() An insurance company as defined in Section 2(13) of the Securities Act;

() An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act;

() A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

() An employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA"), if the investment decision is made by a plan fiduciary (as defined in Section 3(21) of ERISA) which is a bank, savings and loan association, insurance company or registered investment advisor, or if the plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by accredited investors;

() A plan established or maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;

() A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

() An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

() A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a person having such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Certificates; or

() An entity in which all of the equity owners fall within one of the foregoing categories of "accredited investors."

(e) Exempt Offering. The Purchaser understands that the Certificates are not being registered under the Securities Act or any state securities or "Blue Sky" laws and are being sold in reliance on exemptions

from the registration requirements of the Securities Act and any such laws for non-public offerings. The Purchaser understands that the exemptions from the registration requirements under state securities laws upon which the Certificates is relying require that the Purchaser be one of the types of investors specified in subsection (d) above under the applicable state securities law and the Purchaser is such an investor. The Purchaser further understands that the Certificates must be held indefinitely unless subsequently registered under the Securities Act, any applicable state securities or "Blue Sky" laws or unless exemptions from the registration requirements of the Securities Act and such laws are available. The Purchaser represents, warrants and agrees that, if at some future time the Purchaser wishes to dispose of or exchange any of the Certificates, the Purchaser will not do so unless before any such sale, transfer or other disposition the Purchaser shall have furnished to the Trustee either (a) a certificate of the transferee that the transferee is a "qualified institutional buyer" within the meaning of Rule 144A promulgated pursuant to the Securities Act or (b) a certificate of the transferee that the transferee is an institutional "accredited investor" as defined in Rule 501(a) of the Securities Act and, in the case of (b) only, an opinion of counsel satisfactory in form and substance to the Trustee and the transferor, to the effect that the sale, transfer or other disposition of such Certificate has been registered under the Securities Act, or that such sale, transfer or other disposition does not require registration under the Securities Act.

(f) Legal Investment. The Purchaser understands that there may be restrictions on the ability of certain investors, including, without limitation, depository institutions, either to purchase the Certificates or to purchase investments having characteristics similar to those of the Certificates representing more than a specified percentage of the investor's assets, and the Purchaser further represents and warrants that it has consulted, and relied on the advice of, its own legal advisor in determining whether and to what extent the Certificates constitute a legal investment for the Purchaser.

(g) The Purchaser (i) has no need for liquidity with respect to the Certificates, (ii) is able to bear the economic risks of an investment in the Certificates for an indefinite period and (iii) is able to afford a complete loss of such investment. The Purchaser has such knowledge and experience in financial and business matters to use the information made available in connection with the offering of the Certificates, to evaluate the merits and risks of the prospective investment in the Certificates and to make an informed business decision with respect thereto. The Purchaser understands that the Seller will rely upon the information supplied by the Purchaser pursuant to this Agreement in order to verify this representation and warranty and represents that such information is true and correct in all respects. The Purchaser understands that a false representation may constitute a violation of law, that any person which suffers damage as a result of a false representation may have a claim against the undersigned for damages for which the undersigned will indemnify the Seller and its affiliates pursuant to the terms of this Agreement.

(h) The Purchaser recognizes that an investment in the Certificates involves significant risks including those risks which are set forth under the caption "SPECIAL CONSIDERATIONS" in the Private Offering Memorandum.

(i) The Purchaser understands that the Private Offering Memorandum has not been filed with or reviewed by any state securities administrators because of the representations made by the Seller as to the private or limited nature of the offering.

(j) The Purchaser understands that there is no established market for the Certificates and that none may develop and, accordingly, that the Purchaser must bear the economic risk of an investment in the Certificates for an indefinite period of time.

(k) The Purchaser agrees that it is bound by and will abide by the provisions of the Pooling and Servicing Agreement pursuant to which the Certificates are issued.

(l) All information which the Purchaser has provided to the Seller concerning the Purchaser is correct and complete as of the date hereof, and if there should be any adverse change in such information before receiving notification that this subscription has been accepted, the Purchaser will immediately provide the Seller with such information.

Very truly yours,

[PURCHASER]

By

Name

Title

EXHIBIT M

FORM OF ERISA REPRESENTATION LETTER

(Date)

Aegis Auto Funding Corp.
525 Washington Boulevard
Jersey City, NJ 07130

Norwest Bank Minnesota, National Association
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479-0070
Attention: Corporate Trust Services Asset Backed Administration

Re: Aegis Auto Receivables Trust 1996-3
Auto Receivable Pass-Through
Certificates, Class _____

Ladies and Gentlemen:

[NAME OF OFFICER] _____ HEREBY
CERTIFIES THAT:

1. [That he [she] is [Title of Officer]
_____ of [Name of Transferee]
_____ (the "Transferee"), a [savings
institution] [corporation] duly organized and existing under the laws of
[the State of _____] [the United States], on behalf of which he
[she] makes this affidavit.

2. The Transferee (i) is not, and on _____ [insert date of
transfer of Certificate to Transferee] will not be, and on such date will not
be investing the funds of, an employee benefit plan subject to the
Employee Retirement Income Security Act of 1974, as amended
("ERISA") or a plan subject to Section 4975 of the Code or (ii) is an
insurance company investing assets of its general account and the
exemption provided by Section III(a) of Department of Labor Prohibited
Transaction Class Exemption 95-60, 60 Fed. Reg. 35925 (July 12, 1995)
(the "Exemption") applies to the transferee's acquisition and holding of
such Certificate.

3. The Transferee hereby acknowledges that under the terms
of the Pooling and Servicing Agreement (the "Agreement") among Aegis
Auto Funding Corp., and Norwest Bank Minnesota, National Association,
as Backup Servicer and as Trustee, dated as of September 1, 1996, no
transfer of any Class B or Class C Certificates shall be permitted to be
made to any person unless the Trustee has received (i) a certificate from
such transferee to the effect that such transferee (A) is not an employee
benefit plan subject to ERISA or a plan subject to Section 4975 of the
Code (a "Plan") and is not using assets of any such employee benefit or
other plan to acquire any such Certificate or (B) is an insurance company
investing assets of its general account and the Exemption applies to the
transferee's acquisition and holding of such Certificate or (ii) an opinion
of counsel satisfactory to the Trustee to the effect that the purchase and
holding of any such Certificate will not constitute or result in the assets
of the Trust created by the Agreement begin deemed to be "plan assets"
and subject to the prohibited transaction provisions of ERISA or Section
4975 of the Code and will not subject the Trustee or the Seller to any
obligation in addition to those undertaken in the Agreement (provided,

however, that the Trustee will not require such certificate or opinion in the event that, as a result of changed of law or otherwise, counsel satisfactory to the Trustee has rendered an opinion to the effect that the purchase and holding of any such Certificate by a Plan or a Person that is purchasing or holding any such Certificate with the assets of a Plan will not constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code).

IN WITNESS WHEREOF, the Transferee has caused this instrument to be executed on its behalf, pursuant to authority of its Board of Directors, by its [Title of Officer] _____, this day of _____, 199_.

[name of
Transferee]

By: _____
Name:
Title:

EXHIBIT N

NOTICE OF FUNDING

In accordance with the Pooling and Servicing Agreement dated as of September 1, 1996 by and among Norwest Bank Minnesota, National Association, as backup servicer and as trustee, and Aegis Auto Funding Corp., a Delaware corporation (the "Pooling and Servicing Agreement"), the undersigned hereby gives notice of a Funding Date to occur on _____, 19__ for each of the Receivables listed on Schedule I to the Assignment executed by the undersigned and accompanying this Notice of Funding. Unless otherwise defined herein, capitalized terms have the meanings set forth in the Pooling and Servicing Agreement.

Such Receivables represent the following amounts:

Principal Balance of Receivables
as of the Cutoff Date: \$ _____

Amount to be transferred
to the Reserve Fund from
the Funding Account: \$ _____

Amount to be wired to the undersigned or its
designee (Aegis Finance) in payment for such
Receivables: \$ _____

The undersigned hereby certifies that, in connection with the Funding Date specified above, the undersigned has complied with all terms and provisions specified in Section 3.08 of the Pooling and Servicing Agreement, including, but not limited to, delivery of the Officers' Certificate, as specified therein.

Date: _____, 199

FUNDING CORP.,

Corporation, as Seller

AEGIS AUTO

a Delaware

By

Appierto

EXHIBIT O

Angelo R.

President

OFFICER'S CERTIFICATE

re: Funding Date

AEGIS AUTO FUNDING CORP.

To: Norwest Bank Minnesota, National Association
With Copies to:
Corporate Trust Services--Asset Backed Administration
Sixth Street and Marquette Avenue
Rating Agencies
Minneapolis, MN 55479-0070

Fax 612-667-9825

This Officer's Certificate is being issued in accordance with Section 3.08 of the Pooling and Servicing Agreement dated as of September 1, 1996 (the "Pooling and Servicing Agreement") by and among Aegis Auto Funding Corp., a Delaware corporation, as seller ("Seller"), and Norwest Bank Minnesota, National Association, as Backup Servicer and as Trustee. Terms not otherwise defined herein shall have the meanings ascribed thereto in the Pooling and Servicing Agreement.

By his signature below, the undersigned certifies that:

(a) The matters set forth in Section 3.01(b) of the Purchase Agreement by and between Aegis Auto Finance, Inc., as

the transferor named therein, and Seller, as transferee, are true and correct. All Receivables acquired on the Funding Date to occur on _____, 199 constitute Additional Receivables meeting the criteria specified in the Purchase Agreement; and

(b) The representations and warranties set forth in Sections 3.01(a) and (b) of the Pooling and Servicing Agreement are true and correct as of the date hereof; and

(c) The documents listed in Sections 3.08(b)(i) and (ii) of the Pooling and Servicing Agreement are being delivered to the Trustee in its capacity as Custodian on or before the Funding Date specified herein.

Dated: _____, 199_

FUNDING CORP.
as Seller

AEGIS AUTO

a Delaware corporation,

By

Appierto, President

Angelo R.

EXHIBIT P

ASSIGNMENT

In accordance with the Pooling and Servicing Agreement dated as of September 1, 1996 by and among Aegis Auto Funding Corp., a Delaware corporation (the "Seller"), and Norwest Bank Minnesota, National Association, as trustee (the "Trustee") and as backup servicer (the "Backup Servicer") (the "Pooling and Servicing Agreement"), the Seller hereby assigns, transfers and otherwise conveys unto the Trustee in trust for the benefit of the Certificateholders, without recourse (capitalized terms used herein and not otherwise defined shall have the meaning assigned to them in the Pooling and Servicing Agreement): (i) all right, title and interest of the Seller in and to the Receivables identified on Schedule I attached hereto (the "Receivables"), and all moneys received thereon, on and after the Cutoff Date allocable to principal, and all monies received thereon allocable to interest accrued from and including the Cutoff Date; (ii) the interest of the Seller in the security interests in the Financed Vehicles granted by the Obligor pursuant to the Receivables and all certificates of title to such Financed Vehicles; (iii) the interest of the Seller in any Risk Default Insurance Proceeds or any proceeds from claims on Insurance Policies (including the VSI Insurance Policy) covering

the Receivables, the Financed Vehicles or Obligors from the Cutoff Date; (iv) the right of the Seller to realize upon any property (including the right to receive future liquidation Proceeds) that shall have secured a Receivable and have been repossessed by or on behalf of the Trustee; (v) the interest of the Seller in any Dealer Recourse; (vi) all right, title and interest in the Seller in and to the Purchase Agreement; (vii) all right, title and interest of the Seller in and to the Funding Account and any monies and investments on deposit therein and (viii) the proceeds of any and all of the foregoing. The foregoing sale does not constitute and is not intended to result in any assumption by the Trustee of any obligation of the undersigned to the Obligors, insurers or any other person in connection with the Receivables, Custodian Files, Servicer Files, any insurance policies or any agreement or instrument relating to any of them.

This Assignment is made pursuant to and upon the representations, warranties and agreements contained in the Pooling and Servicing Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be duly executed as of _____, 199 .

FUNDING CORP.
AEGIS AUTO
a Delaware
corporation

By
Angelo
R. Appierto, President

EXHIBIT Q

REVIEW FIRM PROCEDURES

EXHIBIT R

TRUSTEE'S CERTIFICATE PURSUANT TO SECTION 11.02 OF THE POOLING AND SERVICING AGREEMENT

Norwest Bank Minnesota, National Association, as trustee (the "Trustee") of the Aegis Auto Receivables Trust Series 1996-3 created pursuant to the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") dated as of September 1, 1996 among Aegis Auto Funding Corp. (the "Seller"), Norwest Bank Minnesota, National Association, as backup servicer (the "Backup Servicer") and as trustee (the "Trustee"), does hereby sell, transfer, assign and otherwise convey to the

Seller, without recourse, representation or warranty, all of the Trustee's right, title and interest in and to all of the Receivables (as defined in the Pooling and Servicing Agreement) identified in the attached Servicer's Certificate of "Purchased Receivables," which are to be repurchased by the Seller pursuant to Section 3.02 of the Pooling and Servicing Agreement, and all security and documents relating thereto.

IN WITNESS WHEREOF, I have hereunto set my hand this
day of 199 .

Norwest Bank Minnesota, National
Association, as Trustee

By

[Name]

[Title]

EXHIBIT S

SCHEDULE OF IDENTIFIED RECEIVABLES

EXECUTION
COPY

LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement
("Agreement") is made as of this
12th day
of

September, 1996
between AEGIS AUTO FINANCE,
INC., a Delaware corporation ("Borrower") and
III FINANCE LTD., a Cayman Islands company
("Lender").

PRELIMINARY STATEMENT:

WHEREAS, Borrower has requested,
and Lender has agreed, on the terms and
conditions set forth therein, that Lender
advance to the Borrower up to
\$3,000,000.00

on a revolving credit basis;

NOW, THEREFORE, in consideration of
the terms and conditions contained herein,
and of any loans or extension of credit now
or hereafter made to or for the benefit of
Borrower by Lender hereunder, the parties
hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 General Terms. When
used herein, the following terms shall have

the following meanings:

"ABS" shall mean that model of prepayments commonly applied to automobile loans which measures prepayments as a percentage of original pool balance.

"Additional Loan" shall mean any Loan other than the Initial Loan.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person.

"Applicable Insured Percentage" shall mean, (A) with respect to Insured Receivables, so long as the Insurer is obligated (by endorsement or otherwise) to make payments on the Risk Default Policy and maintains the A.M. Best Rating specified below, the percentage specified below opposite such rating, calculated monthly as of each month end; (B) with respect to Uninsured Receivables, 35% and (C) with respect to Insured Receivables, if the Insurer does not remain so obligated as described in clause A above, then 35%.

Rating	Applicable
Insured Percentage	
A- or better	80%
Less than A- but B or better	65%
Less than B but C or better	50%
Below C	35%.

"Applicable Stress Factor" means 2.0; provided however, that if the Lender, in its discretion,

deems the collection history of the various receivables portfolios underlying the "Collateral" under this Agreement and the other Secured Loan Agreements to be materially weaker than such collection history as of the end of March 1996, the Lender may, upon not less than five (5) Business Days' prior written notice to the Borrower, increase the Applicable Stress Factor to a number not exceeding 2.50 and such increase shall take effect in the next calculation of the Borrowing Base to be made under Section 2.1.

"Average Pool Balance" shall have the meaning set forth in Section 2.1 hereof.

"Backup Servicer" shall have the meaning set forth in the Pooling and Servicing Agreement.

"Borrowing Base" shall have the meaning set forth in Section 2.1 hereof.

"Business Day" shall mean any day other than a Saturday, Sunday, legal holiday or other day under the laws of Bermuda, the United States, or the State of New York, on which commercial banking institutions are obligated by law or executive order to be closed.

"Cash Flow Valuation Report" shall mean a monthly report delivered pursuant to Section 2.2 (b) or Section 5.1(c) in the form attached hereto as Exhibit A.

"Change in Control" shall mean any of the following: (i) Parent ceases to be the owner, directly or indirectly, of 100% of the equity interest in, and capital stock of, the Borrower; or (ii) Joseph Battiato and/or Angelo Appierto shall cease to hold their offices as President and Chief Executive Officer, respectively, of the Borrower.

"Collateral" shall have the meaning set forth in Section 6.1.

"Default" shall mean any event which, with the passage of time or the giving of notice, or both, would constitute an Event of Default.

"Default Rate" shall have the meaning set forth in Section 2.1.

"Default Ratio" shall have the meaning set forth in Section 2.1.

"Defaulted Receivables" shall mean, collectively, "Defaulted Receivables" and "Liquidated Receivables" as each such term is defined in the Pooling and Servicing Agreement.

"Delinquency Rate" shall have the meaning set forth in Section 2.1.

"Delinquency Ratio" shall have the meaning set forth in Section 2.1.

"Distribution Date" shall have the meaning set forth in the Pooling and Servicing Agreement.

"Event of Default" shall mean any one or more of the events specified in Section 7.1.

"Excess Receipts" shall have the meaning set forth in the Pooling and Servicing Agreement.

"Existing AAF Loan Agreements" shall mean those certain Loan and Security Agreements between the Borrower and Lender, dated as of June 20, 1995, September 25, 1995, December 20, 1995, March 22, 1996, May 20, 1996 and June 25, 1996, respectively, as the same have been or may hereafter be amended, restated or otherwise modified from time to time.

"Existing ACF Loan Agreements" shall mean those certain Loan and Security Agreements between Aegis Consumer Finance, Inc. and Lender, dated as of August 11, 1994, September 28, 1994, December 22, 1994 and March 22, 1995, respectively, as the same have been or may hereafter be amended, restated or otherwise modified from time to time.

"Existing Loan Agreements" shall mean the Existing ACF Loan Agreements and the Existing AAF Loan Agreements.

"Existing Loans" shall mean the "Loans" outstanding from time to time under the Existing Loan Agreements.

"Financing Agreements" shall mean all agreements, instruments and documents, including, without limitation, this Agreement, the Guaranty, the Note, the SPC Acknowledgment and all other assignments, security agreements, pledge instructions, loan agreements, notes, guarantees, certificates of title, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, notices, leases, financing statements, instruments, documents and all other written matter whether heretofore, now or hereafter executed by or on behalf of Borrower in connection with the transactions contemplated by this Agreement.

"Funding Date" shall mean any date on which a Loan (other than the Initial Loan) is made hereunder.

"Governmental Authority" shall mean any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative,

judicial, regulatory or administrative functions of or pertaining to government.

"Guaranty" shall mean that certain Guaranty executed by Parent pursuant to which Parent guaranties all of the Obligations of Borrower to Lender under this Agreement.

"Indebtedness" of any Person shall mean (i) indebtedness of such Person for borrowed money, (ii) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) obligations of such Person to pay the deferred purchase price of property or services, (iv) obligations of such Person as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as a capital lease, (v) obligations secured by any Lien upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, and (vi) obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clause (i) through (v) above.

"Initial Funding Date" shall mean the date on which the Initial Loan is made.

"Initial Loan" shall mean the initial Loan made by Lender to Borrower hereunder.

"Insured Receivable" shall mean each Receivable loss on which is insured under the Risk Default Policy.

"Insurer" shall mean The Connecticut Indemnity Company.

"IRC" shall mean the Internal Revenue Code of 1986, as amended.

"Lien" shall mean any security interest, charge, pledge, option or lien or other encumbrance of any nature, whether arising under contract or by operation of law.

"Liquidation Period" shall have the meaning set forth in Section 2.1.

"Loans" shall have the meaning set forth in Section 2.1.

"Maximum Rate" shall have the meaning ascribed to such term in Section 2.4(c) hereof.

"Note" shall mean a promissory note of Borrower in favor of Lender substantially in the form of Exhibit B.

"Obligations" shall mean all of the payment and performance obligations and liabilities of Borrower to Lender under this Agreement, the Existing Loan Agreements, the other Financing Agreements, and the other "Financing Agreements" (as such term is defined in each Existing Loan Agreement).

"Parent" shall mean The Aegis Consumer Funding Group, Inc., a Delaware corporation formerly known as Aegis Holdings Corporation.

"Person" shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or government (whether national, federal, state, provincial, county, city, municipal or otherwise, including without limitation, any instrumentality, division, agency, body or department thereof).

"Pledged Stock" shall mean the issued and outstanding stock of the SPC.

"Pool Balance" shall have the meaning set forth in the Pooling and Servicing Agreement.

"Pooling and Servicing Agreement" shall mean that certain Pooling and Servicing Agreement dated as of

September 1,
1996 among the SPC, Norwest
Bank Minnesota, National Association, as

Backup
Servicer, and Norwest Bank
Minnesota, National Association, as
Trustee, a copy of which is attached
hereto as Exhibit C.

"Prepayment Rate" shall have the meaning set forth in Section 2.1.

"Purchase
Agreement"
shall
mean the

Purchase

Agreement

made as of September
1, 1996 between Borrower, as seller, and
the SPC as purchaser.

"Receivables" shall have the meaning set forth in the Pooling and Servicing Agreement.

"Recovery Upon Default" shall have the meaning set forth in Section 2.1.

"Registry" shall have the meaning set forth in Section 2.1.

"Report Date" shall mean the 20th day of each calendar month or, if such day is not a Business Day, then the next succeeding Business Day.

"Reposessed Receivables" shall have the meaning set forth in Section 2.1.

"Residual Interest" shall have the meaning set forth in the Pooling and Servicing Agreement.

"Risk Default Policy" shall have the meaning set forth in the Pooling and Servicing Agreement.

"Secured Loan Agreement" shall mean each Existing Loan Agreement and each other loan agreement or credit agreement entered into by Borrower or any of its Affiliates with Lender from time to time which is designated in writing as a "Secured Loan Agreement" within the meaning of this Agreement; provided, however, that the term "Secured Loan Agreement" shall not include that certain Loan and Security Agreement dated as of November 8, 1993 by and among Aegis Auto Finance, Inc., Aegis Capital Markets, Inc., Aegis Acceptance Corp. and Lender (as amended, restated or otherwise modified from time to time).

"Secured Obligations" shall mean, collectively, all of the "Obligations" as defined under this Agreement and under any other Secured Loan Agreement and including all indebtedness and other obligations owed by Borrower or any of its Affiliates to Lender under any Secured Loan Agreement.

"Servicer" shall have the meaning set forth in the Pooling and Servicing Agreement.

"SPC" shall mean Aegis Auto Funding Corp., a Delaware corporation and a wholly-owned subsidiary of the Borrower.

"SPC Acknowledgment" shall mean that certain Acknowledgment executed by the SPC as of the Initial Funding Date whereby the SPC acknowledges the terms of this Agreement and agrees to comply with certain provisions hereof pertaining to the SPC and agrees, from and after an Event of Default, to to pay directly to the Lender any and all amounts owed by the SPC to the Borrower.

"Termination Date" shall mean the earlier of (i) the second anniversary of the Initial Funding Date and (ii) the date on which Lender terminates this Agreement pursuant to Section 7.1(A).

"Trust" shall mean the Aegis Auto Receivables Trust 1996-3 created pursuant to the Pooling and Servicing Agreement.

"Trust Certificates" shall mean the Aegis Auto Receivables Trust 1996-3 Automobile Receivable Pass-Through Certificates, Series 1996-3, issued pursuant to the Pooling and Servicing Agreement.

"Uninsured Receivables" shall mean all Receivables which are not Insured Receivables.

"Voting Notice" shall have the meaning set forth in Section 6.1(c).

"VSI Insurance Policy" shall have the meaning set forth in the Pooling and Servicing Agreement.

Section 1.2 Terms Defined in Uniform Commercial Code. All other terms contained in this Agreement (and which are not otherwise specifically defined herein) shall have the meanings provided by the Uniform Commercial Code as in effect from time to time in the State of New York (the "Code") to the extent the same are used or defined therein.

Section 1.3 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles, consistently applied.

Section 1.4 Other Terms. Any references herein to exhibits, sections, articles or schedules, unless otherwise specified, are references to exhibits, sections, articles or schedules of this Agreement. 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 provisions of this Agreement. Wherever appropriate in context, terms used herein in the singular also include the plural, and vice-versa, and each masculine, feminine or neuter pronoun shall also include the other gender.

Section 1.5 Preliminary Statement. The Preliminary Statement is incorporated herein by this reference thereto.

ARTICLE II

LOANS AND INTEREST

Section 2.1 Loans. (a) Subject to the terms and conditions contained in this Agreement, Lender will from time to time, prior to the Termination Date, extend loans ("Loans") to Borrower up to an aggregate principal amount equal to the lesser of (i) Three Million Dollars and No Cents (\$3,000,000.00); or (ii) the Borrowing Base (as defined below); provided, that if the Lender ceases trading activities, dissolves or commences distribution of a material portion of its assets, then the Lender may, from and after written notice to the Borrower, refuse to advance any further Loans to the Borrower. The "Borrowing Base" shall be calculated on each Funding Date and monthly on each Report Date in the Cash Flow

Valuation Report then delivered and shall equal the discounted present value of the Excess Receipts (utilizing a discount rate equal to twelve percent (12%)) as calculated by the Borrower in each Cash Flow Valuation Report in a manner reasonably satisfactory to the Lender in accordance with the following parameters:

(i) Assume that the number of Receivables which will become Defaulted Receivables on an annualized basis will equal the Default Rate times the outstanding principal balance of the Receivables as of the most recent month end. As used herein, (a) the "Default Rate" shall mean the greater of (1) the Applicable Stress Factor times the Default Ratio as of the end of the most recent calendar month and (2) eighteen percent (18%) and (b) the "Default Ratio" shall mean, with respect to the three most recent calendar months, a fraction, (1) the numerator of which equals four times the sum of (A) the dollar amount of Receivables which became Defaulted Receivables during such three-month period and (B) the dollar amount of "Reposessed Receivables" (as defined below) acquired during such three-month period, and (2) the denominator of which equals the "Average Pool Balance" of the Receivables during such three-month period. As used above, the term "Reposessed Receivables" with respect to any three-month period shall mean the outstanding principal amount of Receivables the underlying collateral for which has been reposessed during such period but which have not become Defaulted Receivables during such period. The Average Pool Balance shall be computed by taking the sum of the Pool Balance as of the beginning of the three-month period referred to above plus the Pool Balance as of the end of such three-month period and dividing such number by two.

(ii) Assume that Receivables will be prepaid in accordance with the most recently calculated Prepayment Rate. As used herein, the "Prepayment Rate" shall mean the greater of (a) one and one-half times the most recently monthly prepayment rate, as calculated by utilizing the standard ABS formula (also known as the "Absolute Prepayment Model") as of the end of the most recent calendar month and (b) one hundred and twenty percent times the standard ABS benchmark rate.

(iii) Assume that Receivables will become or remain past due on an annualized basis in accordance with the most recently calculated Delinquency Rate. The "Delinquency Rate" for Receivables which may become or remain 30, 60, and 90 days past due shall mean two times the Delinquency Ratio as of the end of the most recent calendar month. As used herein, the "Delinquency Ratio" shall mean, with respect to Receivables which may become or remain 30, 60 or 90 days past due, a fraction, the numerator of which is twelve times the amount of Receivables which became or remained 30, 60 and/or 90 days past due during the most recent calendar month, as applicable, and the denominator of which equals the outstanding principal balance of the Receivables as of the beginning of such calendar month.

(iv) Assume that collections and other recoveries with respect to Defaulted Receivables and Repossessed Receivables, after application of all cash payments including insurance proceeds, shall equal the Recovery Upon Default and shall not be collected until the expiration of the Liquidation Period with respect to such Receivables. As used herein, (a) the "Recovery Upon Default", with respect to any Defaulted Receivable or Repossessed Receivable, shall mean the Applicable Insured

Percentage times the outstanding principal balance of such Receivable and (b) the "Liquidation Period" with respect to any Defaulted Receivables or Repossessed Receivables, shall equal the greater of (1) one and one-half times the average number of days outstanding between the date such Receivables first became Defaulted Receivables or Repossessed Receivables, as the case may be, and the date such Receivables are paid, through liquidation of the underlying collateral therefor or otherwise, according to a methodology acceptable to the Lender, and (2) 270 days.

The Borrower shall set forth in the Cash Flow Valuation Report, delivered monthly pursuant to Section 5.1(c), the calculation of the Borrowing Base in reasonable detail and with such supporting information as may be reasonably requested by Lender. In the event of any discrepancy between the Borrower's and the Lender's calculation of the Borrowing Base or of any component thereof, the Lender's calculation, absent manifest error, shall control. It is expressly understood and agreed that amounts on deposit in the "Funding Account" (as such term is defined in the Pooling and Servicing Agreement) shall not be credited towards the Borrowing Base Calculation.

(b) The aggregate principal amount of the Loans shall be evidenced by a Note and shall be payable in accordance with Section 2.5.

(c) Borrower may prepay any portion of the Loans in whole or in part; provided, however, that simultaneously with such prepayment, Borrower shall pay all interest accrued and unpaid on the amount so prepaid through the date of prepayment.

Section 2.2 Making the Loans. (a) No Loan shall be in an aggregate amount of less than \$100,000, nor shall it be in an amount greater than the Borrowing Base minus the aggregate principal amount of all Loans

previously advanced and still outstanding.

(b) On or prior to each Funding Date, the Borrower shall deliver a Cash Flow Valuation Report setting forth the calculation of the Borrowing Base as of the last day of the preceding calendar month in accordance with the parameters set forth in Section 2.1 above based on the Receivables which, as of the close of business on such Funding Date, will have been transferred to the Trust pursuant to the Pooling and Servicing Agreement. The Initial Loan shall be in an aggregate amount not exceeding the Borrowing Base as calculated in such report. Each subsequent Loan shall be in an aggregate amount not exceeding the Borrowing Base as calculated in such report minus the aggregate principal amount of all Loans previously advanced and still outstanding. Notwithstanding anything to the contrary in this Agreement, Lender's obligations to make any subsequent Loans hereunder shall terminate on the earlier of (i) the end of the "Funding Period" (as such term is defined in the Pooling and Servicing Agreement) and (ii) December 15, 1996.

Section 2.3 Note. Concurrently with the execution hereof, Borrower shall execute and deliver to Lender the Note to evidence the aggregate amount of all Loans outstanding from time to time. The Note shall be dated the date hereof and shall mature on the Termination Date. Lender is hereby authorized to endorse the amount of each Loan, each repayment or prepayment of principal thereof on the schedule attached to and constituting a part of the Note, which endorsement shall constitute prima facie evidence of the accuracy of the information so endorsed; provided, that failure by Lender to make such endorsement shall not affect the obligations of Borrower hereunder or under the Note. In lieu of endorsing such schedule, Lender is hereby authorized, at its option, to record such Loans, repayments or prepayments in its books and records, such books and records constituting prima facie evidence of the accuracy of the information contained therein.

Section 2.4 Interest. (a)

Borrower hereby promises to pay to Lender interest on the unpaid principal amount of each Loan for the period commencing on the date such Loan was made until, but not including, the date such Loan shall be paid in full. All Loans shall bear interest at a rate equal to twelve percent (12%) per annum. Each interest payment shall be computed on the basis of a 360-day year for the actual number of days elapsed. Interest shall be paid, monthly in arrears on each Distribution Date, commencing on the first Distribution Date after the Initial Loan is made, for all accrued and unpaid interest on the unpaid principal of the Loans through such date. In addition, on any date of any principal prepayment hereunder pursuant to Sections 2.5 and 7.1, the Borrower shall pay accrued and unpaid interest on the amount of such prepayment to the extent such interest is not otherwise paid pursuant to the immediately preceding sentence.

(b) After the occurrence and during the continuance of an Event of Default, the Loans shall bear interest at a rate equal to the rate set forth in Section 2.4(a) plus two percent (2.00%).

(c) Notwithstanding the foregoing, nothing in this Agreement shall require Borrower to pay interest at a rate exceeding the maximum rate (the "Maximum Rate") permitted by applicable law. If the interest rate provided for hereunder on any date would exceed the Maximum Rate, then the interest rate shall be automatically reduced to the Maximum Rate and the interest rate for any subsequent period, to the extent less than the Maximum Rate, shall be increased to equal the Maximum Rate until such time as the interest paid hereunder equals the amount which would have been paid if the interest otherwise payable hereunder had at all times been permitted under applicable law.

Section 2.5 Repayments;

Prepayments. (a) The Loans shall be payable as follows:

(i) Whenever the aggregate principal amount of Loans outstanding less the sum of any accrued and unpaid interest on the Loans exceeds the Borrowing Base, as calculated pursuant to Section 2.1 hereof, then a mandatory prepayment of principal shall be made in the amount of such excess. Such prepayments shall be applied to the Obligations as set forth in Section 2.5(b) and shall be accompanied by a payment of all interest accrued and unpaid through the date of such mandatory prepayment and allocable to the amount so prepaid.

(ii) The entire remaining outstanding principal balance of the Loans, together with any accrued and unpaid interest and any other Obligations hereunder, shall be due and payable on the Termination Date.

(iii) In addition to the foregoing, if the Lender ceases trading activities, dissolves or commences distribution of a material portion of its assets, then the Lender may demand payment of all Loans then outstanding, in which event the entire remaining outstanding principal balance of the Loans, together with any accrued and unpaid interest and any other Obligations hereunder, shall be due and payable on the ninetieth day following such written notice.

(b) Subject to Section 7.2(d), all payments of any amounts due under any provision of this Agreement or any other Financing Agreement, shall be applied in the following order: first to payment of interest due and owing; second to the then outstanding principal balance of the Loans; and third to the remaining balance of the Obligations. If any payment becomes due on a Saturday, Sunday or any day on which Lender is legally closed for business, such payment shall be made on the next succeeding Business Day, and, in the case of a principal payment, interest on such principal payment shall be

payable for such extension of time and shall be included with such payment.

(c) Borrower shall make each payment hereunder and under the Note on the day when due in lawful money of the United States of America to Lender at The First National Bank of Chicago, Chicago, Illinois, account number 52-61333, or at such other account which Lender may hereafter designate to Borrower in writing.

(d) The obligation of Borrower to pay the Loans and other Obligations shall be a general obligation of Borrower, absolute and unconditional.

ARTICLE III

CONDITIONS TO LENDING

Section 3.1 Conditions Precedent to the Initial Loan. The obligation of Lender to make the Initial Loan is subject to the satisfaction of all of the following conditions precedent:

(a) Documents. Lender shall have received, on or before the Initial Funding Date, this Agreement, the Note, the SPC Acknowledgement, the Guaranty, and all other agreements, documents, financing statements and instruments described in the List of Closing Documents attached hereto as Exhibit D and made a part hereof, each duly executed where appropriate, dated the Initial Funding Date where appropriate and in form and substance reasonably satisfactory to Lender.

(b) Governmental and Other Consents and Approvals. All notices to and filings with all regulatory bodies and other Persons required to be given or made, and all consents or other approvals therefrom shall have been obtained in connection with the transactions contemplated by this Agreement and the other Financing Agreements.

(c) Pooling and Servicing Agreement. (i) The transactions contemplated by the Pooling and Servicing Agreement shall have been consummated, (ii) the SPC shall have received the net cash proceeds from the sale of Trust Certificates thereunder and (iii) the Borrower and its Affiliates shall have made all prepayments owed to the Lender under that certain Loan and Security Agreement dated as of November 8, 1993 among Lender and certain of Borrower's Affiliates on account of the transactions contemplated by the Pooling and Servicing Agreement.

Section 3.2 Conditions Precedent to All Loans. The obligation of Lender to make any Loans hereunder (including the Initial Loan) shall be subject to the further conditions precedent that on each such date (a) the following statements shall be true (and the request for any Loans and the acceptance by Borrower of the proceeds of such Loan, shall constitute a representation and warranty by Borrower that on the date of making of such Loan such statements are true):

(i) The representations and warranties contained in Article IV are true and correct in all respects on and as of the date of such Loan, before and after giving effect to such Loan, as though made on and as of such date;

(ii) No event has occurred and is continuing, or would result from such Loan, which constitutes a Default or an Event of Default;

(iii) There has been no material adverse change in the business operations or financial condition of Parent or Borrower since June 30, 1995;

(iv) No law, regulation, order, judgment or decree of any Governmental Authority shall enjoin, prohibit or restrain, or impose or result in the imposition of any material adverse condition upon, Lender's making of the

requested Loan; and

(v) the aggregate outstanding amount of all Loans hereunder (after giving effect to the requested Loan hereunder), together with all "Loans" outstanding under Lender's other loan agreements with Borrower and Borrower's Affiliates, shall not exceed 35% of Lender's "net assets" (as such term is defined in Lender's Articles of Association).

(vi) the Lender shall have received such other approvals, opinions or documents as Lender may reasonably request.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into this Agreement and make the Loans provided for herein, Borrower hereby makes the following representations and warranties to Lender, each of which shall survive the execution and delivery of this Agreement or any other Financing Agreement and shall be deemed remade as of the date of each Additional Loan to Borrower:

Section 4.1 Corporate Existence. Each of the Borrower, the Parent and the SPC is duly organized, validly existing and in good standing under the laws of the State of Delaware, and has authority to conduct business and is in good standing in all other states where the nature and extent of the business transacted by it or the ownership of its assets makes such authorization necessary.

Section 4.2 Corporate Authority; No Conflicts. The borrowings hereunder and the execution, delivery and performance by the Borrower of this Agreement, the Note and the other Financing Agreements (i) are within Borrower's corporate powers, (ii) have been duly authorized by all necessary corporate

and stockholder action, (iii) do not contravene Borrower's Certificate of Incorporation or by-laws, and (iv) do not contravene nor result in a default under, nor result in the creation of a Lien (other than the Liens in favor of Lender created pursuant to the terms of this Agreement) under, any law or any contractual restriction binding on or affecting Borrower. No consent or approval of any holder of any indebtedness or obligation of Borrower, and no consent, permission, authorization, order or license of any Governmental Authority, is necessary in connection with the execution, delivery and performance of the Financing Agreements, including, without limitation, this Agreement and the Note, or any transaction contemplated hereby or thereby. The execution, delivery and performance by the Parent of the Guaranty (i) are within the Parent's corporate powers, (ii) have been duly authorized by all necessary corporate and stockholder action, (iii) do not contravene the Parent's Certificate of Incorporation or by-laws, and (iv) do not contravene nor result in a default under, nor result in the creation of a Lien under, any law or any contractual restriction binding on or affecting the Parent. The execution, delivery and performance by the SPC of the SPC Acknowledgement (i) are within the SPC's corporate powers (ii) have been duly authorized by all necessary corporate and stockholder action, (iii) do not contravene the SPC's Certificate of Incorporation or by-laws, and (iv) do not contravene nor result in a default under, nor result in the creation of a Lien under, any law or contractual restriction binding on or affecting the SPC. This Agreement, the Note and the other Financing Agreements to which the Borrower is a party constitute valid, binding and legal obligations of the Borrower enforceable in accordance with their terms, the Guaranty constitutes the valid, binding and legal obligation of the Parent enforceable in accordance with its terms, and the SPC Acknowledgement constitutes the valid, binding and legal obligation of the SPC enforceable in accordance with its terms.

Section 4.3 Financial Condition.

The audited consolidated financial statements of the Parent and its subsidiaries (including the Borrower) dated as of June 30, 1995, and all interim financial statements previously delivered to Lender are complete and correct and such financial statements have been prepared in conformity with generally accepted accounting principles and practices consistently applied and fairly present the financial condition and results of operations of the Parent and the Borrower as of the date thereof (and for the period then ended) in conformity with such accounting principles and practices (subject, in the case of interim statements, to normal year-end adjustments). Since June 30, 1995, there has been no material adverse change in such financial condition or results of operation for the Parent and/or the Borrower.

Section 4.4 Litigation. There is no litigation, tax claim, proceeding or dispute pending or, to the Borrower's knowledge, threatened against the Borrower, the Parent, or the SPC, or affecting their respective properties or assets, which, if determined adversely to Borrower, the Parent, or the SPC as the case may be, (a) could reasonably be expected to adversely affect (i) the execution, delivery or enforceability of this Agreement or the other Financing Agreements, or (ii) the ability of Borrower to perform its obligations under this Agreement or any of the other Financing Agreements, or (b) could reasonably be expected to have a material adverse effect on the financial condition of the Borrower or the SPC.

Section 4.5 Compliance with Laws and Regulations. Borrower, the Parent and the SPC are in compliance with all laws, orders, regulations and ordinances of all Governmental Authorities relating to their business operations and assets.

Section 4.6 Title to Pledged Stock and Excess Receipts. (a) Attached as Exhibit C to the Existing

Loan Agreement dated June 20, 1995 is a true, complete and accurate copy of the Certificate of Incorporation of the SPC, which has not been amended since June 20, 1995. Borrower is the legal and beneficial owner of 100% of the Pledged Stock free and clear of any Lien except for (i)

Liens in favor of Lender created pursuant to the Secured Loan Agreements and (ii) Liens in favor of Greenwich Capital Financial Products, Inc. which are subordinated to the Liens of the Lender on terms agreed to by Lender in writing, and the SPC is the legal and beneficial holder of the Residual Interest free and clear of any Lien, and has the unencumbered right to receive the Excess Receipts. Such Pledged Stock represents 100% of the issued and outstanding stock of the SPC. After giving effect to the anticipated depletion to zero of the "Funding Account" (as defined in the Pooling and Servicing Agreement), the Residual Interest will be valued on the books and records of the SPC at \$6,151,029.03, and the Borrower's

interest in the Pledged Stock will be valued on the books and records of the Borrower at the sum of (x) the equivalent amount, plus (y) the current valuation of the Borrower's residual interests in the various trusts formed in connection with prior securitizations as referred to in the Existing

Loan Agreements.

Borrower has the right to vote the Pledged Stock and to pledge and grant a security interest in all of the Collateral to the Lender. Except as otherwise provided in the Pooling and Servicing Agreement or in the SPC's Certificate of Incorporation or in the Existing Loan Agreements, there are no restrictions upon any of the rights associated with, or the transfer of, any of the Collateral, which would interfere with the Lender's ability to exercise the Lender's rights and remedies hereunder. Borrower has no obligation to make capital contributions or make any other payments to the SPC with

respect to its interests, the non-payment of which would in any way create a right of offset from the SPC as against distributions otherwise payable to the Borrower. The SPC (i) has conducted no business other than the transactions evidenced by and contemplated (x) under the Purchase Agreement and the Pooling and Servicing Agreement, and (y) the "Purchase Agreement" and "Pooling and Servicing Agreement" (as each such term is defined in each Existing Loan Agreement), (ii) has no properties other than the Residual Interest and the "Residual Interest" (as defined in each Existing Loan Agreement) and (iii) has no Indebtedness to any third-parties (including Affiliates) except for any Indebtedness expressly created under the above-referenced agreements.

(b) Lender has a perfected, first-priority security interest in the Collateral constituting the Pledged Stock and any general intangibles relating thereto and no further action is required to perfect such security interest.

Section 4.7 No Defaults. No event has occurred and is continuing or would result from the making of a Loan which constitutes a Default or an Event of Default. Neither Borrower, Parent nor the SPC is in default under any loan or credit agreement or any other material agreement, lease or instrument to which they are parties or by which it or any of their properties are bound.

Section 4.8 Taxes. Each of Borrower and the Parent have filed all required federal and local tax returns and paid all material taxes due pursuant to said returns or any assessments against Borrower or Parent, as the case may be, except for those taxes being contested in good faith and for which adequate reserves have been provided on the books and records of Borrower or Parent, as the case may be.

Section 4.9 Margin Stock. None of

the proceeds of any Loan will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any "margin stock" within the meaning of Regulation G and Regulation X of the Board of Governors of the Federal Reserve System. Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying any such margin stock and no part of the proceeds of the Loans will be used to purchase or carry any such margin stock or for any other purpose that violates or is inconsistent with such Regulation G or Regulation X.

Section 4.10 Investment Company Act. Borrower is not an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

Section 4.11 Disclosure. No representation or warranty of Borrower contained in this Agreement or any certificate or similar instrument required to be furnished to Lender by or on behalf of Borrower in connection with the transactions contemplated by this Agreement contains or will contain any untrue statement of a material fact or omits to state a material fact (known to Borrower, in the case of any document not furnished by it) necessary in order to make the statements contained herein or therein not misleading.

Section 4.12 Chief Executive Office. Borrower's chief executive office and principal place of business are located at 525 Washington Street, Jersey City, New Jersey 07310, or, from and after the date hereof, at such other location with respect to which all necessary actions under Section 5.11 hereof have been performed.

Section 4.13 Pooling and Servicing Agreement. Attached hereto as Exhibit C is a true, complete and accurate copy of the Pooling and Servicing Agreement. There are no agreements written or otherwise, which would modify or otherwise affect the rights of the SPC under the Pooling and Servicing

Agreement. All of the representations and warranties made by the Borrower, the SPC or any Affiliates thereof in the aforementioned agreements are true and correct in all material respects and are hereby confirmed.

ARTICLE V

COVENANTS

Borrower covenants and agrees that, so long as any Obligations remain outstanding, and (even if there shall be no Obligations outstanding) so long as this Agreement remains in effect:

Section 5.1 Reports/Financial Information. Borrower shall deliver to Lender:

(a) As soon as practicable, and in any event within forty-five (45) days after the end of each calendar month, the consolidated balance sheet and income statement of Parent and its subsidiaries as at the end of such month, which for each month coinciding with the end of a calendar quarter shall set forth comparative figures for the related periods in the prior fiscal year, all of which shall be certified by the chief financial officer, chief accounting officer or chief executive officer of Borrower, subject to changes resulting from audit and normal year-end adjustments;

(b) As soon as practicable, and in any event within one-hundred-twenty (120) days after the end of each fiscal year of Parent, the consolidated balance sheet and income statement of Parent and its subsidiaries as at the end of such year, certified by independent certified public accountants of recognized national standing whose certification shall be without qualification as to the scope of audit, together with a certificate of such accounting firm stating that in the course of its regular audit of the business of the Parent and Borrower, which audit was conducted in accordance with generally

accepted auditing standards, such accounting firm has obtained no knowledge of any Default or Event of Default under Sections 5.1(a), (b), (f), 5.2(a), 5.6(a), 5.10 or 5.12 hereof which has occurred or is continuing or, if in the opinion of such accounting firm such a Default or Event of Default under the above-referenced Sections has occurred and is continuing, a statement as to the nature thereof;

(c) On or before the Report Date of each calendar month, a schedule of activity for the preceding calendar month, which sets forth (i) the aggregate outstanding principal amount of Receivables and of the Trust Certificates, (ii) a Cash Flow Valuation Report in the form attached hereto as Exhibit A, setting forth, among other things, the calculation of the Borrowing Base with supporting information in reasonable detail, (iii) copies of the monthly reports distributed to holders of the Trust Certificates pursuant to Section 5.09 of the Pooling and Servicing Agreement or any successor provisions and (iv) any other pertinent information reasonably requested by Lender.

(d) Promptly upon receipt thereof, copies of (i) any financial reports or other information required to be delivered by Borrower or the SPC or any other affiliate thereof pursuant to the terms of the Pooling and Servicing Agreement and (ii) any written reports, certifications or other material notices given to the Borrower, the SPC or any affiliate thereof by the Trustee, Servicer or Backup Servicer.

(e) Promptly, such other financial or portfolio information related to this Agreement or the Financing Agreements that Lender may reasonably request from time to time.

(f) As soon as practicable, and in any event within forty-five (45) days after the end of each fiscal quarter of Borrower, a

list of all agreements entered into by Borrower pursuant to which Borrower may (i) incur any Indebtedness to any Person in excess of \$100,000 or (ii) become the obligee with respect to any loan, advance or other Indebtedness of any Affiliate; such notice shall include the name and date of the agreement, the name of the counterparty, the maximum amount of Indebtedness thereunder, and a description of any security thereunder for such Indebtedness; provided, however, that after the occurrence and during the continuance of an Event of Default, the Borrower shall notify Lender immediately upon entering into any agreement described in this Section 5.1(f).

Section 5.2 Notices. Borrower shall give prompt written notice to Lender of:

(a) Any litigation, including, without limitation, adversary proceedings or contested matters brought by Parent, Borrower or by any other Person against Parent or Borrower (or any material change in such litigation), where the amount in controversy is \$100,000 or more and all litigation when the aggregate amounts in controversy equal or exceed \$500,000, or any other litigation or proceeding which Borrower deems material or which could materially and adversely affect the operations, financial condition or prospects of Parent and/or Borrower, and, if requested by Lender, deliver to Lender copies of all pleadings with respect to any such matters served on or filed by Parent or Borrower;

(b) Any Event of Default or Default and Borrower's proposed cure therefor; any such notice shall refer to this Agreement, describe such Event of Default or Default and state that such notice is a "Notice of Default"; and

Section 5.3 Corporate Existence. Borrower shall maintain and preserve its corporate existence and all rights, privileges and franchises now enjoyed, and conduct its business in accordance with the

terms of, and otherwise comply with, its formation documents. Borrower shall cause the SPC to maintain and preserve its corporate existence and all rights, privileges and franchises now enjoyed by it.

Section 5.4 Compliance with Law. Borrower shall, and shall cause the SPC to, comply in all material respects with all applicable laws, rules, regulations and orders.

Section 5.5 Compliance with Financing Agreements. Borrower shall comply promptly with any and all covenants and provisions of this Agreement, the Note and the other Financing Agreements, and shall cause the SPC and its other Affiliates to comply promptly with any and all covenants and provisions to be performed by such parties under the Pooling and Servicing Agreement.

Section 5.6 Books and Records; Right of Inspection. (a) Borrower shall, and shall cause the SPC to, maintain adequate books, accounts and records, and prepare all financial statements required hereunder in accordance with generally accepted accounting principles and, once per calendar year after reasonable notice, and at any time after the occurrence and during the continuance of an Event of Default, permit employees or agents of Lender at any reasonable time to inspect the properties of Borrower and the SPC and to examine or audit each of their books, accounts and records and make copies and memoranda thereof.

(b) Borrower shall maintain all records necessary for compliance with the exception to withholding for portfolio interest under Section 871(h) of the Internal Revenue Code.

Section 5.7 Further Assurances. (a) Borrower shall furnish to Lender such periodic, special, or other reports and information as reasonably requested by Lender.

(b) From time to time, at its own expense, Borrower will take whatever action is reasonably requested by Lender or its legal counsel to preserve, protect or perfect the security interest in the Collateral granted pursuant to Article VI, including, without limitation, executing UCC financing statements, endorsing notes, executing additional security documents or delivering possession of Collateral, and shall perform such acts as Lender shall reasonably deem necessary or appropriate to effectuate the purposes of this Agreement. Borrower will appear in and defend at its own expense any action or proceeding which may affect Borrower's title to the Collateral, the security interest granted hereunder or the SPC's title to the Excess Receipts and the Residual Interest.

Section 5.8 Maintenance of Insurance. (a) Borrower shall maintain and keep in force in adequate amounts insurance with responsible and reputable companies or implement and maintain a reasonable program of self-insurance, and accept no self-insurance risks which are substantially greater than those historically carried by Borrower.

(b) Borrower shall cause to be paid all annual insurance premiums with respect to the Risk Default Policy and the VSI Insurance Policy and shall take all other actions necessary or possible to be taken on its part in order to maintain the effectiveness of each such policy and the liability of the Insurer with respect thereto.

Section 5.9 Pooling and Servicing Agreement. Without the prior written consent of Lender, Borrower shall not, and shall not permit any of its affiliates to (i) amend, modify, restate, supplement, cancel or terminate the Pooling and Servicing Agreement, (ii) waive any of its rights under any provision thereof, (iii) consent to any deviation from the terms thereof or (iv) otherwise grant any consents provided for thereunder, or default in its obligations

thereunder.

Section 5.10 Merger;

Consolidation, Etc. Borrower shall not, and shall not permit the SPC to, liquidate, dissolve, merge into or consolidate with another entity; or sell, lease or otherwise dispose of all or a substantial portion of its business or assets, except for sales of loans not constituting Receivables in the ordinary course of its business. Borrower shall not permit the SPC to engage in any business other than the holding of the Residual Interest and the "Residual Interest" (as defined in each Existing Loan Agreement), nor to acquire any other assets nor incur any Indebtedness not expressly permitted under Section 4.6 hereof except that the SPC shall be permitted to hold residual interests which are substantially similar in nature to the Residual Interest and to incur any Indebtedness under any other pooling and servicing agreement which is substantially similar in nature to the Pooling and Servicing Agreement and to which the Lender has consented.

Section 5.11 Change of Principal Office. Borrower shall not (a) change the location of its chief executive office and principal place of business from Newport Tower, 525 Washington Street, Jersey City, New Jersey 07310 or (b) change its name, identity or corporate structure to such an extent that any financing statement filed in connection with this Agreement would become seriously misleading, unless Borrower shall have given Lender at least 30 days prior written notice thereof and prior to effecting any such change, taken such steps as Lender may deem necessary or desirable to continue the perfection and priority of the Liens in favor of Lender granted in connection herewith.

Section 5.12 Net Worth. The sum of the Parent's consolidated total assets minus the Parent's consolidated total liabilities (each determined in conformity with generally accepted accounting principles, consistently applied and without

duplication) shall not be less than \$15,000,000 as of the Initial Funding Date, and the greater of such amount or ten percent (10%) of Parent's consolidated assets (without duplication) on any subsequent date; provided, however that for purposes of this Section, the Collateral shall constitute an asset of Borrower and any assets which have been sold by any Person in a non-recourse sale to an unaffiliated third party in a securitization transaction shall not constitute assets of any such Person.

Section 5.13 Limited Business of SPC. The Borrower will take all actions which may be required on its part to ensure that the SPC engages in no business and incurs no Indebtedness or other liabilities other than that permitted under Section 4.6 and Section 5.10 above or and issues no capital stock or other equity interest in favor of any Person other than the Borrower.

ARTICLE VI

COLLATERAL

Section 6.1 Security Interest.

(a) To secure the prompt and complete payment, observance and performance of all of the

Secured Obligations,

Borrower hereby (1) reaffirms the grant of a security interest in the Collateral made under the Existing Loan Agreements and (2) pledges and grants to Lender a security interest in and assignment of all of Borrower's rights, title and interest in and to the following property and interests in property, whether now owned or existing or hereafter arising or acquired and wheresoever located and whether the same comprise accounts, instruments, securities, chattel paper or general intangibles (the "Collateral"):

(i) all of Borrower's rights in the Pledged Stock, and all of Borrower's rights, as a shareholder of the SPC, in and to the property (and interests in

property) that is owned by the SPC;

(ii) all warrants, options and other rights to acquire stock in the SPC and all of Borrower's rights, if any, to participate in the management of the SPC;

(iii) all rights, privileges, authority and powers of Borrower as owner or holder of its equity interest in the SPC, including, but not limited to, all general intangibles and contract rights related thereto;

(iv) all documents and certificates representing or evidencing Borrower's equity interest in the SPC;

(v) all of Borrower's interest in and to the profits and losses of the SPC and Borrower's right as a shareholder of the SPC to receive dividends on account of the SPC's capital stock or to receive distributions of the SPC's assets, upon complete or partial liquidation or otherwise;

(vi) all of Borrower's right, title and interest to receive payments of principal and interest on any loans and/or other extensions of credit made by Borrower or its Affiliates to the SPC, all other accounts and other rights to payment which may be owing by the SPC to Borrower, and any all instruments creating or evidencing such rights;

(vii) all distributions, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for, Borrower's interest in the SPC; and

(viii) any other right, title, interest, privilege, authority and power of Borrower in or relating to the SPC, all whether now existing or hereafter arising, and whether arising at law or in equity and any and all proceeds of

any of the foregoing and all books and records of Borrower pertaining to any of the foregoing.

(b) Pursuant to the Existing Loan Agreement dated June 20, 1995, Borrower has delivered to Lender all stock certificates evidencing the Collateral. If Borrower acquires (by dividend, purchase, additional contribution, reclassification or otherwise): (a) any additional stock, shares, units, options or warrants of stock in the SPC (whether or not certificated or otherwise evidenced in writing); (b) any subscriptions, warrants or any other rights or options issued in connection with any of the Collateral; or (c) any options, warrants or convertible securities in connection with the Collateral; (all of the foregoing being collectively referred to as the "Additional Interests"), then all such Additional Interests shall be promptly delivered to and held by the Lender (if the same are certificated) under the terms of this Agreement, accompanied by duly executed stock powers, instruments of transfer or assignments in blank, as applicable, all in form and substance satisfactory to the Lender, and the same shall constitute Collateral hereunder.

(c) Notwithstanding the foregoing, prior to the delivery of a Voting Notice (as defined below in this paragraph (c)), Borrower shall be entitled to exercise any and all voting rights pertaining to the Collateral (or any portion thereof), except as otherwise provided in Section 5.9 above. As used herein, the term "Voting Notice" means a written notice from the Lender to each of the Borrower and the SPC providing that the Lender may exercise all of the voting rights and powers described in subparagraph (a) of Section 6 hereof. Borrower hereby acknowledges and agrees that upon the receipt of a Voting Notice, the Lender shall be entitled to exercise all of said voting rights and powers and all of the Borrower's voting rights and powers shall immediately cease. Except as otherwise expressly provided herein, under no

circumstances shall the Lender have, or be deemed to have or have had, any right to exercise, or to direct Borrower to exercise, any voting, managerial, election or other rights of an owner of the Pledged Stock.

(d) All distributions by the SPC, all Additional Interests and other payments that are made, paid, issued, distributed or delivered by the SPC to Borrower in cash or otherwise shall be received in trust for the benefit of the Lender and shall be delivered to the Lender for application (i) to the extent such payments are attributable or allocable to Excess Receipts or other amount distributable in respect of the Residual Interest, in accordance with the terms of this Agreement; (ii) to the extent such payments are attributable or allocable to "Excess Receipts" or other amounts distributable to the Borrower in respect of

any "Class B Certificate" or "Residual Interest", as

such term is defined in any Existing Loan Agreement, in accordance with the terms of such Existing Loan Agreement; and (iii) to the extent such payments are attributable or allocable to similar amounts received in respect of any residual interest received under any similar transaction and in respect of which Lender has given value under any subsequent loan agreement with Borrower, in accordance with the terms of such other loan agreement.

Section 6.2 Perfection of the Security Interest. (a) Borrower agrees (i) promptly to deliver to the Lender or its designee, all certificates, instruments and other documents evidencing any portion of the Collateral, which may at any time come into the possession of the Borrower and in which a security interest may be perfected, (ii) to execute and deliver such notices of the

Lender's security interest in the Collateral (which notice shall be satisfactory in form and substance to the Lender and which may request acknowledgment from the addressee) to any third party designated by the Lender, (iii) to execute and deliver to the Lender such financing statements as the Lender may request with respect to the Collateral, (iv) to cause the SPC to indicate in its records the security interests granted hereby, in a manner satisfactory to the Lender, and (v) to take such other steps as the Lender may from time to time request in order to perfect the Lender's security interest in the Collateral under applicable law. Borrower agrees that this Agreement or a photocopy of this Agreement shall be sufficient as a financing statement to the extent permitted by applicable law.

Section 6.3 Power of Attorney.

Subject to the terms and provisions of this Agreement, at any time, without notice and at the expense of Borrower, Lender may, and Bor-

rower hereby appoints Lender its true attorney-in-fact (such agency being coupled with an interest) for such purposes.

(a) Upon the occurrence of an Event of Default, perform any obligation of Borrower hereunder in Borrower's name or otherwise;

(b) Upon the occurrence of any Event of Default, notify any Person obligated on any Collateral of the rights of Lender hereunder;

(c) Upon the occurrence of any Event of Default, enter into any extension, settlement or compromise agreement relating to or affecting the Collateral and, in connection therewith, to sell, transfer or dispose of any of the Collateral, and take such action as Lender may deem proper, and apply any money or property received in exchange for any of such Collateral to any of the

Secured Obligations;

(d) Upon the occurrence of any Event of Default, endorse, deliver evidence of title, enforce and collect by legal action or otherwise any of the Collateral;

(e) Upon the occurrence of any Event of Default, receive payment or performance in connection with any insurance claims, claims for breach of warranty or any other claims concerning any of the Collateral; and

(f) Upon the occurrence of any Event of Default, protect, defend and preserve the Collateral including, without limitation, filing or prosecution of any third party claim or other legal action or proceeding which Lender deems necessary to protect any of the rights, interests or priorities of Lender with respect to any of the Collateral.

ARTICLE VII

DEFAULT; REMEDIES

Section 7.1 Events of Default.

Upon the occurrence of any of the following events (each an "Event of Default"):

(a) Borrower fails to make any payment of principal of or interest on the Note, or payment of any other Obligation due hereunder, under the Note or under any other Financing Agreement on or before the date such payment is due;

(b) Any breach by Borrower in the due observance or performance of any covenant set forth in Sections 5.1 to 5.3 or 5.5 to 5.12, and such breach continues unremedied for five (5) Business Days after any officer of Borrower obtains knowledge thereof;

(c) Any breach by Borrower of any covenant, other than those covenants enumerated in Section 7.1 (a) or (b) of this Agreement, which remains unremedied for thirty (30) days after the date such breach occurs;

(d) Any representation or warranty made by Borrower under this Agreement or by Borrower or Parent under any other Financing Agreement or in any certificate, report, financial statement or other agreement, instrument or document furnished in connection with this Agreement or any other Financing Agreement shall prove to have been false or misleading in any material respect when made;

(e) Default in, or breach of, any provision of the SPC Acknowledgment by the SPC or by Borrower;

(f) Any representation or warranty made by Borrower, the SPC or any Affiliates in the Purchase Agreement or in the Pooling and Servicing Agreement or in any certificate or report a copy of which is delivered to Lender pursuant to this Agreement shall prove to have been false or misleading in any material respect when made;

(g) The occurrence of a default, breach or failure of condition by Borrower, any guarantor of the Obligations or Parent under any other Financing Agreement which (unless such default otherwise constitutes an Event of Default pursuant to the other provisions of this Section 7.1) is not remedied within the applicable cure period contained therein, if any;

(h) Any default by Borrower, any guarantor of the Obligations, the SPC or Parent after any applicable notice and cure period, shall occur under any Indebtedness with respect to which Borrower or Parent, as applicable, is a party as borrower or guarantor, provided, that any such default by Parent described in this subsection 7.01(h) shall not constitute an Event of Default

unless the aggregate Indebtedness owed under such agreement is greater than or equal to \$100,000;

(i) Borrower, the SPC, any guarantor of the Obligations or Parent shall generally not pay its debts as they become due or shall admit in writing its inability to pay its debts, or shall make a general assignment for the benefit of creditors;

(j) Borrower, the SPC, any guarantor of the Obligations, or Parent, shall (i) apply for or consent to the appointment of a receiver, trustee, custodian, intervenor or liquidator of it, or of all or a substantial part of its assets, (ii) file a voluntary petition in bankruptcy, (iii) file a petition or answer seeking reorganization or an arrangement with creditors, or to take advantage of any applicable liquidation, conservatorship bankruptcy, moratorium, arrangement, receivership, insolvency, reorganization or similar laws affecting the rights of creditors generally, (iv) file an answer admitting the material allegations of, or consent to, or default in answering, a petition filed against it in any bankruptcy, reorganization or insolvency proceeding, or (v) take corporate action for the purpose of effecting any of the foregoing;

(k) An involuntary petition or complaint shall be filed against Borrower, the SPC, any guarantor of the Obligations, or Parent, seeking bankruptcy or reorganization of such Person or the appointment of a receiver, custodian, trustee, intervenor or liquidator of such Person, or all or substantially all of its assets, and such petition or complaint shall not have been dismissed within sixty (60) days of the filing thereof; or an order, order for relief, judgment or decree shall be entered by any court of competent jurisdiction or other competent authority approving a petition or complaint seeking reorganization of such Person or appointing a receiver, custodian, trustee, intervenor or liquidator of such Person, or of all or substantially

all of its assets;

(l) Any final judgment or order for the payment of money in excess of \$100,000 shall be rendered against Borrower, the SPC or the Parent, and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) the same remains undischarged or unpaid for a period of sixty (60) days, during which period the execution of such judgment is not effectively stayed;

(m) (i) Any of the Financing Agreements, or any Lien or priority claim granted thereunder shall terminate, cease to be effective or cease to be the legal, valid, binding and enforceable obligation of Borrower, the SPC, Parent or any guarantor of the Obligations; (ii) Borrower or any of its Affiliates, shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability (it being understood that Borrower may, in good faith, question the accuracy of any mathematical calculation of an amount owed hereunder); or (iii) any Lien or priority claim securing the Secured Obligations shall cease to be effective and to be of first priority;

(n) Any Person shall levy on, seize or attach all or any material portion of the assets of Borrower, the SPC or Parent and within thirty (30) days thereafter such person shall not have dissolved such levy or attachment, as the case may be, and, if applicable, regained possession of such seized assets;

(o) the occurrence of a Change in Control;

(p) either the Risk Default Policy or the VSI Insurance Policy shall cease to be in full force and effect;

(r) an "Event of Backup Servicing Default" shall have occurred and been

continuing under the Pooling and Servicing Agreement; or

(s) this Agreement, the Note or any other Financing Agreement shall for any reason cease to be in full force and effect, or be declared null and void or unenforceable in whole or in part as the result of any action initiated by any Person other than Lender;

then, and in every such event and at any time thereafter during the continuance of such event, Lender may, at the same or different times, take one or more of the following actions:

(A) By notice to Borrower (which may be telephonic notice confirmed in writing) declare Lender's obligation to make any future Loans hereunder terminated and/or declare the occurrence of the Termination Date, whereupon, in each case, such obligations shall be terminated and/or the Termination Date shall have occurred; and

(B) By notice to Borrower, declare the unpaid principal amount and interest of the Loans and all other amounts payable by Borrower hereunder to be forthwith due and payable, whereupon such amounts shall become forthwith due and payable, both as to principal and interest, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Financing Agreements to the contrary notwithstanding.

Notwithstanding the foregoing, upon the occurrence of an Event of Default described in paragraph (j) or (k) of this Section 7.1, with respect to the Parent, the SPC or Borrower the actions described in paragraphs (A) and (B) above shall occur automatically without the requirement of giving of any notice to Borrower.

Section 7.2 Remedies. (a) Lender shall have all rights and remedies provided to Lender at law, in equity, under the Financing Agreements and under the Uniform Commercial Code as in effect in the State of New York (the "Code"), all of which rights and remedies shall be cumulative, and, in addition, upon the occurrence of any Event of Default, Lender may exercise any one or more of the following rights and remedies:

(i) Exercise all the rights and remedies available to secured parties under the provisions of the Code.

(ii) Institute legal proceedings to foreclose upon and against the Lien granted by the Financing Agreements to recover judgment for the Obligations and to collect the same out of any of the Collateral or the proceeds of any sale thereof.

(iii) Without being responsible for loss or damage to such Collateral beyond the responsibility to use reasonable care with respect to the Collateral, require delivery to Lender of any Collateral then being held by Borrower, sell and dispose of, or cause to be sold and disposed of, all or any part of the Collateral at one or more public or private sales, or other dispositions, at such places and times and on such terms and condi-

tions and in such order as Lender may deem fit, without any previous demand or advertisement but with reasonable notification to Borrower of any such sale or other disposal. Reasonable notification pursuant to this Section 7.2(a)(iii) shall be deemed to be written or telephonic notice at least ten (10) days prior to such public or private sale.

(b) Any notice of sale or other disposition, advertisement and other notice or demand, any right or equity of redemption and any obligation of a prospective purchaser to inquire as to the power and authority of Lender to sell or otherwise dispose of the Collateral or as to the application of the proceeds of sale or otherwise, which would otherwise be required by, or available to Borrower under, applicable law are hereby expressly waived by Borrower to the fullest extent permitted by such law.

(c) All moneys received or collected by Lender pursuant to this Agreement from and after an Event of Default shall be applied, at Lender's discretion, first to the payment of all costs incurred in the collection of such moneys (including reasonable attorneys' fees and legal expenses). All remaining amounts shall be applied pursuant to Section 2.5(b). The balance, if any, of such moneys remaining after payment in full of the Secured Obligations shall be remitted to Borrower or as otherwise directed by a court of competent jurisdiction.

(d) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Collateral may be effected, the Borrower agrees that, upon the occurrence and during the continuance of an Event of Default and without notice except as otherwise specified hereinabove, the Lender may attempt to sell all or any part of the Collateral by means of a private placement, restricting the bidders and prospective purchasers to those who are qualified and who will represent and agree that they are purchasing in accordance with an exemption from registration under the federal or state securities laws. In so doing, the Lender may solicit offers to buy the Collateral, or any part of it, for cash, from a limited number of institutional investors deemed by the Lender in its reasonable judgment to be financially

responsible parties who might be interested in purchasing such Collateral and, if the Lender solicits such offers from not less than four (4) such investors, the acceptance by the Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Collateral.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Amendments, etc. No amendment or waiver of any provision of this Agreement or the Note, nor consent to any departure by Borrower therefrom, shall be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 8.2 Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic or facsimile transmission) and mailed by registered mail, return receipt requested, or telexed, telecopied or hand delivered, (a) as to Lender:

III Finance Ltd.
c/o International Fund
Administration, Ltd.
48 Par-La-Ville Road, Suite 464
Hamilton, HM11 Bermuda
Telecopy:
(441)
295-9637
Confirmation:
(441)
295-4718
Attention: Rebecca Lewis

with a copy to:

III Offshore Advisors
250 South Australian Avenue, Suite
600
West Palm Beach, Florida 33401
Telecopy: (407) 655-6871

Confirmation: (407) 655-5885
Attention: Walter Lesbirel

(b) as to Borrower:

Aegis Auto Finance, Inc.
525 Washington Street, 29th Floor
Jersey City, New Jersey, 07310
Telecopy: (201) 418-7370
Confirmation: (201) 418-7379
Attention: Joseph Battiato

or (c) at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall be effective and deemed delivered only when received by the party to which it is sent; provided, however, that a telecopy transmission shall be deemed to be received when transmitted so long as the transmitting machine has provided an electronic confirmation of such transmission.

Section 8.3 Survival of Representations and Warranties. All representations and warranties made herein shall survive the execution, delivery and acceptance of this Agreement, the Note and the other Financing Agreements.

Section 8.4 No Waiver; Remedies. No failure on the part of Lender to exercise, and no delay in exercising any right hereunder or under the Note or any other Financing Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or under the Note 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 8.5 Costs and Expenses. Except as otherwise provided in the immediately subsequent sentence, each party hereto agrees to pay its own costs and expenses (including attorneys' and paralegals' fees and expenses) in connection with the execution and delivery of this Agreement, the Note and the other Financing

Agreements. Borrower agrees to pay (a) all costs and expenses incurred by Lender in maintaining, preserving or insuring any Collateral and (b) all costs and expenses of Lender (including reasonable attorneys' and paralegals' fees and expenses) in connection with the enforcement of this Agreement, the Note, the other Financing Agreements and/or the Lien on any of the Collateral. All of the costs, fees and expenses enumerated in the immediately preceding sentence shall constitute Obligations.

Section 8.6 Relationship; Indemnity. (a) The relationship of Borrower to the Lender under the Financing Agreements is, and shall at all times remain, solely that of borrower and lender; other than as set forth in Section 7.2(a)(iii), Lender does not undertake or assume any responsibility or duty to Borrower or to any third party with respect to the Collateral.

(b) Borrower hereby indemnifies and agrees to hold harmless Lender and its officers, directors, employees, attorneys and agents (collectively, the "Indemnified Parties") from any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action and other costs and expenses, including reasonable attorneys' fees, which any Indemnified Party may suffer or incur by or as a result of claims by third parties in any manner relating to or arising out of this Agreement or the other Financing Agreements, or any act, event or transaction related thereto, the making of Loans, the use or intended use of the proceeds of the Loans, or any of the other transactions contemplated by the Financing Agreements.

(c) Promptly after any Indemnified Party is served with process in connection with the commencement of any action, such Indemnified Party shall, if a claim against Borrower in respect thereof is to be made pursuant to this indemnification, notify Borrower of the commencement thereof. Borrower shall pay any Obligations arising under this indemnity to such Indemnified

Party immediately upon demand. The duty of Borrower to indemnify Lender shall survive the release and cancellation of this Agreement or any of the other Financing Agreements.

Section 8.7 Successors and Assigns; Assignment. This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, except that no Borrower shall have the right to assign its rights hereunder or any interest herein without the prior written consent of Lender. Lender, at its sole option, shall have the right to assign this Agreement, the Note and any of its rights and interest hereunder and thereunder.

Section 8.8 Registered Obligations. The Loans (including the Note evidencing the Loans) are registered obligations and the right, title and interest of Lender and its assigns (and of a Person who takes a participation in a Loan directly from Lender) in and to such Loan shall be transferrable only upon notation of such transfer in a registry (the "Registry") maintained to record the interest of Lender and its assigns (and such direct participants). A Note shall only evidence Lender's, or its assigns', right, title and interest in and to the related Loans, and in no event is any such Note to be considered a bearer instrument or obligation. This Section 8.8 shall be construed so that the Loans are at all times maintained in "registered form" within the meaning of Section 163(f), 871(h)(2) and 881(c)(2) of the IRC and any related regulations (or any successor provisions of the IRC or such regulations). Borrower shall maintain the Registry in which Borrower will register the Loans. No transfer by Lender or any of its assigns of (or direct participant with respect to) any of the Loans shall be permitted or effective unless and until recorded on the Registry. Any such transfer shall be made only by written application by the transferring Lender, its assigns, or participants to Borrower stating the name of

the proposed transferee. Borrower agrees that within five (5) Business Days after its receipt of such written notice, Borrower shall, at its own expense, record such transfer on the Registry and shall, if requested by Lender or the transferee, execute new Notes to the order of Lender and/or the transferee, as applicable, in exchange for the surrendered Note or Notes. Such new Note or Notes shall be in an aggregate principal amount equal to the unpaid aggregate principal amount of such surrendered Note or Notes, shall be dated the effective date of the assignment and shall otherwise be in substantially the form of Exhibit B.

Section 8.9 Binding Effect; Governing Law. This Agreement constitutes the complete and final expression of the parties' agreement with respect to the matters set forth herein and supersedes all oral negotiations and prior writings in respect of such matters. This Agreement and the Note shall be governed by, and construed in accordance with, the laws and decisions of the State of New York. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 8.10 WAIVER OF TRIAL BY JURY; SUBMISSION TO JURISDICTION. BORROWER AND LENDER EACH HEREBY AGREE TO WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY FINANCING AGREEMENT, WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE. BORROWER HEREBY CONSENTS TO THE JURISDICTION OF ANY LOCAL OR FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK AND WAIVES ANY OBJECTION WHICH BORROWER MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY PROCEEDING

IN ANY SUCH COURT; NOTHING IN THIS SECTION 8.10 SHALL AFFECT LENDER'S RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

Section 8.11 Term. This Agreement shall become effective when executed and delivered by the parties hereto and shall expire upon that date occurring on or after the Termination Date when Lender has received indefeasible payment in full in cash of the Obligations. Notwithstanding the foregoing, Borrower's agreement to indemnify Lender under Section 8.6 shall survive the termination of this Agreement.

Section 8.12 Headings. Article and Section headings in this Agreement are included for convenience of reference only and shall not affect any construction or interpretation of this Agreement.

Section 8.13 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

Section 8.14 Reference to and Effect Upon Existing Loan Agreements. The parties hereto agree that, to the extent the transactions evidenced hereby would not be permitted under the terms of the Existing Loan Agreements, the terms of the Existing Loan Agreements shall be waived to the extent, and solely to the extent, necessary to permit such transactions.

[Rest of Page Intentionally Left Blank]

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

III FINANCE

LTD.

By _____ Name:
Title:

AEGIS AUTO
FINANCE, INC.

By _____ Name:
Title:

The undersigned, Aegis Consumer Finance, Inc., a Delaware corporation, hereby acknowledges the foregoing Loan and Security Agreement (the "New AAF Loan Agreement") between Aegis Auto Finance, Inc. and III Finance, Ltd. and hereby agrees that: (i) such New AAF Loan Agreement shall constitute a "Secured Loan Agreement" within the meaning of the "Existing ACF Loan Agreements" (as such term is defined in the New AAF Loan Agreement) and (ii) the "Obligations" under the New AAF Loan Agreement shall be secured by all of the "Collateral" in which a security interest has been granted by the undersigned under the Existing ACF Loan Agreements.

AEGIS
CONSUMER FINANCE, INC.

By:

Title: _____

EXECUTION
COPY
(9/09/96)

LOAN AND SECURITY AGREEMENT

Dated as of
September 12, 1996

BETWEEN

AEGIS AUTO FINANCE, INC.
as Borrower

AND

III FINANCE LTD.
as Lender

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EXECUTION COPY

NOTE

U.S.
\$3,000,000.00

September 12, 1996

FOR VALUE RECEIVED, AEGIS AUTO
FINANCE, INC., a Delaware corporation
("Borrower") hereby promises to pay to III
FINANCE LTD., a
Cayman
Islands company
("Lender"), the principal amount of U.S.
FIVE
MILLION
DOLLARS AND ZERO CENTS

(\$3,000,000.00)

or, if less, the unpaid
principal amount of the Loans made by Lender
to Borrower under that certain Loan and
Security Agreement dated as of
September 12,
1996

between Borrower and Lender (as amended,
restated, supplemented or otherwise modified
from time to time, the "Loan Agreement"), on
the Termination Date, and to pay interest on
the unpaid principal balance hereof at the
rates and at the times set forth in the Loan
Agreement. Capitalized terms used herein
without definition are used as defined in the
Loan Agreement.

Interest shall be paid monthly in
arrears on each Payment Date of each month on

the principal amount outstanding hereunder at the rate of twelve percent (12%) per annum, calculated on the basis of a 360-day year for the actual number of days elapsed, and on the date of any prepayment of principal on the Note on the principal amount so prepaid.

Upon the occurrence and during the continuance of an Event of Default, the interest rate shall be increased by two percent (2.00%) per annum above the rate of interest otherwise applicable. In no event shall the interest payable hereunder exceed the Maximum Rate.

This Note is referred to in, is issued pursuant to, and is entitled to the benefits of, the Loan Agreement, to which reference is hereby made for a more complete statement of the terms and conditions under which the Loans evidenced hereby are made and are to be repaid.

This Note is a registered obligation (as more particularly described in Section 8.8 of the Loan Agreement), and it is the intent of the parties to the Loan Agreement that the Loans be maintained in "registered form" within the meaning of Section 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code.

Upon and after the occurrence of an Event of Default, this Note may, as provided in the Loan Agreement, without demand, notice or legal process of any kind, be declared, and immediately shall become, due and payable. The Loan Agreement also contains provisions for optional and mandatory prepayments on account of the principal hereof prior to maturity upon the terms and conditions specified therein.

All payments of principal of and interest on this Note shall be made to Lender at such account as Lender shall in writing direct Borrower, in immediately available funds and in currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

Borrower promises to pay all costs and expenses, including reasonable attorneys' fees and disbursements incurred in the collection and enforcement of this Note or any appeal of a judgment rendered thereon, all in accordance with the provisions of the Loan Agreement. Borrower hereby waives diligence, presentment, protest, demand and notice of every kind except as required pursuant to the Loan Agreement and to the full extent permitted by law the right to plead any statute of limitations as a defense to any demands hereunder.

This Note is secured by all Collateral securing the Secured Obligations pursuant to the Loan Agreement and the other Financing Agreements.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

AEGIS AUTO
FINANCE, INC.

By _____ Name:
Title:

228216

November 13, 1996 (7:8p)

EXHIBIT 10.99

AEGIS AUTO FUNDING CORP.,
a Delaware Corporation, Seller

and

NORWEST BANK MINNESOTA, NATIONAL
ASSOCIATION,
Trustee and Backup Servicer

POOLING AND SERVICING AGREEMENT

Dated as of September 1, 1996

\$17,561,371.61

AEGIS AUTO RECEIVABLES TRUST 1996-A

AUTOMOBILE RECEIVABLE PASS-THROUGH
CERTIFICATES

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POOLING AND SERVICING AGREEMENT

Dated as of September 1, 1996

This POOLING AND SERVICING AGREEMENT, dated as of September 1, 1996, is made among AEGIS AUTO FUNDING CORP., a Delaware corporation, as Seller, NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, as Backup Servicer, and NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, as Trustee for the Trust.

WITNESSETH THAT, in consideration of the mutual agreements herein contained, each party agrees as follows for the benefit of the other parties and for the benefit of the Certificateholders and the other beneficiaries to the extent provided herein:

ARTICLE I

INTRODUCTION

Section 1.01. Definitions. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

"Accounts" shall mean the accounts and funds identified in Section 5.01 hereof.

"Aegis Finance" means Aegis Auto Finance, Inc., a Delaware corporation, its successors and assigns.

"Aegis Finance Servicing Agreement" means the Servicing Agreement dated as of September 1, 1996 among Aegis Finance, the Backup Servicer and the Trustee, and all amendments, modifications and supplements thereto.

"Affiliate" of any Person means any other Person which, directly or indirectly, controls, is controlled by or is under common control with such Person. A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power

(a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or

(b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agreement" means this Pooling and Servicing Agreement executed by the Seller, the Backup Servicer and the Trustee, and all amendments, modifications and supplements thereto.

"ALFI" means American Lenders Facilities, Inc., a California corporation, its successors and assigns.

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

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

"Available Interest Distribution Amount" means, for any Distribution Date, the sum of the following amounts with respect to the preceding Collection Period: (i) that portion of all collections of Scheduled Payments on Receivables allocable to

interest; (ii) Liquidation Proceeds and other Recoveries to the extent allocable to interest due on Liquidated Receivables and Defaulted Receivables in accordance with the Servicer's customary servicing procedures; (iii) Risk Default Insurance Proceeds to the extent allocable to interest as determined by the Servicer; and (iv) the Purchase Amount of each Receivable that became a Purchased Receivable during the related Collection Period to the extent attributable to accrued interest thereon; provided, however, that in calculating the Available Interest Distribution Amount the following will be excluded: all payments and proceeds (including Liquidation Proceeds) of any Purchased Receivables the Purchase Amount of which has been included in the Principal Distributable Amount with respect to a prior Distribution Date.

"Available Principal Distribution Amount" means, for any Distribution Date, the sum of the following amounts with respect to the preceding Collection Period: (i) that portion of all collections of Scheduled Payments and prepayments in full or in part on Receivables allocable to principal; (ii) Liquidation Proceeds and other Recoveries allocable to the principal amount of Liquidated Receivables and Defaulted Receivables in accordance with the Servicer's customary servicing procedures; (iii) Risk Default Insurance Proceeds to the extent not allocable to interest as determined by the Servicer; (iv) amounts deposited in the Collection Account pursuant to Section 3.02(b) in respect of Receivables that became Substitute Receivables during the related Collection Period; and (v) to the extent attributable to principal, the Purchase Amount of each Receivable that became a Purchased Receivable during the preceding Collection Period; provided, however, that in calculating the Available Principal Distribution Amount the following will be excluded: all payments and proceeds (including Liquidation Proceeds) of any Purchased Receivables the Purchase Amount of which has been included in the Principal Distributable Amount with respect to a prior Distribution Date.

"Backup Servicer" means Norwest Bank Minnesota, National Association, until any successor Backup Servicer is appointed or succeeds to the duties and obligations of the Backup Servicer hereunder, and thereafter means the Eligible Servicer appointed successor Backup Servicer pursuant to Section 9.02 or 10.02.

"Backup Servicer Fee" means the fee payable to the Backup Servicer for services rendered during the respective Collection Period, determined in accordance with Exhibit G hereto.

"Bankruptcy Code" means the federal Bankruptcy Code of 1978, as amended, 11 USC SECS 101 through 1330.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banking institutions in the cities in

which the principal offices of the Trustee or the Servicer are located, or New York, New York, or Jersey City, New Jersey shall be authorized or obligated by law, executive order, or governmental decree to be closed. Any action required to be taken on a day which falls on a non-Business Day shall be conducted on the next Business Day.

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

"Certificate Account" means the trust account designated as such, established and maintained pursuant to Section 5.01.

"Certificate Balance" shall equal, initially, the aggregate Principal Balance of the Receivables as of the Cutoff Date and, thereafter, the initial Certificate Balance, reduced by all amounts previously distributed to Certificateholders as principal.

"Certificate Factor" means, with respect to any Distribution Date, a seven-digit decimal figure computed by the Trustee equal to the aggregate Certificate Balance of the Certificates as of such Distribution Date divided by the aggregate Original Certificate Balance of the Certificates.

"Certificate Owner" means, with respect to any Certificate held in book-entry form, the Person who is the beneficial owner of such Certificate, as reflected on the books of the Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Certificate Register" and "Certificate Registrar" mean the register maintained and the registrar appointed pursuant to Section 7.03.

"Certificateholder" or "Holder" means the Person in whose name the respective Certificate shall be registered in the Certificate Register, except that, solely for the purposes of giving any approval, consent, waiver, request or demand pursuant to this Agreement, the interest evidenced by any Certificate registered in the name of the Seller, the Servicer, the Backup Servicer, the Trustee or any Affiliate of any of the foregoing shall not be taken into account in determining whether the requisite percentage necessary to effect any such consent, waiver, request or demand shall have been obtained.

"Certificateholder Statement" means the Statement the form of which is attached hereto as Exhibit B.

"Clearing Agency" means an organization registered as a

"clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" means September 30, 1996.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collection Account" means the trust account designated as such, established and maintained pursuant to Section 5.01.

"Collection Period" means, with respect to a Distribution Date, the calendar month immediately prior to such Distribution Date. Any amount stated "as of the close of business of the last day of a Collection Period" shall give effect to the following calculations as determined as of the end of the day on such last day: (1) all applications of collections, and (2) all distributions.

"Corporate Trust Office" means the office of the Trustee at which its corporate trust business shall be administered, which office at the date of this Agreement shall be 6th Street and Marquette Avenue, Minneapolis, Minnesota 55479-0070, Attention: Corporate Trust Services --Asset Backed Administration, or such other address as shall be designated by the Trustee in written notice to the Seller, the Backup Servicer, the Servicer and each Certificateholder.

"Custodian" means the Person acting as Custodian of the Trust pursuant to Section 3.03 of this Agreement, its successor in interest and any successor custodian.

"Custodian Files" means the documents specified in Section 3.03(a).

"Cutoff Date" means September 24, 1996.

"DCR" means Duff & Phelps Credit Rating Co. or any successors thereto.

"Dealer" means any licensed or franchised factory-authorized motor vehicle dealer, or affiliate thereof, who sold a Financed Vehicle to an Obligor and who originated the respective Receivable which was acquired by Aegis Finance.

"Dealer Recourse" means, with respect to a Receivable, all recourse rights against the Dealer that originated the Receivable, and any successor Dealer.

"Defaulted Receivable" means any Receivable, other than a Liquidated Receivable, as to which the Obligor became 180 days past due in making Scheduled Payments during the prior Collection Period.

"Depository Agreement" means an agreement entered among the Seller, the Trustee and a Clearing Agency, in connection with the issuance of the Certificates in book-entry form.

"Determination Date" means, with respect to any Distribution Date, the eighth (8th) Business Day of the calendar month of such Distribution Date; provided, however, if such Business Day is later than the eleventh (11th) day of such month, then the Determination Date shall mean the next earlier Business Day which is not later than the eleventh (11th) day of such calendar month.

"Dissolution" means, with respect to the Seller, bankruptcy, insolvency or dissolution.

"Distributable Amount" means, on any Distribution Date, the sum of the Interest Distributable Amount and the Principal Distributable Amount.

"Distribution Date" means, for each Collection Period, the 20th day of the month following the month in which the Collection Period ends, or if the 20th day is not a Business Day, the next following Business Day, beginning on the Initial Distribution Date.

"Eligible Account" means a segregated account (except as otherwise permitted with respect to the Lock-Box Account) which may be an account maintained with the Trustee, which is either (a) maintained with an Eligible Institution, or (b) a segregated trust account or similar account maintained with a federally or state chartered depository institution subject to regulations regarding fiduciary funds on deposit substantially similar to 12 C.F.R. SECS 9.10(b).

"Eligible Institution" means a depository institution or trust company whose long-term unsecured debt obligations are rated at least "A" by each Rating Agency and either "A" by S&P or "A2" by Moody's (provided that, if only one such rating agency rates such institution, such single rating shall suffice).

"Eligible Investments" means negotiable instruments or securities or other investments (a) which, except in the case of demand or time deposits, investments in money market funds and repurchase obligations, are represented by instruments in bearer or registered form or ownership of which is represented by book

entries by a clearing agency or by a Federal Reserve Bank in favor of depository institutions eligible to have an account with such Federal Reserve Bank who hold such investments on behalf of their customers and (b) which evidence:

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

(ii) demand deposits, time deposits or certificates of deposit of depository institutions or trust companies incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking or depository institution authorities; provided, however, that at the time of the Trust's investment or contractual commitment to invest therein, the short-term unsecured debt obligations of such depository institution or trust company shall have credit ratings from each Rating Agency and either S&P or Moody's in the highest investment category granted by each Rating Agency (and S&P or Moody's, as applicable);

(iii) commercial paper having, at the time of the Trust's investment or contractual commitment to invest therein, a rating from each Rating Agency and either S&P or Moody's in the highest investment category by each Rating Agency (and S&P or Moody's, as applicable);

(iv) bankers' acceptances issued by any depository institution or trust company referred to in (ii) above;

(v) investments in money market funds having the highest investment category from each Rating Agency or, if not rated by each Rating Agency or there is no Rating Agency, either S&P or Moody's (provided that, for purposes of this definition, such investments may include money market funds sponsored by Norwest Bank Minnesota, National Association, that have a credit rating from either S&P or Moody's);

(vi) time deposits (having maturities of not more than 30 days) or notes which are payable on demand by an entity the commercial paper of which has the highest investment category granted by each Rating Agency and either S&P or Moody's; and

(vii) repurchase obligations with respect to any security described in clause (i) above entered into with a depository institution or trust company (acting as principal) meeting the rating standards described in clause (ii) above.

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

"Eligible Servicer" means any entity which, at the time of its appointment as Backup Servicer, supervisory servicer, Servicer or subservicer, and for so long as such entity is acting in such capacity, (i) is servicing a portfolio of motor vehicle retail installment sale contracts or motor vehicle loans, (ii) is legally qualified (or is acting through an Affiliate which is legally qualified) and has the capacity to service the Receivables, (iii) has demonstrated the ability to professionally and competently service a portfolio of similar contracts in accordance with industry standards of skill and care, (iv) is qualified and entitled to use, and agrees to maintain the confidentiality of, the software that the Backup Servicer, supervisory servicer, Servicer or a subservicer uses in connection with performing its duties and responsibilities under this Agreement, a supervisory servicing agreement, the Servicing Agreement or a subservicing agreement or obtains rights to use or develops its own software which is adequate to perform its duties and responsibilities under this Agreement, a supervisory servicing agreement, the Servicing Agreement or a subservicing agreement and (v) is approved by the Risk Default Insurer.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Event of Backup Servicing Default" with respect to the Backup Servicer means an event specified in Section 10.01.

"Event of Servicing Default" means an event specified in paragraph VI of the Servicing Agreement.

"Excess Receipts" means, with respect to any Distribution Date, the greater of (x) zero and (y) the remaining amount on deposit in the Collection Account after distributions pursuant to Section 5.06(d) (i) through (iii) have been made.

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

"Final Scheduled Distribution Date" means May 20, 2002.

"Financed Vehicle" means an automobile or light-duty truck, together with all accessions thereto, securing an Obligor's indebtedness under the respective Receivable.

"Fitch" means Fitch Investors Service, L.P.

"Initial Distribution Date" means October 21, 1996.

"Insurance Policy" means, with respect to a Receivable, any comprehensive, collision, fire and theft insurance policy required to be maintained by the Obligor with respect to the Financed Vehicle, the VSI Insurance Policy, and any credit life and disability insurance maintained by the Obligor or Seller and benefitting the holder of the Receivable.

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

"Interest Distributable Amount" means, (i) for any Distribution Date (other than the Initial Distribution Date), one-twelfth of the product of (x) the Pass-Through Rate and (y) the aggregate Certificate Balance as of the close of business on the preceding Distribution Date (after giving effect to any distribution of principal on the Certificates made on such preceding Distribution Date) and (ii) for the Initial Distribution Date, 1/360th of the product of the Pass-Through Rate and the aggregate Certificate Balance as of the Closing Date.

"Lien" means a security interest, lien, charge, pledge, equity or encumbrance of any kind.

"Liquidated Receivable" means any Receivable, other than a Receivable that first became a Defaulted Receivable, liquidated by the Servicer through sale of the Financed Vehicle or otherwise.

"Liquidation Proceeds" means the moneys collected during the respective Collection Period on a Liquidated Receivable, whether through foreclosure or otherwise, other than Risk Default Insurance Proceeds, net of the sum of any amounts expended by the Servicer for the account of the Obligor and the expenses incurred in the liquidation.

"Lock-Box Account" means the account(s) designated as such, established and maintained pursuant to Section 5.01 hereof, into which account shall be deposited only those moneys collected with respect to the Receivables as contemplated herein and moneys collected with respect to other retail installment sales contracts originated or purchased by Aegis Finance or its Affiliates.

"Lock-Box Account Depository" means Wells Fargo Bank, N.A., acting as Lock-Box Account Depository hereunder, its successors in interest and any successors appointed pursuant to

paragraph IX of the Servicing Agreement.

"Majority Certificateholders" means Holders of Certificates evidencing not less than 51% of the Voting Interests thereof.

"Miscellaneous Servicer Collections" means, with respect to a Collection Period, all late charges, extension fees and recoveries of expenses relating to liquidation, repossession and other costs previously incurred by the Servicer.

"Monthly Servicing Certificate" means the certificate substantially in the form of Schedule B to the Servicing Agreement.

"Moody's" means Moody's Investors Service or any successors thereto.

"Net Loss" means, with respect to a Collection Period, the sum of the Principal Balances of Receivables that became Liquidated Receivables or Defaulted Receivables during such Collection Period, minus Recoveries and Risk Default Insurance Proceeds (to the extent allocable to principal) received in such Collection Period.

"Obligor" means, with respect to a Receivable, the purchaser or co-purchasers of the Financed Vehicle and/or any other Person who owes payments under such Receivable.

"Officer's Certificate" means a certificate signed by the chairman of the board, the president, any vice chairman of the board, any vice president, any assistant vice president, any trust officer, the treasurer, the controller or any assistant treasurer or any assistant controller of the Seller, the Trustee, the Servicer, the Custodian or the Backup Servicer, as appropriate.

"Opinion of Counsel" means a written opinion of counsel who may but need not be counsel to the Seller or Servicer, which counsel shall be acceptable to the Trustee.

"Optional Purchase Percentage" means 10% of the Original Pool Balance.

"Original Certificate Balance" means, as to any Certificate, the initial certificate balance stated on the face of such Certificate.

"Original Pool Balance" means the initial Principal Balance of all Receivables as of the Cutoff Date.

"Pass-Through Rate" means 9.00% per annum.

"Percentage Interest" means, with respect to any

Certificate, the percentage ownership interest of such Certificate in the aggregate of amounts distributable hereunder to the Certificates. With respect to any Certificate, the Percentage Interest evidenced thereby shall equal the Original Certificate Balance thereof divided by the aggregate Original Certificate Balance of the Certificates.

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

"Plan" shall have the meaning set forth in Section 7.03.

"Pool Balance" means, as of the day of calculation, the aggregate Principal Balance of the Receivables less Net Losses.

"Pool Factor" means, as of any Distribution Date, a seven-digit decimal figure equal to the Pool Balance for such Distribution Date divided by the Original Pool Balance.

"Principal Balance" means, with respect to any Receivable at any time, the Amount Financed minus the sum of (a) the portion of all payments made by or on behalf of the related Obligor and allocable to principal using the Simple Interest Method and (b) the portion of any payment of the Purchase Amount with respect to the Receivable allocable to principal, calculated as of the close of business on the last day of the prior Collection Period (or, prior to the end of the first Collection Period, calculated as of the close of business on the day immediately prior to the Cutoff Date).

"Principal Carryover Shortfall" means, as of the close of any Distribution Date, the excess of the Principal Distributable Amount plus any outstanding Principal Carryover Shortfall from the preceding Distribution Date over the amount of principal that the holders of the Certificates actually received on such Distribution Date pursuant to Section 5.06.

"Principal Distributable Amount" means, with respect to any Distribution Date the sum of: (i) the portion of all Scheduled Payments allocable to principal (including delinquent payments) collected during the preceding Collection Period on the Receivables, (ii) the principal portion of all prepayments in full or in part received during the preceding Collection Period (without duplication of amounts included in clause (i) above); (iii) the Principal Balance of each Receivable that became a Purchased Receivable during the preceding Collection Period (without duplication of amounts referred to in clauses (i) and (ii) above); (iv) the Principal Balance of each Receivable that became a Liquidated Receivable during the preceding Collection Period

(without duplication of amounts included in clause (i), (ii) and (iii) above), and (v) the Principal Balance of each Receivable that became a Defaulted Receivable during the preceding Collection Period (without duplication of amounts included in clause (i), (ii), (iii) and (iv) above); provided, however, that in calculating the Principal Distributable Amount the following will be excluded: all payments and proceeds of any Purchased Receivables the Purchase Amount of which has been included in the Principal Distributable Amount in a prior Collection Period. Further, with respect to the Distribution Date following the substitution of a Receivable pursuant to Section 3.02, the principal required to be distributed to Certificateholders shall include the difference, if any, between the outstanding Principal Balance of the replaced Receivable and the outstanding Principal Balance of the substitute Receivable.

"Purchase Agreement" means Purchase Agreement dated as of September 1, 1996 between the Seller, as purchaser, and Aegis Finance, as seller of the Receivables.

"Purchase Amount" means the amount, as of the close of business on the last day of a Collection Period, required to prepay in full the respective Receivable under the terms thereof, including the principal amount thereof and interest to the end of the Collection Period.

"Purchased Receivable" means a Receivable purchased as of the close of business on the last day of a Collection Period by the Seller or by Aegis Finance on behalf of the Seller pursuant to the Purchase Agreement.

"Rated Certificates" means the Certificates if rated by a Rating Agency at the request of the Seller.

"Rated Entity" shall mean a Person whose long-term unsecured debt obligations (at the time of the transfer under Section 7.03) are rated within the investment grade categories of either Moody's, S&P, Fitch or DCR.

"Rating Agency" means each statistical credit rating agency, if any, or its successor, that rates any of the Certificates at the request of the Seller. If such agency or a successor is no longer in existence, "Rating Agency" shall be such statistical credit rating agency, or other comparable Person, designated by the Seller, notice of which designation shall be given to the Trustee.

"Receivable" means any retail installment sales contract and security agreement identified on Exhibit C hereto.

"Record Date" means the last day of the Collection Period preceding a Distribution Date or termination of the Trust.

"Recoveries" means all amounts received (net of out-of-pocket costs of collection), other than Risk Default Insurance Proceeds, with respect to Defaulted Receivables and Liquidated Receivables.

"Required Deposit Rating" means a rating of an institution which has either short-term deposits of "P-1" by Moody's, or short-term deposits of "A-1+" by S&P, and short-term deposits of "D-1+" by DCR, if rated by DCR; and any requirement that deposits have the "Required Deposit Rating" shall mean that such deposits have the foregoing required ratings first, by DCR, or second, by Moody's or S&P.

"Reserve Fund" means the fund established and maintained pursuant to Section 5.07 hereof outside of the Trust.

"Reserve Fund Draw" has the meaning set forth in Section 5.07(f).

"Reserve Fund Initial Deposit" means \$878,068.58, an amount equal to 5.0% of the Principal Balance of the Receivables as of the Cutoff Date, which amount shall be deposited in the Reserve Fund on the date of the initial issuance of the Certificates pursuant to Section 5.07 hereof.

"Reserve Fund Property" has the meaning specified in Section 5.07(c).

"Reserve Requirement" means, as of any Distribution Date, after giving effect to distributions of principal on such date, an amount equal to the greater of:

- (1) Ten percent (10%) of the Pool Balance; or
- (2) the lesser of \$351,228 and the aggregate Principal Balance of the Receivables.

"Residual Interest" means the right of the Seller to all distributions from, and assets of, the Trust, after payment in full of the fees and expenses of the Backup Servicer, the Servicer, the Trustee and the Custodian and payment in full of the Certificates upon termination of this Agreement.

"Retention Amount" means the insured's deductible (initially equal to 9.5% of the aggregate insured portion of the Amount Financed of the Receivables) under the terms of the Risk Default Policy as described therein.

"Risk Default Insurance Policy" or "Risk Default Policy" means the insurance policy listed on Exhibit H issued by the Risk Default Insurer to the Trustee for the benefit of the Trust as named

insured thereunder, including all endorsements thereto, the original of which policy and endorsements shall be delivered to the Custodian on or prior to the Closing Date.

"Risk Default Insurance Proceeds" means the proceeds received by the Trustee, the Backup Servicer, the Servicer, the insured or any other Person under the Risk Default Policy, which proceeds shall include allocations to principal and interest as determined by the Servicer.

"Risk Default Insurer" means The Connecticut Indemnity Company, its successors and assigns.

"Schedule of Receivables" means the list of Receivables annexed hereto as Exhibit C.

"Scheduled Payment" means the fixed payment required to be made by the Obligor during the respective Collection Period sufficient to fully amortize the Principal Balance under the Simple Interest Method over the term of the Receivable and to provide interest at the applicable APR, including any delinquent payment; provided, however, that "Scheduled Payment" does not include Miscellaneous Servicer Collections.

"Securities Act" shall have the meaning set forth in Section 7.03.

"Seller" means Aegis Auto Funding Corp., a Delaware corporation, as the seller of the Receivables to the Trust under this Agreement, and its successors (in the same capacity) pursuant to Section 8.03.

"Servicer" means Aegis Finance, as servicer of the Receivables pursuant to the Servicing Agreement or any other Eligible Servicer acting as servicer pursuant to the Servicing Agreement in accordance with Section 4.01, as the context may require.

"Servicer Files" shall have the meaning set forth in Section 3.03(b).

"Servicing Agreement" means the Aegis Finance Servicing Agreement or another servicing agreement entered into by the Backup Servicer and the Trustee with an Eligible Servicer which shall be substantially in the form of the Aegis Finance Servicing Agreement or such other form as shall be approved by the Majority Certificateholders.

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

"Servicing Officer" means any officer of the Servicer involved in, or responsible for, the administration and servicing of Receivables whose name appears on a list of servicing officers attached to an Officer's Certificate furnished to the Trustee by the Servicer, as such list may be amended from time to time.

"Simple Interest Method" means 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 APR multiplied by the unpaid principal balance multiplied by a fraction the numerator of which is the number of days elapsed since the preceding payment was made and the denominator of which is 365.

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

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successors thereto.

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

"Substitute Receivable" means any replacement Receivable substituted for another Receivable in accordance with Section 3.02(b).

"Temporary Agent" means American Lenders Facilities, Inc., as temporary agent for the Custodian.

"Total Available Distribution Amount" means, for each Distribution Date, the sum of the Available Interest Distribution Amount, the Available Principal Distribution Amount and the Miscellaneous Servicer Collections.

"Transition Costs" means an amount necessary to reimburse the successor to the Servicer, the Trustee or the Backup Servicer, as the case may be, for reasonable costs and expenses incurred in connection with such transition(s).

"Trust" means the Aegis Auto Receivables Trust 1996-A created by this Agreement, the estate of which shall consist of the Trust Property.

"Trust Property" shall have the meaning set forth in Section 2.01(c).

"Trustee" means the Person acting as Trustee of the Trust under this Agreement, its successor in interest and any successor trustee pursuant to Section 11.10.

"Trustee Officer" means any vice president or assistant vice president, any assistant secretary, any trust officer or any other officer of the Corporate Trust Department of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Trustee's Certificate" means a certificate completed and executed by the Trustee by a Trustee Officer pursuant to Section 11.02, substantially in the form of, in the case of an assignment to the Seller, Exhibit M.

"UCC" means the Uniform Commercial Code as in effect from time to time in the relevant jurisdictions.

"Underwriting Guidelines" means the underwriting guidelines of Aegis Finance with respect to each of its programs, a copy of which is annexed to the Risk Default Insurance Policy.

"Vendor's Single Interest Physical Damage Insurance Policy" means the insurance policy listed on Exhibit I issued by the VSI Insurer, including all endorsements thereto.

"Voting Interests" means the portion of the voting interests of all the Certificates that is allocated to any Certificate for purposes of the voting provisions of this Agreement. Voting Interests shall be allocated among the Certificates in proportion to their Certificate Balances. Where the Voting Interests are relevant in determining whether the vote of the requisite percentage of the Certificateholders necessary to effect any consent, waiver, request or demand shall have been obtained, the Voting Interests shall be deemed to be reduced by the amount equal to the Voting Interests (without giving effect to this provision) represented by the interests evidenced by any Certificate registered in the name of the Servicer, Aegis Finance, the Seller or any Person known to a Trustee Officer to be an Affiliate of any such foregoing entities, unless such entity owns all affected Certificates.

"VSI Insurance Policy" means Vendor's Single Interest Physical Damage Insurance Policy.

"VSI Insurer" means Guaranty National Insurance Company.

Section 1.02. Usage of Terms. With respect to all terms in this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to "writing" include printing, typing, lithography and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Agreement; references to Persons include their permitted successors and assigns; and the term "including" means "including without limitation."

Section 1.03. Record Date. All references to the Record Date prior to the first Record Date in the life of the Trust shall be to the Closing Date.

Section 1.04. Section References. Unless otherwise indicated, all section references shall be to Sections in this Agreement.

ARTICLE II

CREATION OF TRUST

Upon the execution by the parties hereto, there is hereby created the Aegis Auto Receivables Trust 1996-A. The situs and administration of the Trust shall be in Minneapolis, Minnesota or in such other city in which the Corporate Trust Office is located from time to time.

Section 2.01. Conveyance and Acceptance by Trustee.

(a) In consideration of the Trustee's delivery of the Certificates to or upon the order of the Seller in an aggregate principal amount equal to the aggregate Principal Balance of the Receivables, the Seller does hereby irrevocably sell, assign, and otherwise convey to the Trustee, in trust for the benefit of the Certificateholders, without recourse (subject to the obligations herein):

(i) all right, title and interest of the Seller in and to the Receivables identified on Exhibit C, all moneys received thereon on and after the Cutoff Date allocable to principal, and all moneys received thereon allocable to interest accrued from and including the Cutoff Date;

(ii) the interest of the Seller in the security interests in the Financed Vehicles granted by the Obligors pursuant to the Receivables;

(iii) the interest of the Seller in any Risk Default Insurance Proceeds and any proceeds from claims on any Insurance Policies (including the VSI Insurance Policy) covering the Receivables, the Financed Vehicles or the Obligors from the Cutoff Date;

(iv) the right of the Seller to realize upon any property (including the right to receive future Liquidation Proceeds) that shall have secured a Receivable and have been repossessed by or on behalf of the Trustee;

(v) the interest of the Seller in any Dealer Recourse relating to the Receivables;

(vi) all right, title and interest of the Seller in and to the Purchase Agreement; and

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

(b) It is the intention of the Seller and the Trustee that the transfer and assignment of the Seller's right, title and interest in and to the assets identified in clauses (i) through (vii) of Section 2.01(a) (collectively, the "Trust Property") shall constitute an absolute sale by the Seller to the Trustee in trust for the benefit of the Certificateholders. In the event a court of competent jurisdiction were to recharacterize the transfer of the Trust Property as a secured borrowing rather than a sale, contrary to the intent of the Seller and the Trustee, the Seller does hereby grant, assign and convey to the Trustee and the Trust, as security for all amounts payable to the Certificateholders, a security in and lien upon all of its right, title and interest in and to the Trust Property, including all amounts deposited to the Lock-Box Account, the Collection Account and the Certificate Account, said security interest to be effective from the date of execution of this Agreement.

(c) The Trustee does hereby accept all consideration conveyed by the Seller pursuant to Section 2.01(a), and declares that the Trustee shall hold such consideration upon the trusts herein set forth for the benefit of all present and future Certificateholders, subject to the terms and provisions of this Agreement.

The Trustee and the Certificateholders acknowledge and agree that the Seller is the holder of the Residual Interest and, subject to the terms and provisions of this

Agreement, shall be entitled to receive all distributions of Excess Receipts.

ARTICLE III

THE RECEIVABLES

Section 3.01. Representations and Warranties of Seller.

(a) The Seller makes the following representations and warranties as to the Receivables on which the Trustee relies in accepting the Receivables in trust on the Closing Date and executing and authenticating the Certificates on the Closing Date. Such representations and warranties speak as of the Closing Date, but shall survive the sale, transfer and assignment of the Receivables to the Trustee.

(i) Characteristics of Receivables. Each Receivable (A) has been originated in the United States of America by Aegis Finance or a Dealer for the retail sale of a Financed Vehicle in the ordinary course of Aegis Finance's or such Dealer's business, has been fully and properly executed by the parties thereto, and, if originated by a Dealer, has been purchased by Aegis Finance from such Dealer or has been financed for such Dealer under an existing agreement with Aegis Finance, (B) has created a valid, subsisting and enforceable first priority security interest in favor of Aegis Finance or the Dealer in the Financed Vehicle, which security interest, (1) if in favor of the Dealer, has been assigned by the Dealer to Aegis Finance, (2) in either case has been duly assigned by Aegis Finance to the Seller, and (3) has been assigned by the Seller to the Trustee, (C) is covered by the VSI Insurance Policy and the Risk Default Insurance Policy, (D) contains customary and enforceable provisions such that the rights and remedies of the holder thereof are adequate for realization against the collateral of the benefits of the security and (E) provides for level monthly payments (provided that the payment in the first or last month in the life of the Receivable may be different from the level payment) that fully amortize the Amount Financed over an original term of no greater than 60 months and yield interest at the Annual Percentage Rate.

(ii) Schedule of Receivables. The information set forth in Exhibits C and E hereto is true, complete and correct in all material respects as

of the opening of business on the Cutoff Date, and no selection procedures adverse to the Certificateholders have been utilized in selecting the Receivables.

(iii) Compliance With Law. Each Receivable and the sale of each Financed Vehicle (A) complied at the time it was originated or made and at the Closing Date complies in all material respects with all requirements of applicable federal, State and local laws and regulations thereunder, including, without limitation, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board's Regulations B and Z, State adaptations of the National Consumer Act and of the Uniform Consumer Credit Code, and other consumer credit laws and equal credit opportunity and disclosure laws and (B) does not contravene any applicable contracts to which Aegis Finance is a party and no party to such contract is in violation of any applicable law, rule or regulation which is material to the Receivable or the sale of the Financed Vehicle.

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

(v) No Government Obligor. None of the Receivables is due from the United States of America or any State or local government or from any agency, department or instrumentality of the United States of America or any State or local government.

(vi) Security Interest in Financed Vehicle. Immediately prior to the assignment and transfer thereof, each Receivable is secured by a validly perfected first priority security interest in the related Financed Vehicle in favor of the Seller as secured party or all necessary and appropriate actions have been commenced that would result in the valid perfection of a first priority security interest in the Financed Vehicle in favor of the Seller as the secured party. The Seller has caused each

certificate of title (or copy of an application for title), or such other document delivered by the state title registration agency evidencing the security interest in each Financed Vehicle, to be delivered to the Custodian pursuant to Section 3.03 hereof, together with a power of attorney, duly executed by Aegis Finance in favor of the Trustee, which powers of attorney are sufficient to change the lien holder on the certificate of title with respect to a Financed Vehicle.

(vii) Receivables in Force. No Receivable has been satisfied, subordinated or rescinded, nor has any Financed Vehicle been released from the lien granted by the related Receivable in whole or in part.

(viii) No Waiver. No provision of a Receivable has been waived, impaired, altered or modified in any respect except in accordance with the Servicing Agreement, the substance of which is reflected in the Schedule of Receivables contained in the Purchase Agreement as it relates to the information included thereon.

(ix) No Amendments. No Receivable has been amended such that either the original Scheduled Payment has been decreased or the number of originally scheduled due dates has been increased except as permitted under the terms of the Risk Default Policy covering such Receivable.

(x) No Defenses. No right of rescission, setoff, recoupment, counterclaim or defense has been asserted or threatened with respect to any Receivable.

(xi) No Liens. No Liens or claims have been filed for work, labor or materials relating to a Financed Vehicle that are Liens prior to, or equal or coordinate with, the security interest in the Financed Vehicle granted by the Obligor pursuant to the Receivable.

(xii) No Default. Except for payment delinquencies continuing for a period of not more than thirty (30) days as of the Cutoff Date for any Receivable, no default, breach, violation or event permitting acceleration under the terms of any Receivable has occurred; and no continuing condition that with notice or the lapse of time would

constitute a default, breach, violation or event permitting acceleration under the terms of any such Receivable has arisen; and the Seller has not waived any of the foregoing. As of the Closing Date, the Seller has no knowledge of any facts regarding any particular Receivable indicating that such Receivable would not be paid in full.

(xiii) Insurance. Each Receivable is covered, as of the Closing Date, and throughout the shorter of the term of the Trust or the term of the Receivable, under the VSI Insurance Policy and the Risk Default Insurance Policy, and each such insurance policy is valid and remains in full force and effect. Aegis Finance, in accordance with its customary procedures, has required that each Obligor obtain, and has determined that each Obligor has obtained, physical damage insurance covering the Financed Vehicle as of the date of execution of the Receivable insuring repair or replacement of such Financed Vehicle subject to a deductibility not in excess of \$500.

(xiv) Title. It is the intention of the Seller that the transfer and assignment of the Receivables from the Seller to the Trust herein contemplated be treated as an absolute sale for financial accounting purposes, and that the beneficial interest in and title to the Receivables not be part of the property of the Seller for any purpose under state or federal law. No Receivable has been sold, transferred, assigned or pledged by the Seller to any Person other than the Trustee. Immediately prior to the transfer and assignment herein contemplated, the Seller had good and marketable title to each Receivable free and clear of all Liens and rights of others and, immediately upon the transfer thereof, the Trustee for the benefit of the Certificateholders will have good and marketable title to each Receivable, free and clear of all Liens and rights of others; and the transfer has been validly perfected under the UCC.

(xv) Lawful Assignment. No Receivable has been originated in, or is subject to the laws of, any jurisdiction under which the pledge, transfer and assignment of such Receivable under this Agreement or pursuant to transfers of the Certificates is or shall be unlawful, void or voidable.

(xvi) All Filings Made. All filings

(including, without limitation, UCC filings) necessary in any jurisdiction to give the Trustee a first perfected ownership interest in the Receivables have been made.

(xvii) One Original. There is only one original executed copy of each Receivable.

(xviii) Maturity of Receivables. Each Receivable had an original term to maturity of not more than 60 months; the weighted average original term to maturity of the Receivables was 54.48 months as of the Cutoff Date while the weighted average remaining term to maturity as of the Cutoff Date for such Receivables was 54.40 months; the remaining term to maturity of each Receivable was 60 months or less as of the Cutoff Date.

(xix) Scheduled Payments. Each Receivable has a next scheduled payment due date on or prior to November 24, 1996; no Receivables had a payment that was more than 30 days overdue as of the Cutoff Date; and each Receivable has a final scheduled payment due no later than the Final Scheduled Distribution Date.

(xx) Monthly Payments. Each Receivable provides for level monthly payments (provided that the payment in the first or last month in the life of the Receivable may be minimally different from such level payment) which fully amortize the amount financed over the original term; provided, however, that the Risk Default Policy provides that loan extensions will be allowed, subject to no more than one extension during each twelve (12) months in the Receivable's term.

(xxi) Outstanding Principal Balance; Annual Percentage Rate. Each Receivable had an outstanding Principal Balance as of the Cutoff Date of at least \$3,911.50; and no Receivable has an outstanding Principal Balance in excess of \$36,505.52. As of the Cutoff Date, the weighted average APR of the Receivable was 20.06% per annum.

(xxii) Financing. Each Receivable represents a Simple Interest Receivable.

(xxiii) Bankruptcy Proceeding. No Receivable as of the Cutoff Date is noted in Aegis

Finance's or the Seller's records as a dischargeable debt under a bankruptcy proceeding.

(xxiv) Chattel Paper, Valid and Binding. Each Receivable constitutes "chattel paper" under the UCC, and is the legal, valid and binding obligation of the Obligor thereunder in accordance with the terms thereof.

(xxv) States of Origination. At the time of origination, each Receivable was originated in one of the following states, which are the only states in which the Receivables were originated: Alabama, Arizona, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and West Virginia.

(xxvi) Age of Financed Vehicles. Approximately 5.57% of the Receivables relate to new Financed Vehicles and approximately 94.43% of the Receivables relate to used Financed Vehicles.

(xxvii) No Future Advances. The full principal amount of each Receivable has been advanced to each Obligor or advanced in accordance with the directions of each such Obligor, and there is no requirement for future advances thereunder. The Obligor with respect to the Receivable does not have any options under such Receivable to borrow from any person additional funds secured by the Financed Vehicle. Each Receivable as of the Closing Date is secured by the related Financed Vehicle.

(xxviii) Underwriting Guidelines. Each Receivable has been originated in accordance with the applicable Underwriting Guidelines of Aegis Finance in effect at the time of origination and in accordance with underwriting guidelines acceptable to the Risk Default Insurer. Such guidelines include but are not limited to the following:

(A) the purchase of the Financed Vehicle by the Obligor, at the time of funding of the Receivable, was affordable to the Obligor based upon Aegis Finance's

existing Underwriting Guidelines with respect to discretionary income; and

(B) at the time of funding of the Receivable, the Financed Vehicle was purchased from, and the Receivable originated by, a Dealer located in one of the states specified in paragraph (xxv) above.

(xxix) Financed Vehicle in Good Repair. To the best of the Seller's knowledge, each Financed Vehicle is in good repair and working order.

(xxx) Principal Balance. No Receivable has a Principal Balance which includes capitalized interest, physical damage insurance or late charges.

(xxxi) Servicing. At the Cutoff Date, each Receivable was being serviced by the Servicer.

(xxxii) Eligible Loan. Each Receivable constitutes an "Instrument" and each Financed Vehicle constitutes "Eligible Collateral" as defined in and for purposes of the Risk Default Insurance Policy. Neither the insured under the Risk Default Insurance Policy nor any Person acting on behalf of such insured has concealed or misrepresented any material facts or circumstances regarding any matter that would serve as a basis for the Risk Default Insurer to void the Risk Default Insurance Policy.

(xxxiii) Original Principal Amount. The original principal amount of each Receivable (A) originated under the original "Zero Down" and the "Reduced Income" programs, was not more than (1) in the case of new Financed Vehicles, the lower of (x) 105% of the manufacturer's suggested retail price plus rebatable premiums on cancelable items and (y) 120% of the manufacturer's suggested retail price or (2) in the case of used Financed Vehicles, the lower of (x) 105% of the retail value of the Financed Vehicle at the time of origination of the Receivable as set forth in the Kelley "Blue Book" for the appropriate region plus rebatable premiums on cancelable items and (y) 120% of such Kelley "Blue Book" retail value; (B) originated under the "First Time Buyer" program, was not more than (1) in the case of new Financed Vehicles, 95% of the manufacturer's suggested retail price plus rebatable premiums on cancelable items of up to 15% of the

manufacturer's suggested retail price or (2) in the case of used Financed Vehicles, 95% of the retail value of the Financed Vehicle at the time of origination of the Receivable as set forth in the Kelley "Blue Book" for the appropriate region plus rebatable premiums on cancelable items of up to 15% of the manufacturer's suggested retail price and (C) originated under the "Military Program" was not more than 105% of the manufacturer's suggested retail price or, in the case of used Financed Vehicles, 105% of the Kelley "Blue Book" retail value. Calculations made with respect to the percentages referenced above are rounded to the nearest whole percentage point.

(xxxiv) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of the Seller, threatened before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or its respective properties: (A) asserting the invalidity of any of the Receivables; (B) seeking to prevent the enforcement of any of the Receivables; or (C) seeking any determination or ruling that might materially and adversely affect the payment on or enforceability of any Receivable.

(xxxv) Licensing. With respect to each Receivable originated in the State of Pennsylvania, the Trust, the Seller, Aegis Finance and each prior holder of any such Receivable were each properly licensed under applicable Pennsylvania laws and regulations during the respective times the Trust, the Seller, Aegis Finance and each prior holder of any such Receivable held such Receivable, except where the failure to be so licensed would not have a material adverse effect on the ability of the Trust to collect principal or interest payments on such Receivable or to realize upon the Financed Vehicle underlying any such Receivable in accordance with the terms thereof.

(xxxvi) State Concentrations. The forms of retail installment sales contract used by Aegis Finance in each of Florida, Georgia, North Carolina and Texas have not been changed since September 12, 1996. The percentage of the aggregate Principal Balance of the Receivables originated in each of the foregoing states is as follows:

Florida	20.14%
Georgia	14.22%
North Carolina	11.86%
Texas	12.98%

As of the Closing Date, no other state represented more than five percent (5%) of the aggregate Principal Balance of the Receivables. After giving effect to the substitution of Substitute Receivables and the release of all funds from the escrow account established on the Closing Date pursuant to a separate agreement, no more than eight percent (8%) of the original aggregate Principal Balance of the Receivables will have been originated in any one state.

(b) The Seller makes the following additional representations, warranties and covenants on which the Trustee relies in accepting the Receivables in trust on the Closing Date and executing and authenticating the Certificates on the Closing Date, which representations, warranties and covenants shall survive the Closing Date.

(i) Location of Servicer Files. The Servicer Files are kept at the location or locations listed in Exhibit D hereto, with the exception of (A) the original certificates of title or other documents under applicable state laws evidencing the security interest of Aegis Finance in the Financed Vehicles, and (B) the original Receivables, which documents shall be kept at an office of the Custodian.

(ii) Evidence of Security Interest. On the Closing Date, the Seller shall deliver or cause to be delivered to the Custodian or the Temporary Agent (A) an original certificate of title or (B) if the applicable state title registration agency does not deliver certificates of title to lienholders, such other document under applicable state laws evidencing the security interest of Aegis Finance in the Financed Vehicle, or (C) a guarantee of title or a copy of an application for title if no certificate of title or other evidence of the security interest in the Financed Vehicle has yet been issued, for each Financed Vehicle relating to each Receivable sold, transferred, assigned and conveyed hereunder; provided, however, that any original certificate of title or other document under applicable law evidencing the security interest of Aegis Finance in the Financed Vehicle not so delivered on the Closing Date, due to the fact that such certificate of

title or other document has not yet been issued by a state title registration agency and delivered to the Seller as of such date, shall be delivered by the Seller to the Custodian within one hundred fifty (150) days after the Closing Date, or such later date permitted by the Majority Certificateholders (or, if the Certificates have been rated, by each Rating Agency) in accordance with Section 3.03(a); provided, further, that failure to so deliver any original certificate of title or other document evidencing the security interest of Aegis Finance in the Financed Vehicle to the Trustee shall be deemed to be a breach by the Seller of its representations and warranties contained in this Section 3.01, and such occurrence shall constitute a breach pursuant to Section 3.02.

Section 3.02. Repurchase or Substitution Upon Breach.

(a) The Seller, the Backup Servicer or the Trustee, as the case may be, shall inform the other parties to this Agreement and each Certificateholder promptly, in writing, upon its discovery of (i) any breach of the Seller's representations and warranties made pursuant to Section 3.01(a), or of Aegis Finance's representations and warranties made pursuant to Section 3.01(b) of the Purchase Agreement, or (ii) the failure of the Seller to deliver original certificates of title or other documents evidencing the security interest of Aegis Finance in the Financed Vehicle pursuant to Section 3.01(b) and 3.03. Neither the Backup Servicer nor the Trustee has any duty to investigate or determine the existence of any breach or non-delivery except as specified herein. Unless (i) the breach shall have been cured by the thirtieth day following the discovery thereof by the Trustee or receipt by the Trustee of notice from the Seller, the Servicer or the Backup Servicer of such breach, or (ii) the non-delivery shall have been cured by the seventh Business Day following receipt by an officer of the Seller of notice from the Trustee by certified mail, the Seller shall repurchase each Receivable (x) to which such breach relates by the fifth Business Day following such 30 day cure period or (y) relating to the non-delivery by the fifth Business Day following such seven day cure period. Concurrently therewith, the Seller shall cause Aegis Finance to repurchase such Receivable pursuant to the Purchase Agreement for the Purchase Amount. In consideration of the purchase of the Receivable, the Seller shall remit or cause Aegis Finance to remit the Purchase Amount to the Trustee for application in the manner specified in Section

5.05. For purposes of this Section 3.02, the Purchase Amount of a Receivable which is not consistent with the warranty pursuant to Section 3.01(a)(i)(E) shall include such additional amount as shall be necessary to provide the full amount of principal and interest as contemplated therein.

(b) The foregoing notwithstanding, the Seller shall also have the option of substituting, within the five Business Day period following the applicable cure period, one or more replacement Receivables conforming to the requirements hereof (a "Substitute Receivable") for any breach or failing Receivable instead of repurchasing such Receivable, provided any such substitution occurs within ninety (90) days of the Closing Date. It shall be a condition of any such substitution that (i) the outstanding Principal Balance of the Substitute Receivables as of the date of substitution shall be less than or equal to the outstanding Principal Balance of the replaced Receivable as of the date of substitution; provided that an amount equal to the difference, if any, between the outstanding Principal Balance of the replaced Receivable and the outstanding Principal Balance of the Substitute Receivable shall be deposited into the Collection Account and shall be applied to repay the outstanding Principal Balance of the Certificates on the next Distribution Date; (ii) the remaining term to maturity of the Substitute Receivable shall not be greater than that of the replaced Receivable; (iii) the Cutoff Date with respect to the Substitute Receivable shall be deemed to be the first day of the month in which the substitution occurs; (iv) the Substitute Receivable otherwise shall satisfy the conditions of Section 3.01(a) and (b) hereof (and the Seller shall be deemed to make all representations and warranties contained in Sections 3.01(a) and (b) hereof with respect to the Substitute Receivable as of the date of substitution); (v) the Seller shall have delivered to the Purchaser and the Trustee all of the documents specified in Section 3.03(a) hereof with respect to the Substitute Receivable on or before the date of substitution.

(c) The Seller agrees to repurchase at the Purchase Amount on each Distribution Date, commencing with the Distribution Date occurring in December 1996, any Receivable for which, through the end of the related Collection Period, either of the first two Scheduled Payments was not paid within forty-five (45) days of the due date for such Scheduled Payment.

(d) The sole remedy of the Trustee, the Trust or the Certificateholders with respect to a breach of

representations and warranties of the Seller pursuant to Section 3.01(a), or a breach of representations and warranties of Aegis Finance pursuant to Section 3.01(b) of the Purchase Agreement, or non-delivery of certificates of title pursuant to Section 3.01(b) and 3.03, or failure by an Obligor to make the first or second Scheduled Payments as set forth above, shall be to require the Seller to repurchase or substitute for the Receivables pursuant to this Section 3.02 and to enforce Aegis Finance's obligation to repurchase such Receivables pursuant to the Purchase Agreement.

Section 3.03. Custody of Documents.

(a) To assure uniform quality in servicing the Receivables, to reduce administrative costs and to perfect the security interest conveyed by the Seller to the Trustee and the Trust pursuant to this Agreement in the Trust Property, the Trustee, upon the execution and delivery of this Agreement, is hereby irrevocably appointed as Custodian of the following documents or instruments, which are hereby delivered to the Custodian or the Temporary Agent with respect to each Receivable:

(i) The original of the Receivable and any amendments thereto;

(ii) The original certificate of title or, if the applicable state title registration agency does not issue certificates of title to lienholders, such other document under applicable state laws evidencing the security interest of Aegis Finance in the Financed Vehicle, or a guarantee of title or a copy of an application for title if a certificate of title or other document evidencing the security interest in the Financed Vehicle has not yet been issued;

(iii) The original Risk Default Insurance Policy and a copy of the VSI Insurance Policy (including all endorsements thereto), including endorsements confirming insurance thereunder (as reflected on master lists of insured Receivables annexed to such endorsements) regarding each Receivable covered thereby and, with respect to the VSI Insurance Policy, an endorsement naming the Trustee as an additional insured thereunder;

(iv) Such other documents as may be in existence evidencing the security interest of Aegis Finance in the Financed Vehicle; provided, however, that the Trustee has no obligation to

determine the existence or necessity for such other documents.

Each document identified in paragraphs (i) through (iv) above and delivered to the Temporary Agent shall be delivered to the Custodian no later than October 15, 1996.

The following documents shall be delivered to the Custodian within 30 days of the Closing Date:

(v) File-stamped copies of the UCC-1 financing statements filed pursuant to this Agreement.

Items (a)(i), (ii), (iii) and (iv) shall be referred to collectively as the "Custodian Files."

The Custodian shall review the Custodian Files (A) within 30 days after the Closing Date to verify that all guarantees of title and all applications for title have been replaced by either an original certificate of title or other documents delivered by a state title registration agency evidencing the security interest of Aegis Finance in the Financed Vehicle, and (B) within 30 days after the Closing Date to verify that an original installment sale contract is present for each Receivable and that each Receivable is covered by an endorsement to the Risk Default Policy confirming insurance thereunder. The Custodian shall immediately deliver written notice by certified mail to the Seller and Aegis Finance if any such document is missing or has not been delivered to the Custodian. With respect to Receivables for which the original certificates of title or other documents evidencing the security interest of Aegis Finance in the Financed Vehicle have not been delivered within 30 days after the Closing Date, the Custodian shall review the related Custodian Files every thirty days thereafter to determine whether or not such documents have been delivered, and shall promptly notify the Seller, on a monthly basis, if any such documents have not been delivered as of the date of such notice. The Custodian shall deliver written notice to each Rating Agency and the Certificateholders if any original certificate of title or other document evidencing the security interest of Aegis Finance in the Finance Vehicle has not been delivered to the Custodian within 150 days after the Closing Date. Such notice shall confirm whether or not a guaranty of title or an application for title has been delivered to the Custodian with respect to the related Receivable.

With respect to Receivables for which the original

retail installment sale contract has not been delivered to the Custodian in accordance with this Section 3.03(a), the Seller shall cause Aegis Finance to deliver the missing documents within seven (7) Business Days of receipt of such notice or repurchase such Receivables pursuant to Section 3.02 hereof. With respect to Receivables for which original certificates of title or other documents evidencing the security interest of Aegis Finance in the Financed Vehicle have not been delivered to the Custodian within 150 days of the Closing Date, the Seller shall cause Aegis Finance to deliver such within such period of time as determined by the Majority Certificateholders (or, if the Certificates have been rated, by each Rating Agency) (after receipt of notice as described in the preceding paragraph) or repurchase the Receivables pursuant to Section 3.02 hereof. Other than the reviews set forth in this paragraph, the Custodian shall have no duty or obligation to review any of the Custodian Files.

(b) The Seller shall deliver to the Servicer for custody pursuant to the Servicing Agreement the documents and instruments described in Paragraph III.B.3. of the Servicing Agreement (collectively, the "Servicer Files").

(c) The Custodian agrees to maintain the Custodian Files at the offices of the Custodian as shall from time to time be identified to the Trustee by written notice. Subject to the foregoing, the Trustee may temporarily move individual Custodian Files or any portion thereof without notice as necessary to conduct collection and other servicing activities in accordance with its customary practices and procedures.

The Custodian shall have and perform the following powers and duties:

(i) hold the Custodian Files for the benefit of all present and future Certificateholders, maintain accurate records pertaining to each Receivable to enable it to comply with the terms and conditions of this Agreement and maintain a current inventory thereof;

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

(iii) promptly release the original

certificate of title to the Servicer upon receipt of a written request for release of documents certified by an officer of the Servicer, substantially in the form of Schedule C to the Servicing Agreement, with respect to the matters therein.

(d) Notwithstanding anything to the contrary herein, the Custodian is authorized and directed to appoint American Lenders Facilities Inc. ("ALFI") as its agent (the "Temporary Agent") to accept delivery of and temporarily maintain custody of the Custodian Files and to perform such other duties of the Custodian hereunder as are specified in the instrument or agreement appointing such agent, a copy of which shall be annexed hereto as Exhibit N. Delivery of documents to the Temporary Agent at the address designated by the Temporary Agent in writing shall be deemed to be delivery to the Custodian at the Corporate Trust Office for all purposes of this Agreement.

Section 3.04. Duties of Custodian.

(a) Safekeeping. The Trustee, as Custodian, shall hold the original Receivables and original certificates of title at the Corporate Trust Office, for the use and benefit of all present and future Certificateholders. In performing its duties the Custodian will comply with all applicable state and federal laws and will exercise that degree of skill and care consistent with the same degree of skill and care that the Custodian exercises with respect to similar motor vehicle loans held by the Custodian and that is consistent with prudent industry standards, and will apply in performing such duties and obligations, those standards, policies and procedures consistent with the same standards, policies and procedures the Custodian applies with respect to similar motor vehicle loans or motor vehicle retail installment sale contracts which the Custodian serves as custodian or in a similar capacity.

(b) Maintenance of and Access to Records. Subject to Section 3.03(c), the Custodian shall maintain the Custodian Files at the Corporate Trust Office or at such other office as shall be specified to the Trustee by written notice not later than 90 days after any change in location. The Custodian shall make available to the Servicer and the Certificateholders or their duly authorized representatives, attorneys or auditors a list of locations of the Custodian Files, and the related accounts, records and computer systems maintained by Custodian at such times as the Servicer or the Majority Certificateholders shall instruct.

(c) Release of Documents. In addition to releasing certificates of title pursuant to Section 3.03(c)(iii) upon receipt of written instructions from the Servicer in the form of Schedule C to the Servicing Agreement, the Custodian shall release any Custodian File to the Servicer, the Servicer's agent or the Servicer's designee, as the case may be, at such place or places as the Servicer may designate, as soon as practicable.

Section 3.05. Instructions; Authority to Act. The Custodian shall be deemed to have received proper instructions with respect to the Custodian Files upon its receipt of written instructions from the Servicer in the form of Schedule C to the Servicing Agreement.

Section 3.06. Custodian Fees; Indemnification.

(a) In consideration for services rendered as Custodian, the Custodian shall be paid the Custodian fees specified in Exhibit G.

(b) The Seller shall indemnify the Custodian for any and all liabilities, obligations, losses, compensatory damages, payments, costs or expenses of any kind whatsoever, including reasonable fees and expenses of counsel, that may be imposed on, incurred or asserted against the Custodian as the result of any improper act or omission by the Seller or the Temporary Agent or alleged improper act or omission by the Seller or the Temporary Agent in any way relating to the maintenance and custody by the Custodian or the Temporary Agent of the Custodian Files; provided, however, that the Seller shall not be liable for any portion of any such amount resulting from the willful misfeasance, bad faith or negligence of the Custodian.

Section 3.07. Effective Period and Termination. The Trustee's appointment as Custodian shall become effective as of the Closing Date and shall continue in full force and effect until the Trustee resigns or is removed pursuant to Section 11.09. As soon as practicable after any termination of such appointment, the Custodian shall deliver the original documents identified in Section 3.03 to the successor Custodian at such place or places as the successor Custodian may reasonably designate.

ARTICLE IV

ADMINISTRATION AND SERVICING OF RECEIVABLES

Section 4.01. Servicing Duties.

(a) On or before the Closing Date, the Backup Servicer and the Trustee will enter into the Aegis Finance Servicing Agreement with Aegis Finance pursuant to which Aegis Finance shall act as Servicer with respect to the Receivables. Any Servicer shall be, and shall remain, for so long as it is acting as Servicer, an Eligible Servicer. The Backup Servicer shall review each Monthly Servicing Certificate required to be provided by the Servicer pursuant to paragraph III.B.6 of the Servicing Agreement and shall notify the Trustee, each Rating Agency and each Certificateholder of any discrepancy in such Monthly Servicing Certificate which cannot be corrected in accordance with paragraph III.B.6 of the Servicing Agreement.

(b) In the event of termination of the rights and obligations of the Servicer under the Servicing Agreement, the Backup Servicer shall, in accordance with paragraph VI of the Servicing Agreement, act as Servicer of the Receivables by assuming such rights and obligations under the Servicing Agreement unless a successor Servicer, other than the Backup Servicer, is appointed by the Trustee under the Servicing Agreement; provided, however, that the Backup Servicer shall not be liable for any acts, omissions or obligations of the Servicer prior to such succession or for any breach by the Servicer of any of its representations and warranties contained in the Servicing Agreement or in any related document or agreement.

(c) Any Servicing Agreement that may be entered into and any other transactions or servicing arrangements relating to the Receivables and the other Trust Property involving a Servicer in its capacity as such shall be deemed to be for the benefit of the Trust, the Trustee and the Certificateholders.

(d) Other than the duties specifically set forth in this Agreement and the Servicing Agreement, the Backup Servicer shall have no obligation hereunder, including, without limitation, to supervise, verify, monitor or administer the performance of the Servicer. The Backup Servicer shall have no liability for any actions taken or omitted by the Servicer. The duties and obligations of the Backup Servicer shall be determined solely by the express provisions of this Agreement and the Servicing Agreement and no implied covenants or obligations shall be read into this Agreement against the Backup Servicer.

Section 4.02. Resignation of Backup Servicer. The Backup Servicer may resign from the obligations and duties imposed on it under this Agreement and the Servicing Agreement

as Backup Servicer, and shall resign at any time when it ceases to be an Eligible Servicer, by giving written notice of such resignation to the Trustee and the Certificateholders; provided, however, that (a) at least 45 days prior to such resignation the Backup Servicer shall have notified the Rating Agency, in writing, of (i) its intention to resign and (ii) the identity of the proposed successor Backup Servicer, and (b) each Rating Agency shall have, within a reasonable time thereafter, notified the Backup Servicer of its approval of such proposed successor Backup Servicer, which approval shall not be unreasonably withheld by each Rating Agency. No such resignation shall become effective until a successor Backup Servicer that is an Eligible Servicer acceptable to the Majority Certificateholders shall have assumed the responsibilities and obligations of the Backup Servicer in accordance with Section 10.02; provided however, if a successor Backup Servicer has not assumed the responsibilities and obligations of the Backup Servicer within 30 days after such resignation, the Backup Servicer may petition a court of competent jurisdiction for its removal.

In the event the Backup Servicer shall for any reason no longer be acting as such (including by reason of resignation as set forth in this Section 4.02 or an Event of Backup Servicing Default as specified in Section 10.01), the successor Backup Servicer shall thereupon assume all of the rights and obligations of the outgoing Backup Servicer under the Servicing Agreement. In such event, the successor Backup Servicer shall be deemed to have assumed all of the Backup Servicer's interest therein and to have replaced the outgoing Backup Servicer as a party to the Servicing Agreement to the same extent as if the Servicing Agreement had been assigned to the successor Backup Servicer, except that the outgoing Backup Servicer shall not thereby be relieved of any liability or obligations on the part of the outgoing Backup Servicer to the Servicer under such Servicing Agreement to the extent such obligations or liabilities arose prior to the assumption by the successor Backup Servicer of the obligations of the Backup Servicer thereunder. The outgoing Backup Servicer shall, upon request of the Trustee, deliver to the successor Backup Servicer all documents and records relating to the Servicing Agreement and the Receivables and otherwise use its reasonable efforts to effect the orderly and efficient transfer of the Servicing Agreement to the successor Backup Servicer.

Section 4.03. Covenant of Backup Servicer. The Backup Servicer shall promptly notify the Trustee of the occurrence of any Event of Backup Servicing Default or Event of Servicing Default of which it has obtained actual knowledge and any breach by the Backup Servicer or the Seller of any of its respective covenants or representations and warranties contained in this Agreement.

Section 4.04. Servicing Fees. The total servicing fees

payable on each Distribution Date to the Backup Servicer and the Servicer shall equal the Backup Servicer Fee and the Servicing Fee, respectively. Any proposed increase in the Backup Servicer Fee or the Servicing Fee due to the assumption of duties hereunder or under the Servicing Agreement by a successor Backup Servicer or successor Servicer shall be approved by the Seller, each Rating Agency and the Majority Certificateholders. The Backup Servicer shall also be entitled to any reimbursement pursuant to Section 9.03. Any Servicing Fee payable to the Servicer hereunder or pursuant to the Servicing Agreement shall be paid to the Servicer and/or to one or more subservicers as the servicer may from time to time direct in writing to the Trustee.

Section 4.05. Costs and Expenses. All reasonable out-of-pocket costs and expenses incurred by the Backup Servicer in carrying out its duties as Backup Servicer hereunder, including all out-of-pocket fees and expenses not expressly stated hereunder to be for the account of the Trust or the Seller, shall be paid or caused to be paid by the Backup Servicer, and the Backup Servicer shall be entitled to reimbursement therefor hereunder. Nothing in this Section 4.05 shall be construed to limit the compensation to be paid to or retained by the Backup Servicer pursuant to Section 4.04.

Section 4.06. Standard of Care. In managing, administering, servicing and making collections on the Receivables, and in performing its obligations under the Servicing Agreement after succeeding as Servicer thereunder, the Backup Servicer will exercise that degree of skill and care consistent with the same degree of skill and care that the Backup Servicer exercises with respect to similar motor vehicle loans owned and/or serviced by the Backup Servicer and that is consistent with prudent industry standards, and will apply in the management, administration, servicing and collection of the Receivables and in the administration and enforcement of the Insurance Policies relating to the Receivables, those standards, policies and procedures consistent with the best standards, policies and procedures the Backup Servicer applies with respect to similar motor vehicle loans owned or serviced by it, and, to the extent not inconsistent with the foregoing, to exercise that degree of skill and care it uses in servicing assets held for its own account; provided, however, that notwithstanding the foregoing, the Backup Servicer shall not, except pursuant to a judicial order from a court of competent jurisdiction, or as otherwise required by applicable law or regulation, release or waive the right to collect the unpaid balance on any Receivable and provided, further, that the Backup Servicer shall not amend or modify any Receivable, unless a default with respect to such Receivable has occurred or is, in the judgment of the Backup Servicer, imminent. In performing its duties and obligations hereunder or under the Servicing Agreement, in the event there is no Servicer managing,

administering, servicing or making collections on the Receivables and administering and enforcing the Insurance Policies relating to the Receivables, the Backup Servicer shall comply with all applicable federal and state laws and regulations, shall maintain all state and federal licenses and franchises necessary for it to perform its servicing responsibilities hereunder and thereunder, and in such event it shall exercise the same degree of skill and care it uses in managing, administering, servicing and making collection on the Receivables and administering and enforcing the Insurance Policies in its capacity as Backup Servicer hereunder, and shall not impair the rights of the Trust or the Certificateholders in the Trust Property.

ARTICLE V

DISTRIBUTIONS; ACCOUNTS; STATEMENTS TO CERTIFICATEHOLDERS

Section 5.01. Accounts.

(a) The Trustee shall establish the Collection Account and the Certificate Account in the name of the Trustee for the benefit of the Certificateholders. The Collection Account and the Certificate Account shall be segregated trust accounts established with the trust department of the Trustee. The Servicer shall establish the Lock-Box Account pursuant to the Servicing Agreement. The Lock-Box Account shall be a non-interest bearing account established with a Lock-Box Account Depository, which shall at all times be an Eligible Institution, by the Servicer for the sole benefit of the Trust and other holders of retail installment sales contracts originated by Aegis Finance or its Affiliates. All of the foregoing Accounts shall be Eligible Accounts.

(b) Amounts held in the Collection Account and the Certificate Account shall be invested by the Trustee, upon the written direction of the Seller, in Eligible Investments. Any such investment in the Certificate Account shall mature no later than (i) one Business Day before the Distribution Date next succeeding the date of investment or, (ii) in the case of money market fund investments, on such Distribution Date. Any such investment in the Collection Account shall mature not later than two Business Days before such Distribution Date. Any written investment direction by the Seller shall certify that any such investment is authorized by this Section 5.01. The Trustee shall have no authority to sell or otherwise dispose of Eligible Investments attributable to funds held in the Certificate Account or the Collection Account prior to their respective maturity dates. Interest and earnings on

investments of funds in any Account shall be credited to and all losses borne by the Account with respect to which they were derived. All accounts with the Trustee must be trust accounts subject to regulations substantially similar to 12 C.F.R. SECS 9.10(b). The Trustee shall not have any responsibility or liability for any investment of moneys at the direction of the Seller or any loss resulting therefrom.

(c) The Servicer has appointed Wells Fargo Bank, N.A., as the initial Lock-Box Account Depository under the Servicing Agreement. All funds of the Trust held by a Lock-Box Account Depository are and shall remain the property of the Trust.

Section 5.02. Collections. Pursuant to the Servicing Agreement, the Servicer shall remit to the Lock-Box Account as soon as practicable, but in no event later than its close of business on the Business Day after receipt thereof by the Servicer, all payments by or on behalf of the Obligor with respect to each Receivable (other than Purchased Receivables), all Recoveries and all Risk Default Insurance Proceeds, all as collected during the Collection Period. As provided in the Servicing Agreement, the Servicer shall cause the Lock-Box Account Depository to transfer all available funds applied to the Receivables in excess of \$2,000 from the Lock-Box Account to the Collection Account on each Business Day. In the event an Obligor remits funds to the Trustee rather than remitting such funds directly to the Servicer, the Trustee shall notify the Servicer and shall deposit such amounts into the Collection Account within one (1) Business Day after receipt.

Section 5.03. Application of Collections. All collections for the Collection Period shall be applied by the Trustee in accordance with reports provided to the Trustee by the Servicer pursuant to the Servicing Agreement, as follows:

With respect to each Receivable (other than a Purchased Receivable), payments by or on behalf of the Obligor shall be applied to the Scheduled Payment. Any excess payments received constituting Scheduled Payments for subsequent Collection Periods shall be applied to the Principal Balance of the Receivables on the Distribution Date relating to such subsequent Collection Period.

Section 5.04. Miscellaneous Servicer Collections. All Miscellaneous Servicer Collections shall be deposited by the Servicer to the Lock-Box Account within one Business Day of receipt thereof.

Section 5.05. Additional Deposits. The Trustee shall deposit or cause to be deposited in the Collection Account the aggregate Purchase Amount received with respect to Purchased

Receivables and shall, upon receipt, deposit such other amounts to such accounts as may be specified herein. All such deposits shall be made in Automated Clearinghouse Corporation next-day funds or immediately available funds, on or before the Business Day preceding the Distribution Date.

Section 5.06. Distributions.

(a) On each Distribution Date, the Trustee shall cause to be made the transfers and distributions set forth in this Section 5.06 in the amounts set forth in the Monthly Servicing Certificate for such Distribution Date.

(b) The Trustee shall, on each Determination Date, based upon a certificate delivered to the Trustee from the Backup Servicer, calculate the Total Available Distribution Amount, the Distributable Amount, the Reserve Fund balance and, based on the Total Available Distribution Amount, determine the amount distributable to the Certificateholders and the other distributions to be made on such Distribution Date.

(c) Two (2) Business Days prior to each Distribution Date, the Trustee shall transfer from the Collection Account to the Certificate Account an amount equal to the Total Available Distribution Amount and all investment earnings and interest on the funds in the Collection Account.

(d) Except as otherwise provided below, on each Distribution Date, the Trustee (based on the information contained in the Monthly Servicing Certificate delivered on the related Determination Date pursuant to the Servicing Agreement) shall make the following distributions from the funds then on deposit in the Certificate Account (including funds transferred from the Reserve Fund when necessary as set forth below and pursuant to Section 5.07) in the following order of priority:

(i) to the Backup Servicer, the Backup Servicer Fee and expenses and all unpaid Backup Servicer Fees and unreimbursed expenses from prior Collection Periods; to the Servicer, the Servicing Fees and expenses, and all unpaid Servicing Fees and unreimbursed expenses from prior Collection Periods; to the Trustee and Custodian, the Trustee and Custodian fees and expenses and all unpaid Trustee and Custodian fees and unreimbursed expenses from prior Collection Periods; and to the successor to the Servicer, the Trustee or the Backup Servicer, Transition Costs, if any;

(ii)

to the Certificateholders of record, an amount equal to the sum of the Interest Distributable Amount and any Interest Carryover Shortfall from the prior Distribution Date; and

(iii) to the Certificateholders of record, an amount equal to the sum of the Principal Distributable Amount and any Principal Carryover Shortfall from the prior Distribution Date.

(e) On each Distribution Date, the Trustee shall distribute any Excess Receipts in the following amounts and in the following order of priority: (i) into the Reserve Fund until the amount on deposit therein equals the Reserve Fund Requirement for such date and (ii) any remaining Excess Receipts will be distributed to the Seller.

(f) All distributions with respect to the Certificates on each Distribution Date shall be made pro rata among the outstanding Certificates in proportion to the Percentage Interests evidenced thereby. All payments to Certificateholders shall be made on each Distribution Date to each Certificateholder of record on the related Record Date by check, or, if requested by a Certificateholder holding Certificates with Original Certificate Balances in the aggregate in excess of \$1,000,000, by wire transfer to the account designated in writing by such Holder in the form of Exhibit F hereto (or such other account as such Certificateholder may designate in writing) delivered to the Trustee prior to the Determination Date, in immediately available funds.

Section 5.07. Reserve Fund; Priority of Distributions.

(a) In order to assure that sufficient amounts to make required payments to the Certificateholders specified therein will be available, there shall be established and maintained with the Trustee the following Eligible Account: the "Reserve Fund--Aegis Auto Receivables Trust 1996-A" (the "Reserve Fund"), which will include the money and other property deposited and held therein pursuant to Section 5.06(e) and this Section. The Reserve Fund shall not be part of Trust, but instead will be held for the benefit of the Certificateholders. The Seller and the Trustee acknowledge that any amounts on deposit in the Reserve Fund (and any investment earnings thereon) will be owned directly by the Seller, and such parties hereby agree to treat the same as assets (and investment earnings) of the Seller for federal income tax purposes.

(b) The Reserve Fund shall be initially funded on

the Closing Date in the amount of the Reserve Fund Initial Deposit.

(c) Amounts held in the Reserve Fund shall be invested in Eligible Investments, in accordance with written instructions from the Seller or its designee, and such investments shall not be sold or disposed of prior to their maturity but shall mature no later than two Business Days before the Distribution Date next succeeding the date of investment. All such investments shall be made in the name of the Trustee or its nominee. Any loss on investment of amounts held in the Reserve Fund and all income and gain realized on the Reserve Fund shall be credited to such fund. As provided in Section 11.05, the Trustee shall not have any responsibility for moneys invested by the Trustee hereunder or any losses resulting therefrom.

(d) In order to provide for the prompt payment to the Certificateholders, the Trustee, the Custodian, the Servicer and the Backup Servicer in accordance with Section 5.06(d), and to assure availability of the amounts maintained in the Reserve Fund, the Seller, subject to the terms and conditions hereof and solely for the purpose of providing for payment of the fees and expenses of the Backup Servicer, the Trustee and the Custodian and making the distributions to the Certificateholders provided for in Section 5.06 and this Section 5.07, hereby grants in favor of the Trustee, as collateral agent, and its successor and assigns, a security interest in and lien upon all its right, title and interest in and to the Reserve Fund, including the Reserve Fund Initial Deposit and all proceeds of the foregoing, and hereby pledges to the Trustee, as collateral agent, and its successors and assigns, all other amounts and investments held from time to time in the Reserve Fund (whether in the form of deposit accounts, instruments, book-entry securities, uncertificated securities or otherwise) (all of the foregoing, subject to the limitations set forth below, the "Reserve Fund Property"); to have and to hold all the aforesaid property, rights and privileges unto the Trustee, its successors and assigns, in trust for the uses and purposes, and subject to the terms and provisions, set forth in this Section 5.07. The Trustee hereby acknowledges such transfer and accepts the trust hereunder and shall hold and distribute the Reserve Fund Property in accordance with the terms and provisions of this Section 5.07.

(e) The Seller agrees to take or cause to be taken such further actions, to execute, deliver and file or cause to be executed, delivered and filed such further documents and instruments (including, without limitation,

any UCC financing statements or this Agreement) as may be determined to be necessary to perfect the interests created by this Section in favor of the Trustee and otherwise fully to effectuate the purposes, terms and conditions of this Section. The Seller (with respect to Reserve Fund Property) shall:

(i) promptly execute, deliver and file any financing statements, amendments, continuation statements, assignments, certificates and other documents with respect to such interests and perform all such other acts as may be necessary in order to perfect or to maintain the perfection of the Trustee's security interest in the Reserve Fund Property; and

(ii) make the necessary filings of financing statements or amendments thereto within ten business days after the occurrence of any of the following: (1) any change in its corporate name or any trade name; (2) any change in the location of its chief executive office or principal place of business; and (3) any merger or consolidation or other change in its identity or corporate structure and promptly notify the Trustee of any such filings.

(f) If on any Distribution Date the Total Available Distribution Amount is insufficient to distribute the full amount described in clauses (i) through (iii) of Section 5.06(d), the Trustee shall withdraw an amount equal to such insufficiency from the Reserve Fund (any such amount, the "Reserve Fund Draw") and apply such amount (in the order of priority provided by Section 5.06(d)) in respect of such insufficiencies. If on any Distribution Date amounts on deposit in the Reserve Fund are in excess of the Reserve Fund Requirement for such date (after giving effect to Reserve Fund Draws on such date, if applicable), the Trustee shall release such excess to the Seller. Any amounts released from the Reserve Fund on any Distribution Date shall not be available for Reserve Fund Draws on following Distribution Dates. Upon termination of this Agreement, any amounts on deposit in the Reserve Fund, after payment of all amounts due the Backup Servicer, the Trustee, the Custodian, the Servicer and the Certificateholders, shall be paid to the Seller.

(g) Amounts properly received by the Seller pursuant to this Agreement shall not be available to the Trustee or the Trust for the purpose of making deposits to the Reserve Fund or making payments to the Certificateholders, nor shall the Seller be required to refund

any amount properly received by them.

Section 5.08. Statements to Certificateholders; Tax Returns. With each distribution from the Certificate Account to the Certificateholders made on a Distribution Date, the Trustee shall provide to the Rating Agency, the Backup Servicer, the Seller and each Certificateholder of record, based on the Monthly Servicing Certificate provided to the Backup Servicer and the Trustee by the Servicer in the form of Schedule B to the Servicing Agreement, a statement substantially in the form of Exhibit B to this Agreement setting forth at least the following information with respect to such Distribution Date and the related Collection Period, to the extent applicable:

(a) Servicer Collections:

(i) The Available Interest Distribution Amount;

(ii) The Available Principal Distribution Amount;

(iii) The Miscellaneous Servicer Collections; and

(iv) The Total Available Distribution Amount.

(b) Distributions:

(i) the amount of such distribution allocable to principal in respect of the Certificates;

(ii) the amount of such distribution allocable to interest in respect of the Certificates;

(iii) the amount of the Backup Servicing Fee, Servicing Fee, Trustee and Custodian Fees and expenses for the related Collection Period;

(iv) the amount of Interest Carryover Shortfall, if any, on such Distribution Date and the amount of the Principal Carryover Shortfall, if any, on such Distribution Date;

(v) the Pool Factor and the Certificate Factor as of such Distribution Date, after giving effect to payments allocated to principal reported under clause (i) above;

(vi) the amount on deposit in the Reserve Fund on such Distribution Date, after giving effect to amounts deposited in the Reserve Fund and Reserve Fund Draws on such date;

(vii) the aggregate amount of Reserve Fund Draws, and the breakdown of the application of such draws to cover payment shortfalls to Certificateholders, made on such Distribution Date;

(viii) the amount of net investment earnings with respect to the Reserve Fund earned during the related Collection Period;

(ix) the amounts, if any, released from the Reserve Fund to the Seller;

(c) Pool Information:

The Original Pool Balance, the Pool Balance, the weighted average coupon, the weighted average maturity (in months) and the remaining number of Receivables for both the first and the last day of the preceding Collection Period, after giving effect to payments allocated to principal reported in (b)(ii) above.

(d) Receivables Repurchased or Substituted by Seller:

The number and aggregate Purchase Amount of Receivables repurchased by Seller and for any substitution of Receivables, the number and principal balance of both the Receivables being replaced and the Receivables substituted.

(e) Delinquency Information:

The amount of Receivables (other than Defaulted Receivables and Liquidated Receivables) as to which Obligor are (i) 30 days to 59 days past due (ii) 60 days to 89 days past due, and (iii) 90 days past due in making Scheduled Payments.

(f) Repossession Information:

The number and principal balance of Receivables as to which the Servicer has repossessed the Financed Vehicle during the current period and on a cumulative basis.

(g) Liquidated and Defaulted Receivables
Information:

The number and principal balance of Receivables which became Liquidated Receivables (other than Receivables previously characterized as Defaulted Receivables) and the number and principal balance of Receivables which became Defaulted Receivables during the Collection Period and on a cumulative basis.

(h) Recoveries:

The amount of Liquidation Proceeds, the amount of insurance claims paid under the VSI Insurance Policy, the amount of rebates received from the Servicer as a result of cancelled warranty or extended service contracts and the amount of claims paid under consumer insurance during the related Collection Period and on a cumulative basis.

(i) Retention Amount:

The beginning balance, the amount added with respect to quarterly reserve loss deficiency, the amount subtracted with respect to approved claims and quarterly reserve loss surplus, and the ending balance.

(j) Risk Default Insurance Proceeds:

The amount of insurance proceeds paid under the Risk Default Insurance Policy.

(k) Net Losses:

The amount of Net Losses, if any, on such Distribution Date and the cumulative amount of all Net Losses realized on the Receivables since the Closing Date.

(l) Insurance Claims:

The number of Receivables as to which a claim was filed under the Risk Default Policy or the VSI Insurance Policy, the amount of such claims, the number of claims rejected and the principal balance of related Receivables rejected under the Risk Default Policy for the related Collection Period and on a cumulative basis.

(m) Collection Account:

The amount of reinvestment income on funds held in the Collection Account.

(n) Other Information:

Any other information regarding each distribution which any Certificateholder reasonably requests in writing 30 days prior to such distribution and which the Trustee can provide without undue expense or effort.

Within thirty (30) days after the end of each calendar year, the Trustee shall furnish to each Person who at any time during such calendar year was a Certificateholder of record and received any payment thereon (a) a report as to the aggregate of amounts reported pursuant to clauses (b)(i), (ii) and (iii) of this Section 5.08 for such calendar year or applicable portion thereof during which such Person was a Certificateholder and (b) such information as may be reasonably requested by the Certificateholders or required by the Code, and the regulations thereunder, to enable such Holders to prepare their federal and state income tax returns. Within thirty (30) days after the end of each calendar year, the Trustee shall furnish or shall cause to be furnished to the Seller a statement containing such of the information provided pursuant to this Section 5.08 as relates to distributions to the Seller, aggregated for such calendar year, as well as information respecting the amounts which were transferred from the Reserve Fund to make payments to Certificateholders and amounts otherwise distributable to the Seller which were placed in the Reserve Fund. The obligation of the Trustee set forth in this paragraph shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Backup Servicer pursuant to any requirements of the Code.

The Seller shall prepare any tax returns or other forms required to be filed by the Trust. The Trustee, upon request, will furnish the Seller with all information known to the Trustee as may be reasonably required in connection with the preparation of all tax returns of the Trust.

Section 5.09. Reliance on Information from the Servicer. Notwithstanding anything to the contrary contained in this Agreement, all distributions from any of the accounts described in this Article V and any movement of cash between such accounts shall be made by the Trustee in reliance on information provided to the Trustee by the Servicer in writing, whether by way of the Servicer's Monthly Servicing Certificate or otherwise unless the Trustee has actual knowledge or notice of any inaccuracy therein.

ARTICLE VI

RIGHTS OF CERTIFICATEHOLDERS

The Certificates shall represent fractional undivided interests in the assets of the Trust which shall consist of the right to receive, at the time and in the amount specified herein pursuant to Section 5.01, a Percentage Interest in distributions with respect to the Trust Property secured by funds available pursuant to the Reserve Fund. Any other right to receive payments or distributions hereunder shall not represent any interest in the Accounts or the Reserve Fund, except as specifically provided in this Agreement. The parties hereto and the Certificateholders agree that the Certificates represent undivided interests in the Receivables, which Receivables shall constitute stripped bonds within the meaning of Section 1286 of the Code.

ARTICLE VII

THE CERTIFICATES

Section 7.01. The Certificates. The Certificates shall be substantially in the form of Exhibit A. The Certificates shall be issuable in minimum denominations in Certificate Balances of \$250,000 and integral multiples of \$1,000 in excess thereof. The Certificates shall be executed on behalf of the Trust by manual or facsimile signature of a Trustee Officer of the Trustee under the Trustee's seal imprinted thereon and shall bear legends restricting the transfer thereof. Certificates bearing the manual or facsimile signatures of individuals who were, at the time when such signatures shall have been affixed, authorized to sign on behalf of the Trust, shall be valid and binding obligations of the Trust, notwithstanding that such individuals or any of them shall have ceased to be so authorized prior to the authentication and delivery of such Certificates or did not hold such offices at the date of such Certificates.

Section 7.02. Execution, Authentication of Certificates. The Trustee shall cause the Certificates to be executed on behalf of the Trust, and delivered to or upon the written order of the Seller pursuant to this Agreement. No Certificate shall entitle its Holder to any benefit under this Agreement or shall be valid for any purpose, unless there shall appear on such Certificate a certificate of authentication substantially in the form set forth in Exhibit A hereto executed by the Trustee by manual signature; such authentication shall constitute conclusive evidence that such Certificate shall have been duly authenticated and delivered hereunder. All Certificates shall be dated the date of their

authentication.

Section 7.03. Registration of Transfer and Exchange of Certificates.

(a) The Certificate Registrar shall maintain a Certificate Register in which, subject to such reasonable regulations as it may prescribe, the Certificate Register shall provide for the registration of Certificates and transfers and exchanges of Certificates as provided in this Agreement. The Trustee is hereby initially appointed Certificate Registrar for the purpose of registering Certificates and transfers and changes of Certificates as provided in this Agreement. In the event that, subsequent to the Closing Date, the Trustee notifies the Seller that it is unable to act as Certificate Registrar, the Seller shall appoint another bank or trust company, having an office or agency located in the Borough of Manhattan, The City of New York, agreeing to act in accordance with the provisions of this Agreement applicable to it, and otherwise acceptable to the Trustee, to act as successor Certificate Registrar under this Agreement.

No transfer of a Certificate shall be made unless (I) (a) such transfer is made pursuant to an effective registration statement under the Securities Act and any applicable state securities laws or (b) (i) such transfer is exempt from the registration requirements under the Securities Act and such state securities laws or (ii) the Certificate Registrar is notified by such transferee that such Certificate will be registered in the name of the Clearing Agency or its nominee and shall be held by such transferee in book-entry form through the Clearing Agency, and (II) such transfer is to a Person that satisfies the requirements of paragraph (a) (2) (i) or (a) (2) (ii) of Rule 3a-7 as then in effect or any successor rule ("Rule 3a-7") under the Investment Company Act. Each prospective purchaser of a non-registered Certificate not held in book-entry form shall deliver a completed and duly executed Transferee's Certificate in the form of Exhibit J or K, as applicable, to the Trustee and to the Seller for inspection prior to effecting any requested transfer. The Seller and the Trustee may rely conclusively upon the information contained in any such certificate in the absence of knowledge to the contrary. In connection with any transfer within three years from the date of the initial issuance of the Certificates (other than the transfer of any Certificate that is or has become registered under the Securities Act on or before such transfer or any transfer of a Certificate held in book-entry form), the Trustee shall (except in the case of a transfer to a "qualified institutional buyer") require an

Opinion of Counsel to the effect that such transfer may be effected without registration under the Securities Act, which Opinion of Counsel shall be addressed to the Seller and the Trustee and shall be secured at the expense of the Holder. Each Certificate Owner shall be deemed to have agreed to these restrictions on transfer.

(b) If an election is made to hold a Certificate in book-entry form, the Certificate shall be registered in the name of a nominee designated by the Clearing Agency (and may be aggregated as to denominations with other Certificates held by the Clearing Agency). With respect to Certificates held in book-entry form:

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

(2) the rights of Certificate Owners will be exercised only through the Clearing Agency and will be limited to those established by law and agreements between such Certificate Owners and the Clearing Agency and/or the Clearing Agency Participants pursuant to the Depository Agreement;

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

(4) without the consent of the Seller and the Trustee, no such Certificate may be transferred by the Clearing Agency except to a successor Clearing Agency that agrees to hold such Certificate for the account of the Certificate Owners or except upon the election of the Certificate Owner thereof or a subsequent transferee to hold such Certificate in physical form.

Neither the Trustee nor the Certificate Registrar shall have any responsibility to monitor or restrict the transfer of beneficial ownership in any Certificate an interest in which is transferable through the facilities of the Clearing Agency.

The Seller shall cause each Certificate to contain a legend stating that transfer of the Certificates is subject to certain restrictions and referring prospective purchasers of the Certificates to this Section 7.03 with respect to such restrictions.

(c) The Certificates, until such time, if at all, as they become registered under the Securities Act, shall bear legends stating that they have not been registered under the Securities Act and are subject to the restrictions on transfer described in Section 7.03(a). By purchasing a Certificate, each purchaser shall be deemed to have agreed to these restriction on transfer.

(d) The Holder of a Certificate desiring to effect any transfer or assignment shall, and the transferee of such Certificate by purchasing such Certificate agrees to, indemnify the Trustee and the Seller against any liability that may result if the transfer or assignment is not made in accordance with the provisions of this Section 7.03 and applicable federal and state securities laws.

(e) Upon surrender for registration of transfer of any Certificate at the Corporate Trust Office, the Trustee shall execute, authenticate and deliver, in the name of the designated transferee or transferees, one or more new Certificates in authorized denominations of a like aggregate principal amount.

(f) At the option of a Certificateholder, such holder's Certificates may be exchanged for other Certificates in authorized denominations of a like aggregate principal amount, upon surrender of the Certificates to be exchanged at any such office or agency. Whenever any Certificates are so surrendered for exchange the Trustee on behalf of the Trust shall execute, authenticate and deliver the Certificates that the Certificateholder making the exchange is entitled to receive.

(g) Every Certificate presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder or his attorney duly authorized in writing. Each

Certificate surrendered for registration of transfer and exchange shall be cancelled and subsequently disposed of by the Trustee.

(h) No service charge shall be made to the Certificateholders for any registration of transfer or exchange of Certificates, but the Trustee may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

Section 7.04. Mutilated, Destroyed, Lost or Stolen Certificates. If (a) any mutilated Certificate shall be surrendered to the Certificate Registrar, or if the Certificate Registrar shall receive evidence to its satisfaction of the destruction, loss or theft of any Certificate (provided that a Certificateholder's written statement with respect to such destruction, loss or theft shall constitute satisfactory evidence thereof) and (b) there shall be delivered to the Certificate Registrar and the Trustee such security or indemnity as may be required by them to save each of them harmless, then in the absence of notice that such Certificate shall have been acquired by a bona fide purchaser, the Trustee on behalf of the Trust shall execute and the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like tenor and denomination. In connection with the issuance of any new Certificate under this Section 7.04, the Trustee and the Certificate Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Certificate issued pursuant to this Section 7.04 shall constitute conclusive evidence of ownership in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

Section 7.05. Persons Deemed Owners. Prior to due presentation of a Certificate for registration of transfer, the Trustee or the Certificate Registrar may treat the Person in whose name any Certificate shall be registered as the owner of such Certificate for the purpose of receiving distributions pursuant to Section 5.06 and for all other purposes whatsoever, and neither the Trustee nor the Certificate Registrar shall be bound by any notice to the contrary.

Section 7.06. Access to List of Certificateholders' Names and Addresses. The Trustee shall furnish or cause to be furnished to the Servicer, at the expense of the Trust, within 15 days after receipt by the Trustee of a request therefor from the Servicer in writing, a list, in such form as the Servicer may reasonably require, of the names and addresses of the Certificateholders as of the most recent Record Date. Each Holder, by receiving and holding a Certificate, shall be deemed to have agreed to hold

neither the Servicer nor the Trustee accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

Section 7.07. Maintenance of Office or Agency. The Trustee shall maintain in Minneapolis, Minnesota, or New York, New York, an office or offices or agency or agencies where Certificates may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Trustee in respect of the Certificates and this Agreement may be served. The Trustee initially designates the Corporate Trust Office as specified in this Agreement as its office for such purposes. The Trustee shall give prompt written notice to the Backup Servicer and to the Certificateholders of any change in the location of the Certificate Register or any such office or agency.

Section 7.08. Notices to Certificateholders. Whenever notice or other communication to the Certificateholders is required under this Agreement, the Trustee shall give all such notices and communications specified herein to be given to Holders of the Certificates at their respective addresses as they appear in the Certificate Register.

ARTICLE VIII

THE SELLER

Section 8.01. Representations of Seller. The Seller makes the following representations on which the Trustee relies in accepting the Receivables in trust and executing and authenticating the Certificates on the Closing Date. The representations speak as of the Closing Date, but shall survive the pledge, transfer and assignment of the Receivables to the Trustee in trust for the benefit of the Certificateholders.

(a) Organization and Good Standing. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) Due Qualification. The Seller is in good standing and duly qualified to do business and has obtained all necessary licenses and approvals in the States of Delaware and New Jersey and all other jurisdictions in which the ownership or lease of property or the conduct of its business shall require such qualifications, unless the failure of the Seller to obtain such licenses and approvals would have no material adverse effect on the Seller's ability to fulfill its obligations hereunder.

(c) Power and Authority. The Seller has the

power and authority to execute and deliver this Agreement and to carry out its terms; the Seller has full power and authority to sell and assign the property to be so sold and assigned to and deposited with the Trustee as part of the Trust and such sale and assignment is valid and binding against the Seller and has been duly authorized by the Seller by all necessary action; and the execution, delivery and performance of this Agreement have been duly authorized by the Seller by all necessary action and this Agreement is the legal, valid and binding obligation of the Seller, enforceable in accordance with its terms. The Seller has duly executed and delivered this Agreement and any other agreements and documents necessary to effectuate the transactions contemplated hereby.

(d) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof neither conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the certificate of incorporation or bylaws of the Seller, or any indenture, agreement, or other instrument to which the Seller is a party or by which it shall be bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than this Agreement); nor violate any law or, to the best of the Seller's knowledge, any order, rule or regulation applicable to the Seller of any court or of any federal or State regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Seller or its properties.

(e) No Proceedings. To the Seller's knowledge, there are no proceedings or investigations pending, or threatened, before any court, regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Seller or its properties: (i) asserting the invalidity of this Agreement, the Purchase Agreement or the Certificates; (ii) seeking to prevent the issuance of the Certificates or the consummation of any of the transactions contemplated by the Purchase Agreement or this Agreement; (iii) seeking any determination or ruling that might materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, this Agreement, the Purchase Agreement or the Certificates; or (iv) relating to the Seller and which might adversely affect the federal or State income tax attributes of the Certificates.

(f) No Approvals. No approval, authorization

or other action by, or filing with, any governmental authority of the United States of America or any of the States is required or necessary to consummate the transactions contemplated hereby, except as such as have been duly obtained or made by the Closing Date. Seller complies in all material respects with all applicable laws, rules and orders with respect to itself, its business and properties and the Receivables; and Seller maintains all applicable permits and certifications.

(g) Taxes. The Seller has filed all federal, State, county, local and foreign income, franchise and other tax returns required to be filed by it through the date hereof, and has paid all taxes reflected as due thereon. There is no pending dispute with any taxing authority that, if determined adversely to the Seller, would result in the assertion by any taxing authority of any material tax deficiency, and the Seller has no knowledge of a proposed liability for any tax to be imposed upon the Seller's properties or assets for which there is not an adequate reserve reflected in the Seller's current financial statements.

(h) Adequate Provisions for Taxes. The provisions for taxes on the Seller's books are in accordance with generally accepted accounting principles.

(i) Pension/Profit Sharing Plans. No contribution failure has occurred with respect to any pension or profit sharing plan, and all such plans have been fully funded as of the date of this Agreement.

(j) Trade Names. "Aegis Auto Funding Corp." is the only trade name under which the Seller is currently operating its business and under which the Seller operated its business for the period of time during which the Seller was in existence preceding the Closing Date.

(k) Ability to Perform. There has been no material impairment in the ability of Seller to perform its obligations under this Agreement.

(l) Chief Executive Office. Since its inception, the Seller has maintained its chief executive office in the State of New Jersey and there have been no other locations of the Seller's chief executive office preceding the Closing Date. The Seller shall give written notice to the Trustee and the Certificateholders at least 30 days prior to relocating its chief executive office and shall make such filings under the UCC as shall be necessary to maintain the perfected, first priority security interest in the Receivables granted hereunder in favor of the Trust.

(m) Adverse Orders. There is no injunction, writ, restraining order or other order of any nature binding upon Seller that adversely affects Seller's performance of this Agreement and the transactions contemplated thereby.

(n) Solvent. Seller is solvent and will not become insolvent after giving effect to the transactions contemplated hereunder; Seller is paying its debts as they become due; Seller, after giving effect to the contemplated transactions, will have adequate capital to conduct its business.

(o) Lock-Box Account. Each Obligor of a Receivable has been directed and is required to remit payments to the Lock-Box Account.

(p) Consolidation. Seller has operated and will operate its business such that its assets and liabilities will not be substantively consolidated with the assets and liabilities of Aegis Finance and its separate existence will not be disregarded in any state or federal court proceeding.

(q) Business Purpose. The Seller will acquire and sell, transfer, assign and otherwise convey (for state law, tax and financial accounting purposes) the Receivables for a bona fide business purpose.

(r) Federal Income Tax Purposes. The Seller intends to treat the transactions contemplated under this Agreement as a sale of the Receivables to the Trust for federal income tax purposes, subject to the retention by the Seller of a stripped coupon therein as described in Section 1286 of the Code. The Seller and the Trustee intend to cause to be filed all returns or reports in a manner consistent with such treatment.

(s) Valid Transfer. The Purchase Agreement constitutes a valid transfer to the Seller of all of Aegis Finance's right, title and interest in the Receivables transferred to the Seller pursuant to such Purchase Agreement.

(t) Seller's Obligations. The Seller has submitted all necessary documentation for payment of the Receivables to the Obligors and has fulfilled all of its applicable obligations hereunder required to be fulfilled as of the Closing Date.

(u) 1940 Act. The Seller is not, and is not controlled by, an "investment company" registered or

required to be registered under the Investment Company Act of 1940, as amended.

Section 8.02. Liability of Seller; Indemnities. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement, and only to the extent of the Seller's interest in the Trust Property.

(a) The Seller shall indemnify, defend and hold harmless the Trustee, the Trust, the Backup Servicer, the Custodian and each Certificateholder from and against any taxes, other than income and franchise taxes, that may at any time be asserted against the Trustee, the Trust, the Backup Servicer, the Custodian or the Certificateholders with respect to, and as of the date of, the transfer of the Receivables to the Trust or the issuance and original sale of the Certificates, including any sales, gross receipts, general corporation, tangible personal property, privilege or license taxes and costs and expenses in defending against the same.

(b) The Seller shall assume, defend and hold harmless the Trustee, the Trust, the Backup Servicer, the Custodian and each Certificateholder from and against any loss, liability, expense or action, suit, claim or damage incurred by reason of (i) the Seller's willful misfeasance, bad faith or negligence in the performance of its duties under this Agreement, or by reason of reckless disregard of its obligations and duties under this Agreement (and such indemnity shall extend to the performance of the Seller's duties and the satisfaction of its obligations with respect to any Receivables that become Purchased Receivables, as provided in this Agreement), (ii) the Seller's violation of federal or State securities laws in connection with the exemption from registration of the sale of the Certificates, and (iii) any transaction arising out of or contemplated by this Agreement except any loss, liability, expense, action, suit, claim or damage arising out of the failure to pay principal, premium, if any, or interest with respect to the Certificates to the extent such failure does not result from the Seller's omission to comply with the terms of this Agreement or acts of the Seller in contravention of this Agreement.

The assumption of liability or indemnification under this Section 8.02 shall include, without limitation, reasonable fees and expenses of counsel and expenses of litigation and shall survive termination of this Agreement. If the Seller shall have made any payments to the Trustee pursuant to this Section and the Trustee thereafter shall collect any of such amounts from others, the

Trustee shall repay such amounts to such party without interest. Notwithstanding anything to the contrary herein, the liability of the Seller under this Section 8.02 is intended to be the same primary liability as would apply to the general partner of a limited partnership organized under the laws of the State of Delaware. Potential creditors of the Trust are intended beneficiaries of the assumption of liabilities by the Seller under this Section 8.02 and may enforce such assumption in accordance with its tenor.

Section 8.03. Merger or Consolidation of, or Assumption of the Obligations of, Seller. Any Person (a) into which the Seller may be merged or consolidated, (b) which may result from any merger or consolidation to which the Seller shall be a party, or (c) which may succeed to the properties and assets of the Seller substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Seller under this Agreement, shall be the successor to the Seller hereunder without the execution or filing of any document or any further act by any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty or covenant made pursuant to Section 3.01 or Section 8.01 shall have been breached, no Event of Servicing Default, and no event that, after notice or lapse of time, or both, would become an Event of Servicing Default shall have happened and be continuing and the conditions of Section 8.07(a)(ii) shall have been satisfied, (ii) the Seller shall have delivered to the Trustee and each Certificateholder an Officer's Certificate and an Opinion of Counsel, which shall be independent outside counsel, each stating that such consolidation, merger or succession and such agreement or assumption comply with this Section 8.03 and that all conditions precedent, if any, provided for in this Agreement relating to such transaction have been complied with and (iii) the Seller shall have delivered to the Trustee an Opinion of Counsel, which shall be independent outside counsel, either (A) stating that, in the opinion of such counsel, all financing statements and continuation statements and amendments thereto have been executed and filed that are necessary fully to preserve and protect the interest of the Trustee in the Receivables, and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest. The Seller shall provide notice of any merger, consolidation or succession pursuant to this Section 8.03 to each Rating Agency and each Certificateholder and each Rating Agency shall have confirmed in writing to the Seller and the Trustee (a copy of which confirmation shall have been delivered by the Seller to each Certificateholder) that such merger, consolidation or succession shall not result in a downgrade or withdrawal of the current rating of the Certificates by such Rating Agency. Notwithstanding anything herein to the contrary, the execution of the foregoing agreement of assumption and compliance with clauses (i), (ii) and

(iii) above shall be conditions to the consummation of the transactions referred to in clauses (a), (b) or (c) above.

Section 8.04. Limitation on Liability of Seller and Others. The Seller and any director or officer or employee or agent of the Seller or the Seller's general partner may rely in good faith on the written advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder.

Section 8.05. Seller May Own Certificates. The Seller and any Affiliate of the Seller may in its individual or any other capacity become the owner or pledgee of Certificates with the same rights as it would have if it were not the Seller or an Affiliate thereof, except as otherwise provided in the definition of "Certificateholder" in Section 1.01. Certificates so owned by or pledged to the Seller or such Affiliate shall have an equal and proportionate benefit under the provisions of this Agreement, without preference, priority or distinction as among all of the Certificates, other than with respect to Voting Interests. Notwithstanding the foregoing, the Seller will not, and will not permit any of their Affiliates (or any Person acting on behalf of the Seller or any such Affiliate) to directly or indirectly acquire or make any offer to acquire any Certificates unless the Seller or such Affiliate (or such Person acting on behalf thereof) shall have offered to acquire Certificates, pro rata, from all Holders and upon the same terms.

Section 8.06. Covenants of the Seller. The Seller shall:

(a) not impair the rights of the Certificateholders or the Trustee in the Receivables;

(b) except for the sale and assignment effected under this Agreement and prior to the termination of the Trust, not sell, pledge, assign, or transfer to any other Person, or grant, create, incur, assume, or suffer to exist any Lien on any Receivable sold to the Trustee or any interest therein;

(c) immediately notify the Trustee of the existence of any Lien on any Receivable;

(d) defend the right, title, and interest of the Trustee in, to, and under the Receivables transferred to the Trustee, against all claims of third parties claiming through or under the Seller, Aegis Finance or the Servicer;

(e) make at its sole cost and expense any filings, reports, notices, applications, registrations with, and seek any consents or authorizations from, the Securities

and Exchange Commission and any state securities authority on behalf of the Trust as may be necessary or advisable or reasonably requested by the Trustee, and shall comply with any federal or State securities or reporting requirements laws;

(f) comply in all respects with the terms and conditions of the Purchase Agreement and not amend, modify, or waive any provision of the Purchase Agreement in any manner relating to the obligation of Aegis Finance to repurchase Receivables or in any manner that would have a materially adverse effect on the interests of the Certificateholders;

(g) promptly notify the Trustee and the Certificateholders of the occurrence of any Event of Backup Servicing Default or Event of Servicing Default and any breach by the Seller or the Backup Servicer of any of its respective covenants or representations and warranties contained in this Agreement or, with respect to the Seller, in the Purchase Agreement;

(h) make at its sole cost and expense any filings, reports, notices, or applications and seek any consents or authorizations from any and all government agencies, tribunals, or authorities in accordance with the UCC and any State vehicle license or registration authority on behalf of the Trust as may be necessary or advisable or reasonably requested by the Trustee to create, maintain and protect a first-priority perfected security interest of the Trust in, to, and on the Financed Vehicles and a first-priority perfected ownership interest of the Trust in, to, and on the Receivables transferred to it;

(i) if requested by the Majority Certificateholders, cooperate with the Certificateholders in obtaining, and thereafter maintain, a rating on the Certificates by DCR and/or Fitch; the expenses of maintaining any such rating shall be paid as an expense of the Trust; and

(j) upon request of any Certificateholder, furnish the information required by paragraph (d)(4) of Rule 144A promulgated under the Securities Act.

Section 8.07. Enforcement by Trustee. The Seller hereby acknowledges and agrees that the following covenants and agreements of the Seller shall be enforceable by the Trustee at all times until the Trust is terminated.

(a) Covenants Regarding Operations:

(i) The Seller shall not engage in any business or activity other than in connection with or relating to the purchase of auto loan receivables and the issuance of rated debt secured by, or certificates of participation in, a pool of auto loan receivables.

(ii) The Seller shall not consolidate or merge with or into any other entity or convey or transfer its properties and assets substantially as an entirety to any entity unless (A) the entity (if other than the Seller) formed or surviving such consolidation or merger, or that acquires by conveyance or transfer the properties and assets of the Seller substantially as an entirety, shall be organized and existing under the laws of the United States of America or any State thereof or the District of Columbia, and shall expressly assume in form satisfactory to each Rating Agency, if any, and the Majority Certificateholders, the performance of every covenant on the part of the Seller to be performed or observed pursuant to this Agreement and the Purchase Agreement, (B) immediately after giving effect to such transaction, no default or event of default under this Agreement shall have occurred and be continuing and (C) the Seller shall have delivered to each Rating Agency, if any, each Certificateholder and the Trustee an Officers' Certificate and an opinion of independent counsel, each stating that such consolidation, merger, conveyance or transfer comply with this Agreement.

(iii) The Seller shall not dissolve or liquidate, in whole or in part, except (A) as permitted in paragraph (ii) above or (B) with the prior written consent of the Trustee and the Majority Certificateholders (if the Certificates are not then rated) and prior written confirmation from each Rating Agency, if any, (a copy of which shall be provided to the Trustee and each Certificateholder by the Seller) that such dissolution or liquidation will have no adverse effect on the rating assigned to the Rated Certificates.

(iv) The funds and other assets of the Seller shall not be commingled with those of any other corporation, entity or Person, including, but not limited to, the parent or Affiliates of the Seller.

(v) The Seller shall not hold itself out as being liable for the debts of any other party,

including, but not limited to, the debts of the parent or Affiliates of the Seller.

(vi) The Seller shall not form, or cause to be formed, or otherwise have, any subsidiaries.

(vii) The Seller shall act solely in its corporate name and through the duly authorized officers or agents in the conduct of its business, and shall conduct its business so as not to mislead others as to the identity of the entity with which they are concerned.

(viii) At all times, except in the case of a temporary vacancy, which shall promptly be filled, the Seller shall have on its board of directors at least one director who qualifies as an "Independent Director" as such term is defined in the Seller's Certificate of Incorporation as originally filed with the Delaware Secretary of State's office.

(ix) The Seller shall maintain records and books of account of the Seller and shall not commingle such records and books of account with the records and books of account of any Person. The books of the Seller may be kept (subject to any provision contained in the statutes) inside or outside the State of New Jersey at such place or places as may be designated from time to time by the board of directors of the Seller.

(x) The board of directors of the Seller shall hold appropriate meetings to authorize all of its corporate actions. Regular meetings of the board of directors of the Seller shall be held not less frequently than three times per annum.

(xi) Meetings of the shareholders of the Seller shall be held not less frequently than one time per annum.

(xii) The Seller shall not amend, alter, change or repeal any provision contained in this Section 8.07(a) without (A) the affirmative vote in favor thereof of eighty percent (80%) of the then outstanding shares of the Seller entitled to vote thereon; (B) the prior written consent of the Trustee and the Majority Certificateholders; and (C) the prior written confirmation from each Rating Agency, if any, that the rating on the Rated Certificates will not be impaired.

(xiii) The Seller shall not, without the affirmative unanimous vote of the whole board of directors of the Seller (including at least one director referred to in clause (viii) above), institute any proceedings to adjudicate the Seller a bankrupt or insolvent, consent to the institution of bankruptcy or insolvency proceedings against the Seller, file a petition seeking or consenting to reorganization or relief under any applicable federal or State law relating to bankruptcy, consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Seller or a substantial part of its property or admit its inability to pay its debts generally as they become due or authorize any of the foregoing to be done or taken on behalf of the Seller.

(xiv) The Seller is not and shall not be involved in the day-to-day or other management of its parent or any of its Affiliates.

(xv) Other than the purchase and sale or pledge of assets as provided in this Agreement and related agreements with respect to this transaction and other transactions relating to the purchase of auto loan receivables and the issuance of rated debt or rated certificates of participation, the Seller shall engage in no other transactions with any of its Affiliates.

(xvi) Seller shall maintain a separate business office and telephone number from any of its Affiliates.

(xvii) Seller's financial statements shall reflect its separate legal existence from any of its Affiliates.

(xviii) The Seller will not amend its Certificate of Incorporation in any respect material to the Certificateholders without the consent of the Majority Certificateholders (or, if the Certificates have been rated, by each Rating Agency.)

(xix) The Seller shall use separate invoices, stationery and checks.

(xx) The Seller shall not suffer or permit the credit or assets of Aegis Finance to be held out as available for the obligations of the Seller.

(xxi) The Seller shall enter into transactions with Aegis Finance or its affiliates only on commercially reasonable terms.

(xxii) The Seller shall not incur or issue any "Obligation" (as such term is defined in its Certificate of Incorporation) in contravention of the limitations set forth therein.

(xxiii) The Seller shall not issue any "Securities" or incur or issue any "Obligations" (as such terms are defined in its Certificate of Incorporation) under any other pooling and servicing agreement, purchase agreement or otherwise, unless such agreement contains an express provision substantially similar to Section 13.10 hereof limiting recourse to the Seller to the assets involved in the transaction to which such agreement relates.

Section 8.08. No Bankruptcy Petition. The Seller covenants and agrees that prior to the date which is one year and one day after the payment in full of all securities issued by the Seller or by a trust for which the Seller was the depositor, which securities were rated by any nationally recognized statistical rating organization, it will not institute any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or State bankruptcy or similar law.

ARTICLE IX

THE BACKUP SERVICER

Section 9.01. Representations of Backup Servicer. The Backup Servicer makes the following representations on which the Trustee relies in accepting the Receivables in trust and executing and authenticating the Certificates on the Closing Date. The representations speak as of the Closing Date, but shall survive the sale and assignment of the Receivables to the Trustee in trust for the benefit of the Certificateholders.

(a) Organization and Good Standing. The Backup Servicer shall have been duly organized and shall be validly existing and in good standing under the federal laws of the United States of America, with power and authority to own its properties and to conduct its business as such properties shall be currently owned and such business is presently conducted.

(b) Power and Authority. The Backup Servicer

shall have the power and authority to execute and deliver this Agreement and the Servicing Agreement and to carry out their respective terms; and the execution, delivery and performance of this Agreement and the Servicing Agreement shall have been duly authorized by the Backup Servicer by all necessary corporate action. Each of this Agreement and the Servicing Agreement constitutes the valid and binding obligation of the Backup Servicer enforceable in accordance with its terms.

(c) No Violation. The consummation of the transactions by the Backup Servicer contemplated by this Agreement and the Servicing Agreement and the fulfillment of the terms hereof and thereof neither conflict with, result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the charter or bylaws of the Backup Servicer, or, to the best of the Backup Servicer's knowledge, any indenture, agreement or other instrument to which the Backup Servicer is a party or by which it is bound; nor result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than this Agreement and the Servicing Agreement); nor to the best of the Backup Servicer's knowledge, any law, order, rule or regulation applicable to the Backup Servicer of any court or of any federal or state regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Backup Servicer or its properties.

(d) No Proceedings. To the Backup Servicer's best knowledge, there are no proceedings or investigations pending, or threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Backup Servicer or its respective properties: (A) asserting the invalidity of this Agreement or the Servicing Agreement; (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or the Servicing Agreement; or (C) seeking any determination or ruling that might materially and adversely affect the performance by the Backup Servicer of its obligations under, or the validity or enforceability of, this Agreement or the Servicing Agreement.

Section 9.02. Merger or Consolidation of, or Assumption of the Obligations of, or Resignation of Backup Servicer. 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 shall be a party, (c) which may succeed to the properties and assets of the Backup

Servicer substantially as a whole, or (d) which may succeed to the duties and obligations of the Backup Servicer under this Agreement and the Servicing Agreement following the resignation of the Backup Servicer, whether or not such Person executes an agreement of assumption to perform every obligation of the Backup Servicer hereunder and thereunder, shall be the successor to the Backup Servicer under this Agreement and the Servicing Agreement without further act on the part of any of the parties to this Agreement or the Servicing Agreement. If at any time thereafter any Rating Agency shall have delivered to the Backup Servicer and to the Trustee a statement that such transaction will have an adverse effect on the rating assigned to the Rated Certificates, if any, then such transaction shall be deemed to constitute an Event of Backup Servicing Default.

Section 9.03. Limitation on Liability of Backup Servicer and Others. Neither the Backup Servicer nor any of the directors or officers or employees or agents of the Backup Servicer shall be under any liability to the Trust or the Certificateholders, except as provided under this Agreement, for any action taken or for refraining from the taking of any action pursuant to this Agreement; provided, however, that this provision shall not protect the Backup Servicer or any such Person against any liability that would otherwise be imposed by reason of willful misfeasance, bad faith or negligence in the performance of duties or by reason of reckless disregard of obligations and duties under this Agreement. The Backup Servicer and any director or officer or employee or agent of the Backup Servicer may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising under this Agreement.

Except as provided in this Agreement, the Backup Servicer shall not be under any obligation to appear in, prosecute or defend any legal action that shall not be incidental to its duties under this Agreement and the Servicing Agreement, and that in its opinion may involve it in any expense or liability; provided, however, that the Backup Servicer may undertake any reasonable action that it may deem necessary or desirable in respect of this Agreement and the Servicing Agreement and the rights and duties of the parties to this Agreement and the Servicing Agreement and the interests of the Certificateholders under this Agreement and the Servicing Agreement. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses, costs and liabilities of the Trust and the Backup Servicer shall be entitled to be reimbursed therefor.

The Trustee shall distribute out of the Collection Account on the Distribution Date succeeding the delivery of the Opinion of Counsel referred to below, without regard to any deficiencies in the amounts required to be distributed pursuant to Section 5.06,

any expenses, costs or liabilities required from the Trust pursuant to this Section 9.03, provided, however, that the Trustee shall only distribute amounts pursuant to this Section 9.03 upon the Trustee's receipt of an Opinion of Counsel to the effect that such distribution is permitted by this Agreement.

Section 9.04. Successor Backup Servicer. The Backup Servicer under this Agreement shall at all times be a corporation or a banking association organized and existing in good standing under the laws of the United States or a state thereof; having a combined capital and surplus as designated from time to time by the Majority Certificateholders (or, if the Certificates have been rated, by each Rating Agency) or as otherwise approved by the Majority Certificateholders (or, if the Certificates have been rated, by each Rating Agency) (but in any event not less than \$100,000,000) and subject to supervision or examination by federal or state authorities. If such association or corporation shall publish reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purpose of this Section 9.04, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Backup Servicer shall cease to be eligible in accordance with the provisions of this Section 9.04, or shall cease to be an Eligible Servicer, the Backup Servicer shall resign immediately in the manner and with the effect specified in Section 4.02.

Section 9.05. No Bankruptcy Petition. The Backup Servicer covenants and agrees that prior to the date which is one year and one day after the payment in full of all securities issued by the Seller or by the Trust it will not institute against, or join any other Person in instituting against, the Seller any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law; provided, however, that nothing contained herein shall prohibit the Backup Servicer from participating in any existing bankruptcy proceeding.

ARTICLE X

BACKUP SERVICING DEFAULT

Section 10.01. Events of Backup Servicing Default. If any one of the following events ("Events of Backup Servicing Default") shall occur and be continuing:

(a) Failure to make any payment, transfer or deposit required to be made by the Backup Servicer under the terms of this Agreement or the Servicing Agreement, which failure shall continue for two (2) Business Days after

the date due; or

(b) Failure on the part of the Backup Servicer duly to observe or to perform in any material respect any covenant or agreement of the Backup Servicer set forth in this Agreement or the Servicing Agreement, which failure shall (i) materially and adversely affect the rights of Certificateholders and (ii) continue unremedied for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been sent (A) to the Backup Servicer by the Trustee, or (B) to the Backup Servicer and to the Trustee by the Holders of Certificates evidencing not less than 20% of the Voting Interests thereof; or

(c) The entry of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver or liquidator for the Backup Servicer in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 30 consecutive days; or

(d) The consent by the Backup Servicer to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Backup Servicer or of or relating to substantially all of its property; or the Backup Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations;

then, and in each and every case, so long as an Event of Backup Servicing Default shall not have been remedied, either the Trustee, or the Holders of the Certificates evidencing not less than 20% of the Voting Interests thereof, by notice then given in writing to the Backup Servicer (and to the Trustee if given by the Certificateholders) may terminate all of the rights and obligations of the Backup Servicer under this Agreement. Thirty (30) days after the receipt by the Backup Servicer of such written notice, all authority and power of the terminated Backup Servicer under this Agreement, whether with respect to the Certificates or the Receivables or otherwise, shall, without further action, pass to and be vested in the Trustee if the Trustee is not the same entity as the terminated Backup Servicer and a successor Backup Servicer has not been appointed under Section 10.02. The Trustee is hereby

authorized and empowered to execute and deliver, on behalf of the predecessor Backup Servicer, as attorney in fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such notice of termination. The predecessor Backup Servicer shall cooperate with the successor Backup Servicer and the Trustee in effecting the termination of the responsibilities and rights of the predecessor Backup Servicer under this Agreement. Upon receipt of notice of the occurrence of an Event of Backup Servicing Default, the Trustee shall give notice thereof to each Rating Agency, if any.

Section 10.02. Appointment of Successor.

(a) Upon a Backup Servicer's receipt of notice of termination pursuant to Section 10.01 or a Backup Servicer's resignation in accordance with Section 4.02, the predecessor Backup Servicer shall continue to perform its functions as Backup Servicer under this Agreement until receipt of such notice and, in the case of resignation, until a successor Backup Servicer shall have assumed the duties of the Backup Servicer in accordance with this Section 10.02. In the event of a Backup Servicer's termination hereunder, the Trustee (with the consent of the Majority Certificateholders) shall appoint a successor Backup Servicer, and the successor Backup Servicer shall accept its appointment by a written assumption in form acceptable to the Trustee. In the event that a successor Backup Servicer has not been so appointed (i) within 45 days of delivery of notice of termination, or (ii) within 30 days of resignation, the Trustee may petition a court of competent jurisdiction to appoint any established institution, having a combined capital and surplus of not less than \$100,000,000 and which is an Eligible Servicer, as the successor to the Backup Servicer under this Agreement.

(b) Upon appointment, the successor Backup Servicer shall be the successor in all respects to the predecessor Backup Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter relating thereto placed on the predecessor Backup Servicer, including, but not limited to, the assumption by the Backup Servicer of all duties and obligations of the Servicer in the event of an Event of Servicing Default with respect to the Servicer under the Servicing Agreement pursuant to the terms therein and shall be entitled to all of the rights granted to the predecessor Backup Servicer, by the terms and provisions of this Agreement.

(c) The outgoing Backup Servicer shall deliver to the successor Backup Servicer all documents and records

in its possession which are necessary to enable the successor Backup Servicer to perform its duties relating to the Servicing Agreement and the Receivables and otherwise use its best efforts to effect the orderly and efficient transfer of the Servicing Agreement to the successor Backup Servicer.

Section 10.03. Notification to Certificateholders. Upon any termination of, or appointment of a successor to, a Backup Servicer pursuant to this Article X, the Trustee shall give prompt written notice thereof to Certificateholders at their respective addresses appearing in the Certificate Register and to each Rating Agency, if any.

Section 10.04. Waiver of Past Defaults. The Majority Certificateholders (or, in the case of a default referred to in Section 10.01(a), the Holders of Certificates evidencing 100% of the Voting Interests thereof) may, on behalf of all Holders of Certificates, waive any default by the Backup Servicer in the performance of its obligations hereunder and its consequences. Upon any such waiver of a past default, such default shall cease to exist, and any Event of Backup Servicing Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE XI

THE TRUSTEE

Section 11.01. Duties of Trustee. The Trustee, both prior to the occurrence of an Event of Backup Servicing Default and after an Event of Backup Servicing Default shall have been cured or waived, shall undertake to perform only such duties as are specifically set forth in this Agreement. If an Event of Backup Servicing Default shall have occurred and shall not have been cured or waived, the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs; provided, however, that if the Trustee shall assume the duties of a Backup Servicer pursuant to Section 10.02, the Trustee shall perform such duties in accordance with Section 4.06. If the Trustee is uncertain with respect to performing its duties or if a conflict arises regarding the Trustee's rights, duties and obligations, the Trustee may petition a court of competent jurisdiction for written direction or to interplead necessary parties. Notwithstanding anything in this Agreement to the contrary, neither the Trustee nor the Backup Servicer shall have any authority to perform any act which would cause the Trust to be characterized as an association taxable as a corporation for federal

income tax purposes.

The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Trustee that shall be specifically required to be furnished pursuant to any provision of this Agreement, shall examine them to determine whether they conform as to form to the requirements of this Agreement; provided, however, in the absence of bad faith on its part, the Trustee can assume the truth and accuracy of the statements made therein and the genuineness of the signatures thereon.

The Trustee shall take and maintain custody of the Schedule of Receivables included as an exhibit to this Agreement and shall retain all Monthly Servicing Certificates identifying Receivables that become Purchased Receivables and Liquidated Receivables.

The Trustee shall give written notice to each Rating Agency, if any, the Certificateholders, the Seller and Aegis Finance of the occurrence, to its actual knowledge, which notice shall be given within three (3) Business Days' of the Trustee's receipt of actual knowledge thereof, of any waiver of or any action taken to cure (i) any default, breach, violation or event permitting acceleration under the terms of any Receivable; (ii) any continuing condition that with notice or the lapse of time would constitute a default, breach, violation or event permitting acceleration under the terms of any Receivable; (iii) any default or delinquency under the terms of any Receivable that remained uncured for more than thirty (30) days after notice to the Seller; or (iv) any event which constitutes or with notice or the lapse of time would constitute an Event of Backup Servicing Default or Event of Servicing Default.

The Trustee shall give written notice to each Rating Agency, if any, and each Certificateholder promptly upon receipt of a notice from the Backup Servicer pursuant to Section 4.02 hereof or from the Servicer pursuant to paragraph IV.F.1 of the Servicing Agreement or the Seller pursuant to Section 8.06(g) hereof of an event which with the giving of notice or the lapse of time, or both, would constitute an Event of Backup Servicing Default or an Event of Servicing Default.

The Trustee shall deliver to each Certificateholder (or, if the Certificates have been rated, to each Rating Agency) by no later than the 20th calendar day of each month, a certificate signed by an officer of the Trustee certifying that, as of the date of such certificate, based solely upon information provided to the Trustee by the Servicer or the Backup Servicer, the Trustee has no knowledge of, nor to the Trustee's best knowledge, has any event occurred which would cause the Trustee to reasonably believe, that an Event of Backup Servicing Default or an Event of Servicing Default has occurred.

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own bad faith; provided, however, that:

(a) Prior to the occurrence of an Event of Backup Servicing Default, and after the curing or waiving of all such Events of Backup Servicing Default that may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, the Trustee shall not be liable except for the performance of such duties and obligations as shall be specifically set forth in this Agreement, no implied covenants or obligations shall be read into this Agreement against the Trustee and, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely on the truth of the statements and the correctness of the opinions expressed upon any certificates or opinions furnished to the Trustee and conforming as to form to the requirements of this Agreement;

(b) The Trustee shall not be liable for an error of judgment made in good faith by a Trustee Officer, unless it shall be proved that the Trustee shall have been negligent in ascertaining the pertinent facts;

(c) The Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken in good faith in accordance with this Agreement or at the direction of the Holders of Certificates evidencing not less than 20% of the Voting Interests thereof relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement;

(d) The Trustee shall not be charged with knowledge of any failure by the Backup Servicer (so long as the Trustee is not the Backup Servicer) or the Servicer to comply with the obligations, covenants or representations or warranties of the Backup Servicer or the Servicer under this Agreement or the Servicing Agreement, as the case may be, or of any failure by the Seller to comply with the obligations, covenants or representations or warranties of the Seller under this Agreement, unless a Trustee Officer assigned to the Trustee's Corporate Trust Department obtains actual knowledge of such failure (it being understood that, so long as the Trustee is not the Backup Servicer, knowledge of the Backup Servicer is not attributable to the Trustee) or the Trustee receives written notice of such failure from the Backup Servicer, Servicer

or the Seller, as the case may be, or any Holder of Certificates; and

(e) Without limiting the generality of this Section or Section 11.04, the Trustee (except if also serving as the Backup Servicer and the duties of the Backup Servicer require such) shall have no duty (i) to see to any recording, filing or depositing of this Agreement or any agreement referred to therein or any financing statement or continuation statement evidencing a security interest in the Receivables or the Financed Vehicles, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, 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 Trust, (iv) to confirm or verify the contents of any reports or certificates of the Servicer delivered to the Trustee pursuant to this Agreement or the Servicing Agreement believed by the Trustee 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 Seller's or the Servicer's representations, warranties or covenants or the Servicer's duties and obligations as Servicer under this Agreement and the Servicing Agreement.

The Trustee shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it believes in its sole discretion 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 or the Servicing Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Servicer, the Backup Servicer or a Servicer under this Agreement or the Servicing Agreement, as the case may be.

Section 11.02. Trustee's Certificate. On or as soon as practicable after each Distribution Date on which Receivables shall be assigned to the Seller pursuant to Section 11.03, the Trustee shall execute a Trustee's Certificate (in the form of Exhibit N), based on the information contained in the Monthly Servicing Certificate for the related Collection Period, amounts deposited to the Certificate Account and notices received pursuant to this Agreement, identifying the Receivables repurchased by the Seller pursuant to Section 3.02 during such Collection Period, and shall

deliver such Trustee's Certificate, accompanied by a copy of the Monthly Servicing Certificate for such Collection Period to the Seller. The Trustee's Certificate submitted with respect to such Distribution Date shall operate, as of such Distribution Date, as an assignment, without recourse, representation or warranty, to the Seller, of all the Trustee's right, title and interest in and to such repurchased Receivable, and all security and documents relating thereto, such assignment being an assignment outright and not for security.

Section 11.03. Trustee's Assignment of Purchased Receivables. With respect to all Receivables repurchased by the Seller pursuant to Section 3.02, the Trustee shall by a Trustee's Certificate (in the form of Exhibit N) assign, without recourse, representation or warranty, to the Seller all the Trustee's right, title and interest in and to such Receivables, and all security and documents relating thereto.

Section 11.04. Certain Matters Affecting Trustee. Except as otherwise provided in Section 11.01:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officer's Certificate, Monthly Servicing Certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Trustee may consult with counsel and any written Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it under this Agreement in good faith and in accordance with such written Opinion of Counsel.

(c) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement, or to institute, conduct or defend any litigation under this Agreement or in relation to this Agreement, at the request, order or direction of any of the Certificateholders pursuant to the provisions of this Agreement, unless such Certificateholders shall have offered to the Trustee security or indemnity, reasonably satisfactory to the Trustee, against the costs, expenses and liabilities that may be incurred therein or thereby.

(d) The Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or

powers conferred upon it by this Agreement.

(e) Except as expressly provided herein, the Trustee shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing so to do by Holders of Certificates evidencing not less than 20% of the Voting Interests thereof; provided, however, that the Trustee may require reasonable indemnity against any cost, expense or liability as a condition to so proceeding at the direction of the Certificateholders.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties under this Agreement either directly or by or through agents or attorneys or a custodian. The Trustee shall not be responsible for any misconduct or negligence of any such agent or custodian appointed with due care by it hereunder or of the Servicer in its capacity as Servicer. The Trustee may act upon the opinion or advice of accountants, engineers or such other professionals as the Trustee deems necessary and selected by it in the exercise of reasonable care, and the Trustee may pay reasonable compensation and shall be entitled to reimbursement hereunder for such compensation paid to such professionals, which fee shall be considered an expense of the Trustee to be paid pursuant to Section 5.06(d) (i).

(g) Subsequent to the sale of the Receivables by the Seller to the Trust, the Trustee shall have no duty of independent inquiry, and the Trustee may rely upon the representations and warranties and covenants of the Seller and the Servicer contained in this Agreement and the Servicing Agreement with respect to the Receivables.

Section 11.05. Trustee Not Liable for Certificates or Receivables. The recitals contained herein and in the Certificates (other than the certificate of authentication on the Certificates) shall be taken as the statements of the Seller, and the Trustee assumes no responsibility for the correctness thereof. The Trustee shall make no representations as to the validity or sufficiency of this Agreement, the Trust Property or of the Certificates (other than the certificate of authentication on the Certificates), or of any Receivable or related document or the validity, genuineness or originality of any document delivered to the Trustee in its capacity as Custodian. The Trustee shall at no time have any responsibility or liability for or with respect to the legality, validity and enforceability of any security interest in any Financed Vehicle or any Receivable, or the perfection and priority of such a security

interest or the maintenance of any such perfection and priority, or for or with respect to the efficacy of the Trust or its ability to generate the payments to be distributed to Certificateholders under this Agreement, including, without limitation: the existence, condition, location and ownership of any Financed Vehicle; the review of any Servicer File or Custodian File therefor; the existence and enforceability of any physical damage insurance thereon; the existence and contents of any Receivable or any Servicer File or Custodian File or any computer or other record thereof; the validity of the assignment of any Receivable to the Trust or of any intervening assignment; the completeness of any Receivable or any Servicer File or Custodian File; the performance or enforcement of any Receivable; the compliance by the Seller or the Servicer, with any warranty or representation made under this Agreement or the Servicing Agreement or in any related document and the accuracy of any such warranty or representation prior to the Trustee's receipt of notice or other discovery of any noncompliance therewith or any breach thereof (provided, however, that the receipt of notice or other discovery of such noncompliance or breach shall only obligate the Trustee to comply with the terms of Section 3.02 hereof); any investment of moneys by the Trustee or any loss resulting therefrom (it being understood that the Trustee shall remain responsible for any Trust property that it may hold); the acts or omissions of the Seller, the Servicer or any Obligor; an action of the Servicer taken in the name of the Trustee; or any action by the Trustee taken at the instruction of the Servicer; provided, however, that the foregoing shall not relieve the Trustee of its obligation to perform its duties under this Agreement. Except if caused by its negligence or its failure to act in accordance with reasonable and proper instructions given in writing received by the Trustee, the Trustee shall not be liable for losses on investments on the funds or on the accounts established pursuant to Section 5.01. The Trustee shall not be liable for collections received by the Servicer prior to deposit by the Servicer of such collections into the Collection Account or for the application or misapplication of funds, or for other acts or defaults, by any person, firm or corporation except its own directors, officers, agents and employees. Except with respect to a claim based on the Trustee's negligence or willful misconduct, no recourse shall be had for any claim based on any provision of this Agreement, the Certificates or any Receivable or assignment thereof against the Trustee in its individual capacity, the Trustee shall not have any personal obligation, liability or duty whatsoever to any Certificateholder or any other Person with respect to any such claim, and any such claim shall be asserted solely against the Trust or any indemnitor who shall furnish indemnity as provided in this Agreement. The Trustee shall not be accountable for the use or application by the Seller of any of the Certificates or of the proceeds of such Certificates, or for the use or application of any funds paid to a Servicer in respect of the Receivables. The Seller hereby certifies to the Trustee that the rating agency rating the

Rated Certificates is the Rating Agency, and that its address is as set forth in Section 13.05. The Trustee may rely on the accuracy of such certification until it receives from the Seller an Officer's Certificate superseding such certification.

Section 11.06. Trustee May Own Certificates. The Trustee in its individual or any other capacity may become the owner or pledgee of Certificates and may deal with the Seller and the Servicer in banking transactions with the same rights as it would have if it were not Trustee, except as otherwise provided in the definition of "Certificateholder" in Section 1.01.

Section 11.07. Trustee's Fees and Expenses. The Trustee shall be entitled to its customary compensation as set forth on Exhibit G to this Agreement (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by it in the execution of the trusts created by this Agreement and in the exercise and performance of any of the Trustee's powers and duties under this Agreement. The Trustee shall be paid or reimbursed pursuant to Section 5.06 upon its request for all reasonable expenses and disbursements (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ) incurred or made by the Trustee in accordance with any provisions of this Agreement, except any such expense or disbursement as may be attributable to its willful misfeasance, negligence or bad faith. Unpaid fees and expenses of the Trustee shall bear interest at the prime rate then in effect plus 2%. The Seller shall indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without willful misfeasance, negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the Trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. Additionally, the Seller, pursuant to Section 8.02, shall indemnify the Trustee with respect to certain matters. The Trustee shall not be required to furnish any surety bond. The provisions of this Section 11.07 shall survive the termination of this Agreement.

Section 11.08. Eligibility Requirements for Trustee. The Trustee shall at all times be a corporation having an office in the same state as the location of the Corporate Trust Office as specified in or pursuant to this Agreement; and organized and doing business under the laws of such state or the United States of America; authorized under such laws to exercise corporate trust powers; having a combined capital and surplus of at least \$100,000,000 and subject to supervision or examination by federal or state authorities. If such corporation shall publish reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the

purpose of this Section 11.08, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 11.08, the Trustee shall resign immediately in the manner and with the effect specified in Section 11.09.

Section 11.09. Resignation or Removal of Trustee. The Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice thereof to the Seller and each Certificateholder. Upon receiving such notice of resignation, the Majority Certificateholders with the approval of each Rating Agency, if any, shall promptly appoint a successor Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no successor Trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If at any time the Trustee shall cease to be eligible in accordance with the provisions of Section 11.08 and shall fail to resign after written request therefor by the Seller, or if at any time the Trustee shall be legally unable to act, or shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Majority Certificateholders may remove the Trustee. If the Majority Certificateholders shall remove the Trustee under the authority of the immediately preceding sentence, the Majority Certificateholders with the approval of each Rating Agency, if any, shall promptly appoint a successor Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the outgoing Trustee so removed and one copy to the successor Trustee and payment of all fees and expenses owed to the outgoing Trustee.

Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 11.09 shall not become effective until acceptance of appointment by the successor Trustee pursuant to Section 11.10 and payment of all fees and expenses owed to the outgoing Trustee or upon order of a court of competent jurisdiction. The Seller shall provide notice of such resignation or removal of the Trustee to each Rating Agency, if any.

Section 11.10. Successor Trustee. Any successor Trustee appointed pursuant to Section 11.09 shall execute, acknowledge

and deliver to the Backup Servicer, the Servicer and to the predecessor Trustee an instrument accepting such appointment under this Agreement, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as Trustee. The predecessor Trustee shall upon payment of its fees and expenses deliver to the successor Trustee all documents and statements and moneys held by it under this Agreement; and the Seller and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Trustee all such rights, powers, duties and obligations.

No successor Trustee shall accept appointment as provided in this Section 11.10 unless at the time of such acceptance such successor Trustee shall be eligible pursuant to Section 11.08.

Upon acceptance of appointment by a successor Trustee pursuant to this Section 11.10, the successor Trustee shall mail notice of the successor of such Trustee under this Agreement to all Holders of Certificates at their addresses as shown in the Certificate Register and to each Rating Agency, if any.

Section 11.11. Merger or Consolidation of Trustee. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be eligible pursuant to Section 11.08, without the execution or filing of any instrument or any further act on the part of any of the parties hereto; provided, further, that the Trustee shall mail notice of such merger or consolidation to each Rating Agency, if any, and each Certificateholder.

Section 11.12. Appointment of Co-Trustee or Separate Trustee. Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust or any Financed Vehicle may at the time be located, the Backup Servicer and the Trustee acting jointly shall have the power and shall execute and deliver all instruments to appoint one or more Persons approved by the Trustee to act as co-trustee, jointly with the Trustee, or separate trustee or separate trustees, of all or any part of the Trust, and to vest in such Person, in such capacity and for the benefit of the Certificateholders, such title to the Trust, or any part thereof, and, subject to the other provisions of this Section 11.12, such

powers, duties, obligations, rights and trusts as the Backup Servicer and the Trustee may consider necessary or desirable. If the Backup Servicer shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in the case an Event of Backup Servicing Default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment. No co-trustee or separate trustee under this Agreement shall be required to meet the terms of eligibility as a successor trustee pursuant to Section 11.08 and no notice of a successor trustee pursuant to Section 11.10 and no notice to Certificateholders of the appointment of any co-trustee or separate trustee shall be required pursuant to Section 11.10.

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

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

(b) No trustee under this Agreement shall be personally liable by reason of any act or omission of any other trustee under this Agreement; and

(c) The Backup Servicer and the Trustee acting jointly may at any time accept the resignation of or remove any separate trustee or co-trustee.

Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article XI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all

the provisions of this Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Each such instrument shall be filed with the Trustee and copies thereof given to the Backup Servicer.

Any separate trustee or co-trustee may at any time appoint the Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor separate trustee or co-trustee.

Section 11.13. Representations and Warranties of Trustee. The Trustee makes the following representations and warranties on which the Seller and Certificateholders rely:

(a) The Trustee is a banking association duly organized, validly existing, and in good standing under the laws of its place of incorporation.

(b) The Trustee has full corporate power, authority and legal right to execute, deliver and perform its obligations under this Agreement and the Servicing Agreement, and shall have taken all necessary action to authorize the execution, delivery and performance by it of this Agreement and the Servicing Agreement.

(c) This Agreement and the Servicing Agreement shall have been duly executed and delivered by the Trustee, and each constitutes the valid and binding obligation of the Trustee enforceable in accordance with its terms.

(d) The execution, delivery and performance by the Trustee of this Agreement (a) does not violate any provision of any law governing the banking and trust powers of the Trustee or any order, writ, judgment or decree of any court, arbitrator, or governmental authority applicable to the Trustee or any of its assets, (b) does not violate any provision of the corporate charter or by-laws of the Trustee, and (c) does not violate any provision of, or constitute, with or without notice or lapse of time, a default under, or result in the creation or imposition of any lien on any properties included in the Trust pursuant to the provisions of any mortgage, indenture, contract, agreement or other undertaking to which it is a party, which violation, default or lien could reasonably be expected to materially

and adversely affect the Trustee's performance or ability to perform its duties under this Agreement or the transactions contemplated in this Agreement.

(e) The execution, delivery and performance by the Trustee of this Agreement does not require the authorization, consent, or approval of, the giving of notice to, the filing or registration with, or the taking of any other action in respect of, any governmental authority or agency regulating the banking and corporate trust activities of the Trustee.

Section 11.14. No Bankruptcy Petition. Except with the consent of the Majority Certificateholders, the Trustee covenants and agrees that prior to the date which is one year and one day after the payment in full of all securities issued by the Seller or by the Trust it will not institute against, or join any other Person in instituting against, the Seller any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law; provided, however, that nothing contained herein shall prohibit the Trustee from participating in any existing bankruptcy proceeding.

ARTICLE XII

TERMINATION

Section 12.01. Termination of the Trust.

(a) The Trust and the respective obligations of the Seller, the Backup Servicer and the Trustee created by this Agreement (except such obligations as are hereinafter set forth) shall terminate upon the earliest of (i) payment to the Certificateholders of all amounts required to be paid to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property, (ii) the purchase as of any Distribution Date by the Seller, at its option, of the corpus of the Trust as described in Section 12.02, (iii) the Final Scheduled Distribution Date or (iv) subject to Section 12.01(c), 90 days after the Dissolution of the Seller. The Seller shall promptly notify the Trustee of any prospective termination pursuant to this Section 12.01.

(b) Notice of any prospective termination, specifying the Distribution Date for payment of the final distribution and requesting the surrender of the Certificates for cancellation, shall be given promptly by the Trustee by letter to Certificateholders mailed not earlier than the 15th day and not later than the 25th day of the month next preceding the specified Distribution Date stating (A) the

Distribution Date upon which final payment of the Certificates shall be made and (B) the amount of any such final payment. Surrender of the Certificates shall not be a condition of payment of the final distribution; however, each Certificateholder, by accepting the Certificates, hereby agrees to indemnify and hold harmless the Trustee, the Seller and the Certificate Registrar from and against any and all claims arising from such failure, including but not limited to claims by third parties claiming to be bona fide purchasers subsequently presenting such Certificates for payment.

(c) The Seller shall not voluntarily take any action that would cause it to cease being deemed a general partner of the Trust if the Trust were deemed a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and the Residual Interest were deemed to represent the sole general partnership interest in such a partnership.

In the event of the Dissolution of the Seller or any action that would cause the Seller to cease being deemed a general partner of the Trust if the Trust were deemed a limited partnership formed under the Delaware Revised Uniform Limited Partnership Act and the Residual Interest were deemed to represent the sole general partnership interest in such a partnership, the Trust shall terminate 90 days after the date of such event and its assets liquidated in accordance with Section 12.01(d) unless:

A. The Majority Certificateholders inform the Trustee in writing before the end of such 90 day period that they disapprove of the liquidation of the assets of the Trust; and

B. The Seller and the Trustee shall receive an Opinion of Counsel from independent counsel to the effect that the continuation of the Trust shall not cause the Trust to be treated as an association taxable as a corporation for federal income tax purposes.

During any period that the Certificates are outstanding, the Seller agrees that it shall not voluntarily take action that will cause the Dissolution of the Seller.

If the Trust will be terminated and its assets liquidated in accordance with this Section 12.01(c), the Trustee shall act as liquidator of the assets of the Trust, but shall continue to have all the powers, rights and duties of the Trustee hereunder, under the Servicing Agreement and the Purchase Agreement until the disposition of the assets

of the Trust and the final distribution to the Certificateholders, the Trustee and the Backup Servicer of all amounts required to be paid to them pursuant to this Agreement.

(d) Upon receipt by the Trustee from the Seller of notice of any prospective termination of the Trust pursuant to Section 12.01(a)(iii) or (iv), the Trustee shall, subject to the direction of the Majority Certificateholders (provided that, if the Majority Certificateholders shall not have provided such direction to the Trustee within 30 days of the Trustee having sent a written request for such direction to the Certificateholders, the Trustee shall proceed without such direction) sell the remaining assets of the Trust, if any, at public or private sale, in a commercially reasonable manner and on commercially reasonable terms. The Seller agrees to cooperate with the Trustee to effect any such sale, including by executing such instruments of conveyance or assignment as shall be necessary or required by the purchaser. Proceeds of sale, net of expenses, shall be treated as collections on the assets of the Trust and shall be deposited into the Collection Account. On the Distribution Date specified for final payment, the Trustee shall cause to be distributed to Certificateholders and the Seller amounts distributable on such Distribution Date pursuant to Section 5.06 and Section 5.07.

Section 12.02. Optional Purchase of All Receivables. The Seller shall have the option to purchase the corpus of the Trust on the Distribution Date following the last day of any Collection Period as of which the Pool Balance as a percentage of the Original Pool Balance shall be less than or equal to the Optional Purchase Percentage. To exercise such option, the Seller shall (i) give notice to the Trustee and the Certificateholders not less than 30 days prior to the Distribution Date on which such purchase is to be effected and (ii) on or before such Distribution Date, deposit in the Collection Account an amount equal to the Purchase Amount for the Receivables and the appraisal value of any other property held by the Trust. After payment of such amounts, the Seller shall succeed to all interests in and to the Trust Property.

Section 12.03. Notice. The Trustee shall give notice of termination of the Trust to the Seller and each Rating Agency.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.01. Amendment. (a) This Agreement may be amended by written instrument executed by the Seller, the Backup Servicer and the Trustee, without the consent of any of the

Certificateholders if the Certificates are at such time rated by at least one Rating Agency, (i) to cure any ambiguity, to correct or supplement any provisions in this Agreement, (ii) to add, change or eliminate any other provisions with respect to matters or questions arising under this Agreement that shall not be inconsistent with the provisions of this Agreement; or (iii) to add or amend any provision therein in connection with permitting transfers of the Certificates or to add or provide for any credit enhancement for the Certificates; provided, however, that any such action described in clause (ii) shall not adversely affect in any material respect the interests of the Certificateholders and provided, further, that in connection with any such amendment delivery to the Trustee of a letter from each Rating Agency to the effect that such amendment will not cause the then-current rating on the Rated Certificates to be qualified, reduced or withdrawn shall constitute conclusive evidence that such amendment does not adversely affect in any material respect the interests of the Certificateholders.

(b) This Agreement may also be amended from time to time or the provisions hereof waived from time to time by a written instrument executed by the Seller, the Backup Servicer and the Trustee with the consent of the Holders of the Certificateholders affected thereby (which consent of any Holder of a Certificate given pursuant to this Section or pursuant to any other provision of the Agreement shall be conclusive and binding on such Holder and on all future Holders of such Certificate and of any Certificate issued upon the transfer thereof or in exchange thereof or in lieu thereof whether or not notation of such consent is made upon the Certificate) evidencing not less than 51% of the Voting Interests of all the affected Certificates for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement, or of modifying in any manner the rights of Certificateholders; provided, however, that no such amendment or waiver shall, without the consent of the Holders of all Certificates affected thereby then outstanding, (a) increase or reduce in any manner the amount of, or accelerate or delay the timing of, collections of payments on Receivables or distributions that shall be required to be made on any Certificate or (b) reduce the aforesaid percentage of the Voting Interests of the Certificates required to consent to any such amendment.

(c) Prior to any such amendment, the Trustee shall furnish written notification of the substance of the proposed amendment to each Rating Agency and each Rating Agency shall provide written confirmation to the Trustee that such amendment will have no adverse effect on the ratings assigned to the Rated Certificates. Any amendment which affects the Trustee's own rights, duties or immunities under the Agreement or otherwise shall not be effective to such extent unless the Trustee shall have joined thereto.

(d) Promptly after the execution of any such amendment or consent, the Trustee shall furnish a copy of such amendment or consent to each Certificateholder and each Rating Agency. It shall not be necessary for the consent of Certificateholders pursuant to this Section 13.01 to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents (and any other consents of Certificateholders provided for in this Agreement) and of evidencing the authorization of the execution thereof by Certificateholders shall be subject to such reasonable requirements as the Trustee may prescribe.

(e) Prior to the execution of any amendment to this Agreement, the Trustee shall be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement.

Section 13.02. Protection of Title to Trust.

(a) The Seller shall execute and file such financing statements and cause to be executed and filed such continuation statements, all in such manner and in such places as may be required by law fully to preserve, maintain and protect the interest of the Certificateholders and the Trustee in the Receivables and the other assets of the Trust Property and in the proceeds thereof. The Seller shall deliver (or cause to be delivered) to the Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing.

(b) The Seller shall not change its name, identity or corporate structure in any manner that would, could or might make any financing statement or continuation statement filed in accordance with paragraph (a) above seriously misleading within the meaning of SECS 9-402(7) of the UCC, unless it shall have given the Trustee at least thirty (30) days' prior written notice thereof and shall have promptly filed appropriate amendments to all previously filed financing statements or continuation statements.

(c) The Seller shall give the Trustee at least 30 days' prior written notice of any relocation of its chief executive office. If, as a result of such relocation, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement, it shall promptly file any such amendment and shall give the amendment with the recorder's file stamp thereon to the Custodian promptly upon receipt thereof.

Section 13.03. Limitation on Rights of Certificateholders. The death or incapacity of any Certificateholder shall not operate to terminate this Agreement or the Trust, nor entitle such Certificateholder's legal representatives or heirs to claim an accounting or to take any action or commence any proceeding in any court for a partition or winding up of the Trust, nor otherwise affect the rights, obligations and liabilities of the parties to this Agreement or any of them.

Nothing in this Agreement set forth, or contained in the terms of the Certificates, shall be construed so as to constitute the Certificateholders from time to time as partners or members of an association; nor shall any Certificateholder be under any liability to any third Person by reason of any action taken pursuant to any provision of this Agreement.

No Certificateholder shall have any right by virtue or by availing itself of any provisions of this Agreement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Agreement, unless such Holder previously shall have given to the Trustee a written notice of default and of the continuance thereof, and unless also the Holders of Certificates evidencing not less than 20% of the Voting Interests thereof shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee under this Agreement and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 30 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and during such 30-day period no request or waiver inconsistent with such written request has been given to the Trustee pursuant to this Section or Section 10.04; no one or more Holders shall have any right in any manner whatever by virtue or by availing itself or themselves of any provisions of this Agreement to affect, disturb or prejudice the rights of the Holders of any other of the Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Agreement except in the manner provided in this Agreement and for the equal, ratable and common benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section 13.03, each Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 13.04. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD OR

REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS OF
SUCH STATE.

Section 13.05. Notices. All demands, notices and communications upon or to the Seller, the Backup Servicer, the Trustee under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, and shall be deemed to have been duly given upon receipt:

(a) in the case of the Seller, to

Angelo R. Appierto
President
Aegis Auto Funding Corp.
525 Washington Boulevard
Jersey City, New Jersey 07310

or at such other address as shall be designated by the Seller in a written notice to the Trustee;

(b) in the case of the Backup Servicer, to

Norwest Bank Minnesota, National
Association
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479-0070
Attention: Corporate Trust Services--Asset
Backed Administration

or at such other address as shall be designated by the Backup Servicer in a written notice to the Seller;

(c) in the case of the Trustee or Custodian, to

Norwest Bank Minnesota, National
Association
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479-0070
Attention: Corporate Trust Services--Asset
Backed Administration

or at such other address as shall be designated by the Trustee in a written notice to the Seller;

(d) in the case of any Rating Agency, such address as shall be designated by such Rating Agency in a written notice to the Seller and the Trustee.

Any notice or other communication required or permitted to be mailed to a Certificateholder shall be given by first class mail, postage

prepaid, at the address of such Holder as shown in the Certificate Register (with copies thereof to such other Person(s) as such Certificateholder shall have requested in writing, the address of such other Person(s) to receive such copies also to be reflected in the Certificate Register), and shall be deemed to have been given upon receipt.

Section 13.06. Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement or of the Certificates or the rights of the Holders thereof.

Section 13.07. Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Sections 8.03, this Agreement may not be assigned by the Seller without the prior written consent of the Trustee and the Holders of Certificates evidencing not less than 66% of the Voting Interests thereof.

Section 13.08. Certificates Nonassessable and Fully Paid. Certificateholders shall not be personally liable for obligations of the Trust. The interests represented by the Certificates shall be nonassessable for any losses or expenses of the Trust or for any reason whatsoever.

Section 13.09. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

Section 13.10. Limited Recourse to Seller. The parties hereto agree that the obligations of the Seller hereunder, including, without limitation, the obligation of the Seller in respect of indemnification pursuant to Sections 3.06, 8.02 and 11.07 in respect of repurchases or substitutions of Receivables upon breach of representations and warranties pursuant to Section 3.02, and in respect of fees, costs and expenses pursuant to Sections 3.06, 4.04 and 4.05, are payable solely from the Seller's interests in the Trust Property and that no party may look to any other property or assets of the Seller in respect of such obligations.

IN WITNESS WHEREOF, the Seller, the Backup Servicer and the Trustee have caused this Pooling and Servicing Agreement to be duly executed by their respective officers as of the day and year first above written.

AEGIS AUTO FUNDING CORP.,
as Seller

By
Brendan Meyer
Vice President

NORWEST BANK MINNESOTA,
NATIONAL
ASSOCIATION, as Trustee

By
Stephen Seitz
Corporate Trust Officer

NORWEST BANK MINNESOTA,
NATIONAL
ASSOCIATION, as Backup Servicer

By
Stephen Seitz
Corporate Trust Officer

EXHIBIT A

FORM OF CERTIFICATE

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES OR BLUE SKY LAWS OF ANY STATE IN THE UNITED STATES OR ANY FOREIGN SECURITIES LAWS. BY ITS ACCEPTANCE OF THIS CERTIFICATE THE HOLDER OF THIS CERTIFICATE IS DEEMED TO REPRESENT TO THE SELLER AND THE TRUSTEE (i) THAT IT IS AN INSTITUTIONAL INVESTOR THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") AND THAT IT IS ACQUIRING THIS CERTIFICATE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE INSTITUTIONAL ACCREDITED INVESTORS UNLESS THE HOLDER IS A BANK ACTING IN ITS FIDUCIARY CAPACITY) FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, THE PUBLIC DISTRIBUTION HEREOF OR (II) THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS ACQUIRING SUCH CERTIFICATE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE QUALIFIED INSTITUTIONAL BUYERS).

NO SALE, PLEDGE OR OTHER TRANSFER OF THIS CERTIFICATE MAY BE MADE BY ANY PERSON UNLESS EITHER (i) SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO THE SELLER, (ii) SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT EXECUTES A CERTIFICATE, SUBSTANTIALLY IN THE FORM SPECIFIED IN THE AGREEMENT, TO THE EFFECT THAT IT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACTING FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE INSTITUTIONAL ACCREDITED INVESTORS UNLESS THE HOLDER IS A BANK ACTING IN ITS FIDUCIARY CAPACITY), (iii) SO LONG AS THIS CERTIFICATE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, SUCH SALE, PLEDGE OR OTHER TRANSFER IS MADE TO A PERSON WHOM THE ISSUER REASONABLY BELIEVES AFTER DUE INQUIRY IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A), ACTING FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE QUALIFIED INSTITUTIONAL BUYERS) TO WHOM NOTICE IS GIVEN THAT THE SALE, PLEDGE OR TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (iv) SUCH SALE, PLEDGE OR OTHER TRANSFER IS OTHERWISE MADE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN WHICH CASE (A) THE TRUSTEE SHALL REQUIRE THAT BOTH THE PROSPECTIVE TRANSFEROR AND THE PROSPECTIVE TRANSFEREE CERTIFY TO THE TRUSTEE AND THE SELLER IN WRITING THE FACTS SURROUNDING SUCH TRANSFER, WHICH CERTIFICATION SHALL BE IN FORM AND SUBSTANCE SATISFACTORY TO THE TRUSTEE AND THE SELLER, AND (B) THE TRUSTEE SHALL REQUIRE A WRITTEN OPINION OF COUNSEL (WHICH SHALL NOT BE AT THE EXPENSE OF THE SELLER OR THE TRUSTEE) SATISFACTORY TO THE SELLER AND THE TRUSTEE TO THE EFFECT THAT SUCH TRANSFER WILL NOT VIOLATE THE SECURITIES ACT. NO SALE, PLEDGE OR OTHER TRANSFER MAY BE MADE TO ANY ONE PERSON FOR CERTIFICATES WITH A FACE AMOUNT OF LESS THAN \$250,000 AND, IN THE CASE OF ANY PERSON ACTING ON BEHALF OF ONE OR MORE THIRD PARTIES (OTHER THAN A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE SECURITIES ACT) ACTING IN ITS FIDUCIARY CAPACITY), FOR CERTIFICATES WITH A FACE AMOUNT OF LESS THAN \$250,000 FOR EACH SUCH THIRD PARTY.

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE DEPOSITOR OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER

NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

AEGIS AUTO RECEIVABLES TRUST 1996-A
AUTOMOBILE RECEIVABLE PASS-THROUGH CERTIFICATES

PPN:

CUSIP:

NUMBER R-1

Original

Certificate Balance:

Pass-Through Rate: 9.00%

\$

Final Scheduled Distribution Date: May 20, 2002

Initial Certificate Balance of all Certificates: \$

THIS CERTIFIES THAT _____ is the registered owner of this _____ DOLLARS Certificate. This Certificate evidences a fractional undivided interest in the Aegis Auto Receivables Trust 1996-A (the "Trust") (excluding the Residual Interest in the Trust), formed by Aegis Auto Funding Corp., a Delaware corporation (the "Seller"). The Trust was created pursuant to a Pooling and Servicing Agreement dated as of September 1, 1996 (the "Agreement") among the Seller, Norwest Bank Minnesota, National Association, as backup servicer (the "Backup Servicer"), and Norwest Bank Minnesota, National Association, as trustee (the "Trustee"). The property of the Trust includes, among other assets, a pool of motor vehicle retail installment sale contracts secured by new and used automobiles and light-duty trucks. (This Certificate does not represent an interest in or obligation of the Seller or any of the respective Affiliates thereof, except to the extent described below.) A summary of certain of the pertinent provisions of the Agreement is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. The Certificate Balance of this Certificate will be decreased by the payments on this Certificate in respect of principal as described in the Agreement. Accordingly, following the initial issuance of the Certificates, the Certificate Balance of this Certificate will over time be less than the original denomination shown above. Anyone acquiring this Certificate may ascertain its current Certificate Balance by inquiry of the Trustee.

This Certificate is one of the duly authorized Certificates designated as "Automobile Receivable Pass-Through Certificates." This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement, to which Agreement the Holder of this Certificate by virtue of the acceptance hereof assents and by which such

Holder is bound. The property of the Trust includes, without limitation, a pool of motor vehicle retail installment sale contracts (the "Receivables") acquired on the Closing Date (as defined in the Agreement) secured by new and used automobiles and light-duty trucks (the "Financed Vehicles"), all moneys due thereunder after the Cutoff Date (as defined in the Agreement), proceeds from claims on certain insurance policies and certain other rights under the Agreement, all right, title and interest of the Seller in and to the Purchase Agreement and any and all proceeds of the foregoing.

This Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and immunities of the Trustee. Copies of the Agreement and all amendments thereto will be provided to any Certificateholder, at its expense, upon a written request to the Trustee.

Under the Agreement, there will be distributed on the 20th day of each month or, if such 20th day is not a Business Day, the next Business Day (the "Distribution Date"), commencing on October 21, 1996, to the person in whose name this Certificate is registered at the close of business on the last day of the Collection Period preceding a Distribution Date or termination of the Trust (the "Record Date") an amount equal to the product of the Percentage Interest evidenced by this Certificate and the amount, if any, required to be distributed to the holders of all Certificates.

All payments to Certificateholders shall be made on each Distribution Date to each Certificateholder of record on the related Record Date by check, or, if requested by a Certificateholder holding Certificates with Original Certificate Balances in aggregate in excess of \$1,000,000, by wire transfer to the account designated in writing by such Holder in the form of Exhibit F to the Agreement (or such other account as such Certificateholder may designate in writing) delivered to the Trustee prior to the Determination Date, in immediately available funds. Except as otherwise provided in the Agreement and notwithstanding the above, the final distribution on this Certificate will be made after due notice by the Trustee of the pendency of such distribution, which notice shall request that the Certificateholder present and surrender this Certificate at the office or agency maintained for that purpose by the Trustee in Minneapolis, Minnesota. Surrender of this Certificate shall not be a condition of payment of the final distribution; however, the Holder, by accepting this Certificate, hereby agrees to indemnify and hold harmless the Trustee, the Seller and the Certificate Registrar from and against any and all claims arising from such failure to present and surrender this Certificate, including but not limited to claims by third parties claiming to be bona fide purchasers.

Unless the certificate of authentication hereon shall have been executed by an authorized officer of the Trustee, by manual signature, this Certificate shall not entitle the Holder hereof to any benefit under the Agreement or be valid for any purpose.

The Certificates do not represent a recourse obligation of, or an interest in, the Seller, the Backup Servicer, the Trustee or any Affiliate of any of them. The Certificates are limited in right of payment to certain collections and recoveries respecting the Receivables, all as more specifically set forth in the Agreement. A copy of the Agreement may be examined during normal business hours at the principal office of the Seller, and at such other places, if any, designated by the Seller, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Seller and the rights of the Certificateholders under the Agreement at any time by the Seller and the Trustee with the consent of the Holders of the Certificates affected thereby evidencing not less than 51% of the Voting Interests of all affected Certificates. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and on all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Certificate Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Certificate Registrar, or by any successor Certificate Registrar, in Minneapolis, Minnesota, or such other office of the Trustee maintained for such purpose and designated by the Trustee in writing, accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Certificate Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate interest in the Trust will be issued to the designated transferee.

The Certificates are initially issuable only as registered Certificates without coupons in denominations of \$250,000 and integral multiples of \$1,000 in excess thereof, except that one Certificate may be issued in a different denomination. As provided in the Agreement and subject to certain limitations set forth therein, Certificates are exchangeable for new Certificates evidencing the same aggregate denomination, as requested by the Holder surrendering the same. No service charge will be made to the Holder for any such registration of transfer or exchange, but the Trustee may require payment of a sum sufficient to cover any tax or governmental charges payable in connection therewith.

The Trustee, the Certificate Registrar, and any agent of the Trustee or the Certificate Registrar may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and neither

the Trustee, the Certificate Registrar, nor any such agent shall be affected by any notice to the contrary.

The Trust created by the Agreement shall terminate upon the earliest of (i) payment to the Certificateholders of all amounts required to be paid to them pursuant to the Agreement and the disposition of all property held as part of the Trust Property, (ii) May 20, 2002 or (iii) subject to the Agreement, 90 days after the Dissolution of the Seller. The Seller may, at its option, purchase the corpus of the Trust, in whole, at a price specified in the Agreement, and such purchase will effect early retirement of the Certificates; however, such right of purchase is exercisable only on a Distribution Date following the last day of any Collection Period as of which the Pool Balance is less than or equal to 10% of the Original Pool Balance.

IN WITNESS WHEREOF, the Trustee, not in its individual capacity but on behalf of the Trust, has caused this Certificate to be duly executed.

AEGIS AUTO
RECEIVABLES TRUST
1996-A

By: NORWEST BANK
MINNESOTA,
NATIONAL
ASSOCIATION, as Trustee

By

Name:
Title:

This is one of the Certificates referred to
in the within-mentioned Agreement.

NORWEST BANK
MINNESOTA, NATIONAL
ASSOCIATION, as Trustee

By

Name:
Title:

_____, 199_

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

(Please print or typewrite name and address, including postal zip code, of assignee)

the within Certificate, and all rights thereunder, hereby irrevocably
constituting and appointing

Attorney

to transfer said Certificate on the books of the Certificate Registrar, with full power of substitution in the premises.

Dated:

*

Name :

*NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Certificate in every particular, without alteration, enlargement or any change whatever.

EXHIBIT B

TRUSTEE'S STATEMENT TO CERTIFICATEHOLDERS

Aegis Auto Receivables Trust 1996-A
Automobile Receivable Pass-Through Certificates

Distribution Date:
Last Day of Collection Period:

I. COLLECTIONS	INTEREST	PRINCIPAL
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TOTALS

Scheduled Payments

Full & Partial Prepayments

Recoveries

Risk Default Insurance Proceeds

Receivable Repurchased by Seller

Miscellaneous Servicer Collections

Available Interest Distribution Amount

Available Principal Distribution Amount

Total Available Distribution Amount

Reinvestment Income on Collection Account

Withdrawals from

Reserve Fund

Total Amount Available

II. DISTRIBUTIONS

Backup Servicer Fee

Servicing Fee

Trustee and Custodian Fees

Interest Distribution

Interest Carryover Shortfall

Principal Distribution

Principal Carryover Shortfall

Deposits to Reserve Fund

Releases to Seller

Total Funds Distributed

III. CERTIFICATE BALANCE

Original Aggregate Certificate Balance

Beginning Aggregate Certificate Balance
Ending Aggregate Certificate Balance
Interest Carryover Shortfall
Principal Carryover Shortfall

Certificate Factor

IV. POOL BALANCE INFORMATION

Original Pool Balance:

Beginning of Period
End of Period

Pool Balance
Pool Factor
Weighted Average Coupon (WAC)
Weighted Average Remaining Maturity (WAM) (in months)
Remaining Number of Receivables

V. RESERVE FUND

Amount

Beginning Balance
Plus: Deposits
Plus: Reinvestment Income
Withdrawals to Certificateholders
Withdrawals for expenses
Released to Seller

Ending Balance

VI. RECEIVABLES REPURCHASED/SUBSTITUTED BY SELLER

Number of Receivables Repurchased
Principal Amount
Number of Receivables Substituted
Principal Amount

VII. DELINQUENCY INFORMATION*

of Principal % of
Contracts Balance Pool

Balance

30-59 Days Delinquent
60-90 days Delinquent

90 Days or more Delinquent

*Excluding Liquidated and Defaulted Receivables

VIII. REPOSSESSION INFORMATION	Current Period Cumulative
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Number of Receivables as to which Vehicles have been
Reposessed (and not yet liquidated)

Principal Balances of Receivables relating to Vehicles
which have been Repossessed (and not yet liquidated)

IX. LIQUIDATED AND DEFAULTED RECEIVABLES	Current Period Cumulative
--	------------------------------

Number of Liquidated Receivables

Principal Balances of Liquidated Receivables*
(Prior to Liquidation)

Number of Defaulted Receivables**

Principal Balances of Defaulted Receivables

Total Principal Balance of Liquidated
and Defaulted Receivables

* Excludes receivables previously characterized
as Defaulted Receivables

**Refers to Receivables that have become
180 days delinquent and are not Liquidated Receivables

X. RECOVERIES	Current Period Cumulative
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Liquidation Proceeds

Rebate of Servicer Cancelled Warranty Contracts

VSI Physical Damage/Loss Insurance Proceeds

Consumer Insurance

Total Recoveries

XI. RETENTION AMOUNT

Beginning Balance

Plus: Quarterly Reserve Loss Deficiency
Less: Claims approved
Less: Quarterly Reserve Loss Surplus
Ending Balance

XII. RISK DEFAULT INSURANCE PROCEEDS	Current Period
	Cumulative

Risk Default Insurance Proceeds

XIII. NET LOSSES	Current Period
	Cumulative

Principal Balance of Liquidated and
Defaulted Receivables
Less: Recoveries
Less: Risk Default Insurance Proceeds

Net Losses

XIV. INSURANCE CLAIMS	Current Period
	Cumulative

Number of Risk Default Insurance Claims
Amount of Risk Default Insurance Claims
Number of VSI Physical Damage/Loss Insurance Claims
Amount of VSI Physical Damage/Loss Insurance Claims
Number of Risk Default Insurance Claims Rejected
Principal Balance of Receivables Rejected

EXHIBIT C

SCHEDULE OF RECEIVABLES

Delivered to the Trustee on the Closing Date

(See Attached)

EXHIBIT D

LOCATION OF SERVICER FILES

American Lenders Facilities, Inc.

2600 Michaelson Drive

Suite 470

Irvine, CA 92715

EXHIBIT E

Aegis Auto Receivables Trust 1996-A

AUTO RECEIVABLES PASS-THROUGH CERTIFICATES

RECEIVABLE CHARACTERISTICS

As of September 24, 1996 (Cutoff Date)

Remaining Term Outstanding To Maturity Principal Balance	% Outstanding Principal Balance
31-36	2.70% 475,356.22
37-42	6.39% 1,122,707.24
43-48	16.22% 2,848,514.56
49-54	29.53% 5,185,458.99
55-60	45.16% 7,929,334.60
Weighted Average Remaining Term to Maturity	54.4 months
Annual Percentage Rate	
Weighted Average Annual Percentage Rate	20.06%

Outstanding Model Year Principal Balance	% Outstanding Principal Balance
1991	2.67% 468,439.22
1992	6.52% 1,144,501.30
1993	15.76% 2,768,426.74
1994	29.82% 5,236,729.50
1995	33.85% 5,944,811.85
1996	11.00% 1,932,017.31
1997	0.38% 66,445.69

Outstanding New/Used Collateral Principal Balance	% Outstanding Principal Balance
New	5.57% 977,456.35
Used	94.43% 16,583,915.26

Outstanding Principal Balance	
Largest	36,505.52
Smallest	3,911.50
Average	12,402.10

EXHIBIT F

WIRING INSTRUCTIONS FORM

_____, 19____

Norwest Bank Minnesota, National Association
6th Street and Marquette Avenue
Minneapolis, MN 55479-0070

Re: Automobile Receivable Pass-Through Certificates
Issued by Aegis Automobile Receivables Trust

1996-A

Dear Sirs:

In connection with the sale of the above-captioned Certificate by
to
("Transferee") you, as Trustee with respect to the related Certificates, are
instructed to make all remittances to Transferee as Certificateholder as of
, 19 and you are directed to send all notices to the appropriate
party at the address set forth on Schedule 1 hereto. You are further
instructed to treat the Transferee as the record holder for purposes of the
, 199__ Distribution Date.

[Transferee]

By

Title:

Acknowledged

[Seller]

By

Title:

EXHIBIT G

FEE SCHEDULE

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION

CORPORATE TRUST DEPARTMENT

SCHEDULE OF FEES

AEGIS AUTO RECEIVABLES TRUST 1996-A

- I. Trustee and Custodian Fee:
one-twelfth of the product of (i) 0.03% per annum and (ii) the aggregate Certificate Balance as of the close of business on the preceding Distribution Date or, in the case of the first Distribution Date, the original aggregate Certificate Balance.
- II. Monthly Backup Servicer Fee:
one-twelfth of the product of (i) 0.02% per annum and (ii) the outstanding Pool Balance as of the first day of the preceding Collection Period or, in the case of the first Distribution Date, as of the Closing Date.

EXHIBIT H

RISK DEFAULT INSURANCE POLICY

Issuer: The Connecticut Indemnity Company
Policy Name: Secured Value Insurance Policy
Policy No.: ZSC _____
Date: September , 1996
Named Insured: Norwest Bank Minnesota, N.A., as Trustee for Aegis Receivables Trust 1996-A
Endorsements: Exhibit A, Ed. 8/30/95 & Exhibit B, Ed. 11/7/95
and Exhibit C

EXHIBIT I

VSI INSURANCE POLICY

1. Issuer: Guaranty National Insurance Company
Policy Name: Lenders Comprehensive Single Interest Insurance Policy
Policy No.: ZYG 1500103
Date: February 1, 1994
Named Insured: Aegis Capital Markets
Endorsements: 42621-0 (10/93), 42623-0 (10/93), 42624-0 (10/93),
42627-0 (10/93), 42629-0 (10/93), 42630-0 (10/93),
41510-0 (6/90), Nos. 7, 8, Coverage Endorsements dated
3/23/94,
9/08/94 and 9/26/94, Nos. 16-24, 30-31

EXHIBIT J

FORM OF TRANSFEREE LETTER

[Date]

Aegis Auto Funding Corp.
525 Washington Boulevard
Jersey City, New Jersey 07310

Norwest Bank Minnesota, National Association
Sixth Street and Marquette Avenue
Minneapolis, MN 55479-0070
Attention: Corporate Trust Services Asset Backed Administration

Aegis Auto Receivables Trust 1996-A
Automobile Receivable Pass-Through Certificates

Ladies and Gentlemen:

The undersigned (the "Purchaser") proposes to purchase one or more Automobile Receivable Pass-Through Certificates, (the "Certificates") issued by Aegis Auto Receivables Trust 1996-A (the "Trust") pursuant to that certain Pooling and Servicing Agreement dated as of September 1, 1996 (the "Pooling and Servicing Agreement") by and among Aegis Auto Funding Corp., a Delaware corporation, as seller ("Seller"), Norwest Bank Minnesota, National Association, as Backup Servicer, and Norwest Bank Minnesota, National Association, as Trustee. Unless the context or use indicates another or different meaning, each capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to it in the Pooling and Servicing Agreement.

1. The undersigned hereby certifies that, as indicated below, the undersigned is the President, Chief Executive/Financial Officer, Senior Vice President or other executive officer or investment officer of the Purchaser.

2. In connection with the purchase by the Purchaser of the Certificates, the undersigned hereby certifies to you that the Purchaser is a "qualified institutional buyer" as defined in Rule 144A ("Rule 144A") promulgated under the Securities Act of 1933, as amended, because:

[] (a) The Purchaser owned or invested on a discretionary basis \$100 million in securities (except for the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A) and the Purchaser satisfies the criteria in the subcategory marked below (check one):

- [] Insurance Company. The Purchaser is an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies and which is subject to supervision by the insurance commissioner or a similar official or agency of a State or territory or the District of Columbia.
- [] Investment Company. The Purchaser is (i) an investment company registered under the Investment Company Act of 1940, as amended (the "Investment Company Act") or (ii) a business development company as defined in Section 2(a)(48) of that Act.
- [] Small Business Investment Company. The Purchaser is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
- [] Corporation, Etc. The Purchaser is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a corporation (other than a bank, savings and loan association or similar institution), partnership or Massachusetts or similar business trust.
- [] State or Local Plan. The Purchaser is a plan established and maintained by a State or its political subdivisions, or any agency or instrumentality of a State or its political subdivisions, for the benefit of its employees.
- [] ERISA Plan. The Purchaser is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.
- [] Trust Fund. The Purchaser is a trust fund whose trustee is a bank or trust company and whose participants are exclusively plans established and maintained by a State or its political subdivision, or any agency or instrumentality of a State or its political subdivisions, for the benefit of its employees.
- [] Business Development Company. The Purchaser is a business development company as defined in Section 202(a)(22) of the Investment Adviser Act of 1940.
- [] Investment Advisor. The Purchaser is an investment advisor registered under the Investment Advisers Act of 1940, as amended.
- [] (b) The Purchaser is a dealer registered pursuant too Section 15 of the Exchange Act, acting for its own account or the accounts of

other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned such dealer.

- [] (c) The Purchaser is a dealer registered pursuant to Section 15 of the Exchange Act acting in a riskless principal transaction on behalf of a qualified institutional buyer.
- [] (d) The Purchaser is an investment company registered under the Investment Company Act, acting for its own account or for the accounts of other qualified institutional buyers, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers other than issuers that are affiliated with the investment company or are part of such family of investment companies. "Family of investment companies" means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided that, for purposes of this section:
 - (A) each series of a series company (as defined in Rule 18f-2 under the Investment Company Act (17 CFR 270.18f-2)) shall be deemed to be a separate investment company; and
 - (B) investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if on investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor).
- [] (e) The Purchaser is an entity, all of the equity owners of which are qualified institutional buyers, acting for its own account or the accounts of other qualified institutional buyers.
- [] (f) The Purchaser is a bank as defined in Section 3(a)(2) of the Act, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Act, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale under the Rule

in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Purchaser, (ii) securities that are part of an unsold allotment to or subscription by the Purchaser (if the Purchaser is a dealer), (iii) bank deposit notes and certificates of deposit, (iv) loan participations, (v) repurchase agreements, (vi) securities owned but subject to a repurchase agreement and (vii) currency, interest rate and commodity swaps.

For purposes of determining the aggregate amount of securities owned or invested on a discretionary basis by the Purchaser, the Purchaser used the cost of such securities to the Purchaser and did not include any of the securities referred to in the preceding paragraph.

Further, in determining such aggregate amount, the Purchaser may have included securities owned by subsidiaries of the Purchaser, but only if such subsidiaries are consolidated with the Purchaser in its financial statements prepared in accordance with generally accepted accounting principles and if the investments of such subsidiaries are managed under the Purchaser's direction. However, such securities were not included if the Purchaser is a majority-owned, consolidated subsidiary of another enterprise and the Purchaser is not itself a reporting company under the Securities Exchange Act of 1934, as amended.

3. The Purchaser certifies and acknowledges that it is familiar with Rule 144A and understands that you and your customers (if you act as a broker for one or more customers) are relying on the statements made therein.

4. The Purchaser certifies that the Purchaser is purchasing the Certificates in the capacity marked below (check one):

☐ The Purchaser certifies that the Purchaser is purchasing the Certificates for its own account only; or

☐ The Purchaser certifies that the Purchaser is purchasing the Certificates for the account of [one] [specify number:] other qualified institutional buyer(s), [each of] which is a "qualified institutional buyer." (Draw a line through inapplicable words and brackets.)

5. The Purchaser certifies that, to the extent it has requested same, it has received from the Seller the information that satisfies the requirements of paragraph (d)(4) of Rule 144A (the "Rule 144A Information").

6. The Purchaser certifies that it will comply with all applicable federal and state securities laws in connection with any

subsequent resale by the Purchaser of the Certificates. The Purchaser acknowledges that no Certificates may be exchanged for any new Certificates having an initial principal balance of less than \$250,000.

7. The Purchaser understands and acknowledges that the Certificates have not been and will not be registered under the Securities Act of 1933, as amended, or any state securities laws and may be resold only if (a) the Certificates are registered pursuant to the provisions of the Securities Act of 1933, as amended, and such state securities laws, or (b) if an exemption from such registration is available. The Purchaser understands and acknowledges that the Seller is not required to register the Certificates and that any transfer must comply with Section 7.03 of the Agreement. The Trustee is not obligated to provide Rule 144A Information.

8. The Purchaser understands that there is no market, nor is there any assurance that a market will develop, for the Certificates and that the Seller does not have any obligation to make or facilitate any such market (or to otherwise repurchase the Certificates from the Purchaser) under any circumstances.

9. The Purchaser has consulted with its own legal counsel, independent accountants and financial advisors to the extent it deems necessary regarding the tax consequences to it of ownership of the Certificates, is aware that its taxable income with respect to the Certificates in any accounting period may not correspond to the cash flow (if any) from the Certificates for such period, and is not purchasing the Certificates in reliance on any representations of the Seller or its counsel with respect to tax matters.

10. The Purchaser hereby further agrees to be bound by all the terms and conditions of the Certificates as provided in the Pooling and Servicing Agreement.

11. If the Purchaser sells any of the Certificates, the Purchaser will obtain from any subsequent purchaser the same representations contained in this Letter.

Very truly yours,

[PURCHASER]

By

Name

FORM OF TRANSFEREE LETTER
(Non-Rule 144A Transfer)

[Date]

Aegis Auto Funding Corp.
525 Washington Boulevard
Jersey City, New Jersey 07310

Norwest Bank Minnesota, National Association
Sixth Street and Marquette Avenue
Minneapolis, MN 55479-0070
Attention: Corporate Trust Services Asset Backed Administration

Aegis Auto Receivables Trust 1996-A
Automobile Receivable Pass-Through Certificates

Ladies and Gentlemen:

The undersigned (the "Purchaser") proposes to purchase certain Automobile Receivable Certificates (the "Certificates") issued by Aegis Auto Receivables Trust 1996-A (the "Trust") pursuant to a Pooling and Servicing Agreement dated as of September 1, 1996 (the "Pooling and Servicing Agreement"), among Aegis Auto Funding Corp., as Seller, Norwest Bank Minnesota, National Association, as Backup Servicer, and Norwest Bank Minnesota, National Association as Trustee. Unless the context or use indicates another or different meaning, each capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to it in the Pooling and Servicing Agreement.

The Purchaser represents and warrants that:

(a) Information. The Purchaser acknowledges that it has made such investigation as the Purchaser deems necessary to evaluate the merits and risks involved with an investment in the Certificates, and has had an opportunity to meet with officers and employees of the Seller and to ask questions and receive answers regarding an investment in the Certificates and has asked any question he desired to ask and has received answers with respect to such questions to the full satisfaction of the Purchaser and has relied exclusively on the information and information discussed at such meeting.

(b) No Reliance on Other Purchasers. In making its investment decision with respect to subscribing for the Certificates, the Purchaser has not relied upon any statement, representation or advice of any other Purchaser of the Certificates.

(c) Purchase for Investment. The Purchaser is purchasing the Certificates without a view to any distribution, assignment, resale or other disposition of the Certificates in any manner which would violate the Securities Act of 1933, as amended (the "Securities Act"), or applicable state securities or "Blue Sky" laws, subject, nevertheless, to the understanding that the disposition of the Purchaser's property shall at all times be and remain within the Purchaser's control, and the Certificates are being purchased solely for the Purchaser's own account for investment purposes only and not for the account of any other person.

(d) Institutional Accredited Investor. The Purchaser is an institutional "accredited investor" as defined in Rule 501 under the Securities Act as follows (check one):

☐ A bank as defined in Section 3(a)(2) of the Securities Act, whether acting in its individual or fiduciary capacity;

☐ A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity;

☐ A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934;

☐ An insurance company as defined in Section 2(13) of the Securities Act;

☐ An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act;

☐ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

☐ An employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA"), if the investment decision is made by a plan fiduciary (as defined in Section 3(21) of ERISA) which is a bank, savings and loan association, insurance company or registered investment advisor, or if the plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by accredited investors;

☐ A plan established or maintained by a state, its

political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;

() A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

() An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

() A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a person having such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Certificates; or

() An entity in which all of the equity owners fall within one of the foregoing categories of "accredited investors."

(e) Exempt Offering. The Purchaser understands that the Certificates are not being registered under the Securities Act or any state securities or "Blue Sky" laws and are being sold in reliance on exemptions from the registration requirements of the Securities Act and any such laws for non-public offerings. The Purchaser understands that the exemptions from the registration requirements under state securities laws upon which the Certificates is relying require that the Purchaser be one of the types of investors specified in subsection (d) above under the applicable state securities law and the Purchaser is such an investor. The Purchaser further understands that the Certificates must be held indefinitely unless subsequently registered under the Securities Act, any applicable state securities or "Blue Sky" laws or unless exemptions from the registration requirements of the Securities Act and such laws are available. The Purchaser represents, warrants and agrees that, if at some future time the Purchaser wishes to dispose of or exchange any of the Certificates, the Purchaser will not do so unless before any such sale, transfer or other disposition the Purchaser shall have furnished to the Trustee either (a) a certificate of the transferee that the transferee is a "qualified institutional buyer" within the meaning of Rule 144A promulgated pursuant to the Securities Act or (b) a certificate of the transferee that the transferee is an institutional "accredited investor" as defined in Rule 501(a) of the Securities Act and, in the case of (b) only, an opinion of counsel satisfactory in form and substance to the Trustee and the transferor, to the effect that the sale, transfer or other disposition of such Certificate has been registered under the Securities Act, or that such sale, transfer or other disposition does not require registration under the Securities Act.

(f) Legal Investment. The Purchaser understands that there

may be restrictions on the ability of certain investors, including, without limitation, depository institutions, either to purchase the Certificates or to purchase investments having characteristics similar to those of the Certificates representing more than a specified percentage of the investor's assets, and the Purchaser further represents and warrants that it has consulted, and relied on the advice of, its own legal advisor in determining whether and to what extent the Certificates constitute a legal investment for the Purchaser.

(g) The Purchaser (i) has no need for liquidity with respect to the Certificates, (ii) is able to bear the economic risks of an investment in the Certificates for an indefinite period and (iii) is able to afford a complete loss of such investment. The Purchaser has such knowledge and experience in financial and business matters to use the information made available in connection with the offering of the Certificates, to evaluate the merits and risks of the prospective investment in the Certificates and to make an informed business decision with respect thereto. The Purchaser understands that the Seller will rely upon the information supplied by the Purchaser pursuant to this Agreement in order to verify this representation and warranty and represents that such information is true and correct in all respects. The Purchaser understands that a false representation may constitute a violation of law, that any person which suffers damage as a result of a false representation may have a claim against the undersigned for damages for which the undersigned will indemnify the Seller and its affiliates pursuant to the terms of this Agreement.

(h) The Purchaser understands that there is no established market for the Certificates and that none may develop and, accordingly, that the Purchaser must bear the economic risk of an investment in the Certificates for an indefinite period of time.

(i) The Purchaser agrees that it is bound by and will abide by the provisions of the Pooling and Servicing Agreement pursuant to which the Certificates are issued.

(j) All information which the Purchaser has provided to the Seller concerning the Purchaser is correct and complete as of the date hereof, and if there should be any adverse change in such information before receiving notification that this subscription has been accepted, the Purchaser will immediately provide the Seller with such information.

Very truly yours,

[PURCHASER]

By

Name

Title

EXHIBIT L

ASSIGNMENT

In accordance with the Pooling and Servicing Agreement dated as of September 1, 1996 by and among Aegis Auto Funding Corp., a Delaware corporation (the "Seller"), and Norwest Bank Minnesota, National Association, as trustee (the "Trustee") and as backup servicer (the "Backup Servicer") (the "Pooling and Servicing Agreement"), the Seller hereby assigns, transfers and otherwise conveys unto the Trustee in trust for the benefit of the Certificateholders, without recourse (capitalized terms used herein and not otherwise defined shall have the meaning assigned to them in the Pooling and Servicing Agreement): (i) all right, title and interest of the Seller in and to the Receivables identified on Schedule I attached hereto (the "Receivables"), and all moneys received thereon, on and after the Cutoff Date allocable to principal, and all monies received thereon allocable to interest accrued from and including the Cutoff Date; (ii) the interest of the Seller in the security interests in the Financed Vehicles granted by the Obligors pursuant to the Receivables and all certificates of title to such Financed Vehicles; (iii) the interest of the Seller in any Risk Default Insurance Proceeds or any proceeds from claims on Insurance Policies (including the VSI Insurance Policy) covering the Receivables, the Financed Vehicles or Obligors from the Cutoff Date; (iv) the right of the Seller to realize upon any property (including the right to receive future liquidation Proceeds) that shall have secured a Receivable and have been repossessed by or on behalf of the Trustee; (v) the interest of the Seller in any Dealer Recourse; (vi) all right, title and interest in the Seller in and to the Purchase Agreement; and (vii) the proceeds of any and all of the foregoing. The foregoing sale does not constitute and is not intended to result in any assumption by the Trustee of any obligation of the undersigned to the Obligors, insurers or any other person in connection with the Receivables, Custodian Files, Servicer Files, any insurance policies or any agreement or instrument relating to any of them.

This Assignment is made pursuant to and upon the representations, warranties and agreements contained in the Pooling and Servicing Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be duly executed as of _____, 199 .

FUNDING CORP.
corporation

AEGIS AUTO
a Delaware

By

Brendan

Meyer, Vice President

EXHIBIT M

TRUSTEE'S CERTIFICATE
PURSUANT TO SECTION 11.02
OF THE POOLING AND SERVICING AGREEMENT

Norwest Bank Minnesota, National Association, as trustee (the "Trustee") of the Aegis Auto Receivables Trust Series 1996-A created pursuant to the Pooling and Servicing Agreement (the "Pooling and Servicing Agreement") dated as of September 1, 1996 among Aegis Auto Funding Corp. (the "Seller"), Norwest Bank Minnesota, National Association, as backup servicer (the "Backup Servicer") and as trustee (the "Trustee"), does hereby sell, transfer, assign and otherwise convey to the Seller, without recourse, representation or warranty, all of the Trustee's right, title and interest in and to all of the Receivables (as defined in the Pooling and Servicing Agreement) identified in the attached Servicer's Certificate of "Purchased Receivables," which are to be repurchased by the Seller pursuant to Section 3.02 of the Pooling and Servicing Agreement, and all security and documents relating thereto.

IN WITNESS WHEREOF, I have hereunto set my hand this
day of 199 .

Norwest Bank Minnesota, National
Association, as Trustee

By

[Name]

[Title]

EXHIBIT N

APPOINTMENT OF CUSTODIAN'S AGENT

PROMISSORY NOTE

\$1,360,000.00

Kansas City, Missouri

July 17, 1996

THE UNDERSIGNED PROMISES TO PAY TO THE ORDER OF COMMERCE BANK, N.A. ("Bank") at its office the principal sum of ONE MILLION, THREE HUNDRED SIXTY THOUSAND AND NO/100 DOLLARS (\$1,360,000.00), or the then outstanding and unpaid balance of sums advanced hereunder, together with accrued interest. All sums advanced hereunder shall bear interest from the date of such advance at the per annum rate equal to 8.50%. Interest shall be calculated on the actual number of days outstanding on the basis of a year of 360 days. Interest shall be payable monthly beginning August 15, 1996, until and including January 15, 1997; thereafter, principal and interest shall be payable in monthly installments of \$13,392 until July 15, 2001 when all amounts owing on this Note shall be due and payable in full. Payments will be applied first to interest and then to principal.

This Note shall bear interest after maturity, whether by acceleration or otherwise, at the rate of 3% over the stated rate, but not exceeding the maximum rate allowed by law; and if not paid annually, such interest shall be compounded annually.

Reference is made to that certain Loan Agreement, by and between the undersigned and Bank and dated the date hereof, for provisions concerning Bank's obligations to make any advance hereunder and the rights of Bank to accelerate the maturity of this Note; the terms and conditions of such Loan Agreement shall govern this Note, the same being hereby incorporated herein by this reference.

THIS NOTE IS SECURED BY A FUTURE ADVANCE DEED OF TRUST AND OTHER SECURITY INSTRUMENTS, ALL OF WHICH ARE DATED THE DATE HEREOF. Reference is made to such Future Advance Deed of Trust and other security instruments for additional rights as to acceleration of this indebtedness. Nothing contained herein shall limit the effectiveness of any other security instrument and assignments whether dated the date hereof or not.

All without notice to and without affecting the liability of the undersigned to Bank, the undersigned waives presentment, protest, demand, notice of dishonor or default, and consents to the release of any party or parties directly or indirectly liable for payment hereof or the release, subordination or substitution of any collateral securing this Note.

This Note shall be governed by, and construed in accordance with, the laws of the State of Missouri.

SYSTEMS AND SERVICES
TECHNOLOGIES, INC.

By: _____
Name:

Title:

ASSIGNMENT OF RENTS AND LEASES

KNOW ALL PERSONS BY THESE PRESENTS THAT SYSTEMS & SERVICES TECHNOLOGIES, INC., a Delaware corporation ("Assignor"), in consideration of financial accommodations extended or to be extended to Assignor, and other good and valuable consideration paid by COMMERCE BANK, N.A., ("Assignee"), hereby conveys, transfers and assigns unto the Assignee, its successors and assigns, all the rights, interests and privileges, which the Assignor as Lessor has and may have in the leases now existing or hereafter made.

This Assignment is made as additional security for the payment of the Loan(the "Loan"), as defined and more fully described in that certain Loan Agreement, dated the date hereof, by and between Assignee and Assignor (and all extensions, modifications or renewals thereof); such Loans made by Assignee to Assignor in the amount of One Million Three Hundred Sixty Thousand and No/100 Dollars (\$1,360,000.00) with interest, of even date herewith, and secured by a Future Advance Deed of Trust covering real property.

(See Exhibit A attached hereto)

It is expressly understood and agreed by the parties hereto that before an event of default occurs under the terms of said Loan Agreement, Assignor shall have the right to collect rents, income and profits from the aforementioned lease(s) and to retain, use and enjoy the same; provided that even before an event of default occurs, no rent not due under the terms of said lease(s) shall be collected or accepted without the prior written consent of the Assignee.

to the contrary notwithstanding, Assignor hereby assigns to Assignee any award made hereafter to it in any court proceeding involving any of the lessees in any bankruptcy, insolvency, or reorganization proceedings in any state or Federal court, and any and all payments made by lessees in lieu of rent. Assignor hereby irrevocably appoints Assignee as its attorney in fact to appear in any action and/or to collect any such award or payment in lieu of rent.

The Assignor, upon an event of default under the Loan Agreement, hereby authorizes the Assignee, at its option, to enter and take possession of the Real Property and to manage and operate the same, to collect all or any rents accruing therefrom and from said lease(s), to let or re-let the Real Property or any part thereof, to cancel and modify the lease(s), evict tenants, bring or defend any suits in connection with the possession of the Real Property in its own name or Assignor's name, make repairs as in its discretion, may deem proper.

The receipt by the Assignee of any rents, issues or profits pursuant to this instrument after the institution of foreclosure proceedings under the related Future Advance Deed of Trust shall not cure any default(s) nor affect such proceeds or any sale pursuant thereto.

Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under said lease(s), and the Assignor hereby agrees to indemnify the Assignee for, and to save it harmless from, any and all liability arising from said lease(s) or from this Assignment, and this Assignment shall not place responsibility for the control, care, management or repair of the Real Property upon the Assignee, or make the Assignee responsible or liable for any negligence

in the to any tenant, licensee, employee, invitee or stranger.

The Assignor covenants and represents that (i) the Assignor has full right and title to assign said lease(s) and the rents, income and profits due or to become due thereunder and no other assignment of any interest therein has been made; and (ii) after an event of default (as defined in the Loan Agreement), the Assignor will not hereafter cancel, surrender or terminate said lease(s), exercise any option which might lead to such termination or change, alter or modify such lease(s), or consent to the release or written consent of the Assignee.

Assignor hereby authorizes the Assignee to give notice in writing of this Assignment at any time to any tenant under the lease(s).

Violation of any of the covenants, representations and provisions contained herein by the Assignor shall be deemed a default under the terms of the Loan Agreement. Nothing contained herein shall be deemed to diminish or modify any provision of the Loan Agreement or Future Advance Deed of Trust including without limitation any covenant not to transfer by lease or otherwise the Real Property.

Any expenditures made by the Assignee in curing a default under any lease on the Assignor's behalf, with interest thereon at the highest rate payable on any obligation of Assignor owing to Assignee, shall become part of the debt secured by this Assignment.

The full performance of the related Future Advance Deed of Trust and the duly recorded release or reconveyance of the Real Property shall render this Assignment void.

This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns, as well as any subsequent owner of the Real Property and any assignee of the related Future Advance Deed of Trust. This Assignment shall be governed by, and construed in accordance with, the laws of the State of Missouri.

IN WITNESS WHEREOF, the Assignor has signed and sealed this Assignment on the 17th day of July, 1996.

(SEAL)

SYSTEMS & SERVICES TECHNOLOGY, INC.

By: _____
Name: _____

Attest: _____
Title: _____

STATE OF MISSOURI)

) ss.

COUNTY OF BUCHANAN)

On this 17th day of July, 1996, before me personally appeared _____, to me personally known, who being by me duly sworn, did say that he is the _____ of Systems & Services Technologies, Inc., and that the foregoing instrument was signed on behalf of Systems & Services Technologies, Inc., and said _____ acknowledged said instrument to be the free act and deed of said Systems & Services Technologies, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at my office in _____, the day and year last above written.

Notary Public

My Commission Expires:

EXHIBIT A

(Legal Description)

MISSOURI FUTURE ADVANCE
DEED OF TRUST AND SECURITY AGREEMENT

THIS DEED OF TRUST SECURES FUTURE ADVANCES AND ALSO SECURES ALL OTHER FUTURE OBLIGATIONS OF GRANTOR TO LENDER WHICH ARE CONTRACTUAL IN NATURE. THE TOTAL PRINCIPAL AMOUNT OF THE OBLIGATIONS WHICH MAY BE SECURED HEREBY IS \$1,360,000. THIS DEED OF TRUST IS GOVERNED BY SECTION 443.055 R.S.MO.

THIS DEED OF TRUST is made this 29th day of July, 1996, among the Grantor, SYSTEMS & SERVICES TECHNOLOGIES, INC., a Delaware corporation, (herein "Grantor"), 6700 Antioch, Suite 400, Merriam, Kansas 66204, the Trustee, CAROL D. HAYS (herein "Trustee"), and the Beneficiary, COMMERCE BANK, N.A., a national banking association, organized and existing under the laws of the United States of America, whose address is 1000 Walnut, Kansas City, Missouri 64106 (herein "Lender").

GRANTOR, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants, bargains, sells, conveys and confirms to Trustee, in trust, with power of sale, all of the hereinafter described properties, rights and interest, whether now owned or hereafter acquired (said properties, rights and interests, together with any additions hereto that may be subject to the lien of this instrument by means of supplements hereto being hereinafter called the "Mortgaged Property"), and in so far as the Mortgaged Property consists of equipment, accounts, accounts receivable, contract rights, general intangibles, inventory, fixtures, proceeds of collateral or any other personal property of any kind or character, Grantor hereby grants to Lender a security interest in all of Grantor's right, title and interest therein (all said personal property being hereinafter sometimes referred to as the "Personal Property Collateral") namely:

1. The land as further described in Schedule 1 hereto (the "Land"), and all air space above the surface of the Land, with the tenements, hereditament, appurtenances, privileges, easements, franchises, rights, appendages and immunities thereunto belonging or appertaining.

2. All buildings, improvements and fixtures, and all

other property constituting real property or real estate under the laws of Missouri, now located, or hereafter erected, upon the Land (the "Improvements"), including the property constituting real property or real estate described in Schedule 1 hereto, and all right, title and interest of Grantor, now owned or hereafter acquired, in and to (a) any and all strips and gores of land adjacent to or used in connection with the Land, (b) all land upon which any such buildings or improvements may now or hereafter encroach, (c) the land within the streets, roads and alleys adjoining all such real property, and (d) all and singular and tenements, hereditament, appurtenances, privileges, easements, franchises, rights, appendages and immunities whatsoever belonging to or in any wise appertaining to all such real property.

3. Any and all fixtures, appliances, machinery and equipment of any nature whatsoever, and other articles of property (real, personal or mixed), at any time now or hereafter acquired, which is (i) attached to or situated in or upon the Land or other real estate described above or the Improvements with the intention of being attached to the Mortgaged Property, Land or Improvements, (ii) used or intended to be used in connection with the Land or such other real estate if said property is or shall be affixed thereto, (iii) or financed in whole or in part with the proceeds of the Loan, including, without limiting the generality of the foregoing, (a) all building materials, fixtures, building machinery and building equipment delivered on site to the real estate during the course of, or in connection with, any construction of any Improvements, (b) all carpeting, air conditioners, heating units, ranges, stoves, ovens, disposals, and dishwashers, and (c) all heating, lighting, refrigeration, plumbing, electrical lighting, ventilating, incinerating, water heating, cooking, security, air conditioning and energy management equipment, (but excluding any furniture, fixtures, equipment, appliances and equipment not owned by Grantor.

4. Any and all building materials and equipment of Grantor which is intended to be installed in or on the Mortgaged Property, Land or Improvements.

5. Any and all water and water rights, ditches and ditch rights, reservoirs and reservoir rights, stock or interests in water, irrigation or ditch companies, royalties, minerals, oil and gas rights, and lease or leasehold interests owned by Grantor, now or hereafter used or useful in connection with, appurtenant to or related to the Land or other Mortgaged Property or any part thereof.

6. All leases of the Land or other Mortgaged Property or any part thereof, whether now existing or hereafter entered into, and all right, title and interest of Grantor thereunder, including

cash and securities deposited under said leases.

7. All licenses, permits (including building permits), authorizations or approvals of any type or nature whatsoever, now owned or held or hereafter acquired, which relate to the use, development or occupancy of the Land or other Mortgaged Property or any part thereof.

8. All insurance proceeds and condemnation awards relating to the Land or other Mortgaged Property or any part thereof, and any escrow accounts established pursuant to Article 5 of this Deed of Trust.

9. All rents from, all issues, uses, profits, proceeds and products of, all replacements and substitutions for, and other rights and interests now or hereafter belonging to, any of the foregoing.

10. All other estates, easements, franchises, interest, licenses, rights, titles, powers or privileges of every kind and character which Grantor now has or may hereafter acquire in and to the property and interests described above, including without limitation: (a) all present or future estates, easements, franchises, interests, leaseholds, licenses, rights, titles, powers and privileges of Grantor in and to all easements, air rights and other rights-of-way in connection with the property and interests described above or any part thereof or as a means of ingress to, or egress from, the Land or the Improvements or any part thereof, (b) all present or future estates, easements, franchises, interests, leaseholds, licenses, rights, titles, powers, and privileges of Grantor in and to the Land or the Improvements or any part thereof, (c) all present or future estates, easements, franchises, interests, leaseholds, licenses, rights, titles, powers, and privileges, if any, of Grantor, either at law or in equity, in possession or in expectancy, in and to the real property or air space, as the case may be, lying in, under, or over the streets, highways, roads, alleys, ways, sidewalks, skywalks, tunnels, or avenues, open or proposed, in front of, above, over, under, through, or adjoining, the Land, and in and to any strips or gores of real property adjoining the Land, and (d) all present or future estates, easements, franchises, interests, leaseholds, licenses, development rights or credits, air rights, solar rights, water, water rights (whether riparian, appropriative time, or otherwise, and whether or not appurtenant), water, irrigation or ditch stock interests, rights, titles, powers, and privileges appurtenant, or incident to, the Land or the Improvements.

11. Any and all proceeds of any and all of the foregoing (including, without limitation, payment of proceeds that constitute property of the types described in paragraphs 3, 4 or 5 above).

TO HAVE AND TO HOLD the Mortgaged Property unto the Trustee forever, and possession of the Mortgaged Property is now delivered unto the Trustee, in trust, however, for the purposes set forth herein.

ARTICLE ONE
SECURED OBLIGATIONS

1.1. Obligations Secured. This Deed of Trust is given to secure the payment and performance of the following indebtedness and obligations ("Secured Obligations"), in such order as Lender may elect:

(a) Payment of present and future indebtedness of Grantor to Lender whether evidenced by promissory notes, guaranties or other evidences of indebtedness and any and all amendments, extensions, modifications, substitutions, replacements or renewals thereof (all of which are hereinafter referred to as "Note"), now or hereafter executed by Grantor, which on their face contain a statement that they are secured hereby, and the performance and discharge of each and every obligation of Grantor set forth in the Note and related documents;

(b) Payment of and the performance and discharge of each and every obligation of Grantor under that Loan Agreement, dated the date hereof, by and between Grantor and Lender ("Loan Agreement"); and

(c) Payment of and the performance and discharge of each and every obligation of Grantor as provided herein and in all other agreements of Grantor with Lender, including without Limitation the Assignment of Rents and Leases (hereinafter collectively called the "Loan Documents").

1.2. No Commitment. The specification of a maximum amount which may be secured hereby is intended solely to comply with the statutory requirements governing future advance deeds of trust and shall not be construed as evidence of a commitment to loan such amount to Grantor, nor shall it limit the extent of personal liability under any Note. In the event the Note is in excess of the maximum amount recited above, this Deed of Trust shall secure the Note to the extent of said amount, without reduction, until the Note is satisfied in full. Neither the existence nor priority of this Deed of Trust shall be adversely affected if at any time prior to the expiration of this Deed of Trust there are no Secured Obligations or the Secured Obligations are reduced to nothing.

ARTICLE TWO
GENERAL COVENANTS, REPRESENTATIONS
AND WARRANTIES

2.1. Payment and Performance. Grantor covenants and agrees to pay and perform each of the Secured Obligations and to perform, comply with and abide by each and every of the agreements, conditions and covenants contained and set forth in this Deed of Trust, the Note, the Loan Agreement and each of the other Loan Documents.

2.2. Title to Mortgaged Property. Grantor covenants, agrees and warrants that it has good and marketable fee simple title to the Mortgaged Property, free and clear of liens and encumbrances, except for the permitted encumbrances (as set forth in Schedule 2 hereto) (the "Permitted Encumbrances"), and that Grantor has good right and lawful authority to Deed of Trust and convey the same in the manner and form herein set forth.

ARTICLE THREE
MAINTENANCE, ALTERATIONS AND ADDITIONS

3.1. Maintenance of Mortgaged Property; Compliance with Laws. Grantor covenants and agrees to permit, commit or suffer no waste and to maintain the improvements on the Mortgaged Property at all times in a state of good repair and condition; to comply with, or cause to be complied with, all statutes, ordinances and requirements of any governmental or other authority relating to the Mortgaged Property; and to do or permit to be done to the Mortgaged Property nothing that will alter or change the use and character of the Mortgaged Property or in any way impair or weaken the security of this Deed of Trust. In case of the refusal, neglect or inability of Grantor to repair and maintain said property, Lender may, at its option, upon not less than five (5) days prior written notice to Grantor, make such repairs or cause the same to be made, and advance monies in that behalf.

3.2. Alterations and Additions. No building or other property now or hereafter covered by the lien of this Deed of Trust shall be removed, demolished or materially altered without the prior written consent of Lender, and no addition to or structural changes will be made to the Improvements without the prior written approval of Lender., provided, alterations may be made in accordance with the Loan Agreement. No fixtures will be installed on the Mortgaged Property subject to vendor's lien or other lien, and shall any such fixtures be hereafter installed the lien of this instrument shall immediately attach and be prior and superior to liens or claims of others thereon.

ARTICLE FOUR

4.1. Sale or Transfer of Mortgaged Property. Grantor agrees that no assignment (by operation of law or otherwise), sale or contract to sell, transfer, mortgage, conveyance or lease (except as permitted in the Loan Agreement) shall be made by Grantor of the Mortgaged Property or any part thereof or any right, title or interest therein (including, without limitation, any oil, gas or other mineral interest) without first obtaining the prior written consent of Lender; provided, however, notwithstanding the foregoing, upon prior written notice to Lender, Grantor may make such an assignment, sale or transfer to the Guarantor (as defined in the Loan Agreement) or any wholly owned subsidiary of Guarantor, but such assignment, sale or transfer shall be without release of liability of Grantor.

4.2. Claims Against Mortgaged Property. Grantor will pay, from time to time when the same shall become due, all claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property, whether paramount or subordinate to this Deed of Trust or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom and in general will do or cause to be done everything necessary so that the lien of this Deed of Trust shall be fully preserved, at the cost of Grantor, without expense to Lender; provided however, Grantor shall have the right to contest such claims.

4.3. Subrogation. Lender at its option shall be subrogated for further security to the lien of any prior encumbrance, mechanic's or vendor's lien on the Mortgaged Property paid out of the proceeds of the loan hereby secured, even though the same be released of record.

ARTICLE FIVE
TAXES AND PUBLIC CHARGES

5.1. Taxes and Public Charges. Grantor, from time to time when the same shall become due and payable, will pay and discharge all taxes of every kind and nature (including real and personal property taxes and income, franchise, withholding, profits and gross receipts taxes), all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, and all other public charges, whether of a like or different nature, imposed upon or assessed against it or the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof. Grantor will, upon the request of Lender, deliver to Lender receipts evidencing the payment of all such taxes, assessments, levies, fees, rents and other public charges imposed

or assessed against it or the Mortgaged Property or the revenues, rents, issues, income or profits thereof. Upon demand by Lender, at any time after the occurrence of an Event of Default (as hereinafter defined) or at any time if amounts due hereunder or under any of the other Loan Documents remain outstanding in excess of thirty (30) days (whether or not subsequently paid), Grantor agrees to pay to Lender monthly one-twelfth (1/12) of the estimated amount of the foregoing taxes, assessments and charges and any balance which shall be required to pay the taxes, assessments and charges when due. These payments shall be held in trust by Lender, will not bear interest, and shall be applied for the payment of the foregoing when due.

ARTICLE SIX INSURANCE

6.1. Insurance. Grantor will keep the Mortgaged Property insured and shall maintain such other insurance as is required under the terms of the Loan Agreement.

6.2. Evidence of Insurance. Grantor shall deliver and keep in Lender's possession at all times originals of all insurance policies required hereunder and shall deliver renewals of all such policies to Lender at least ten (10) days prior to any expiration or termination thereof. In the event that renewals of policies are not delivered to Lender ten (10) days or more before the termination or expiration of the existing policy or policies, Grantor authorizes Lender to act for it and procure at Grantor's expense the necessary insurance coverage and agrees to keep insurance so written in force until its expiration date.

6.3. Insurers and Cancellation. All insurance maintained pursuant to the terms of this Deed of Trust shall be issued by insurers of recognized responsibility which are qualified to do business in the State. Each such policy of insurance shall provide that it shall not be canceled or terminated for any reason or modified or amended in any manner so as to reduce the scope or amount of coverage or increase the deductible amount except upon thirty (30) days' prior written notice to Lender.

6.4. Casualty. In the event of any casualty, Grantor will give immediate notice by mail to Lender, and will commence proof of loss with the casualty insurer. Lender reserves the right to direct and approve all proof of loss and claims procedures. If proof of loss is not made promptly by Grantor, Lender is authorized by Grantor to do so. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender and not to Grantor and Lender jointly. The insurance proceeds shall be applied, at Lender's option, either (a) to the reduction of the Secured Obligations (in such order as Lender determines), principal or interest, whether

matured or unmatured, but only if an Event of Default (as hereinafter defined) has occurred, or (b) to the restoration and repair of the damaged Mortgaged Property provided that (i) Grantor and Lender agree that such restoration and repair is economically feasible and reasonable, (ii) Grantor and Lender agree that Lender's security will not be lessened or impaired thereby, (iii) no Event of Default has occurred and is continuing and (iv) Grantor and Lender agree that the proceeds shall be adequate to pay all estimated costs of restoration and repair or Grantor shall deposit with Lender sums sufficient, in Lender's opinion, when added to such proceeds, to pay all such estimated costs. If such proceeds are to be applied to restoration and repair, Grantor covenants and agrees to promptly commence the restoration and repair of such damaged Mortgaged Property to as nearly as possible the same condition as existed prior to such casualty, except as otherwise approved in writing by Lender, and to diligently prosecute such restoration and repair to completion, paying all costs thereof that the insurance proceeds and other sums deposited by Grantor with Lender may be insufficient to pay. If at any time or times Lender determines, in Lender's sole discretion, that the proceeds and such sums deposited by Grantor may be insufficient to pay in full all estimated costs of restoration and repair, Grantor shall on demand deposit with Lender such additional sums as Lender deems necessary to pay all such estimated costs. Grantor will submit plans and design and construction contracts for such restoration and repair to Lender for Lender's prior written approval. The proceeds of insurance and any sums deposited by Grantor with Lender as aforesaid shall be held by Lender and disbursed in payment of the costs of such restoration and repair in accordance with such procedures and subject to such conditions as Lender shall require. Any proceeds of insurance in excess of the costs of restoration and repair shall, at the option of Lender, be applied to the reduction of the Secured Obligations or paid to the person legally entitled thereto.

6.5. Rights to Insurance After Foreclosure. In the event of foreclosure of this Deed of Trust, or other transfer of title in full or partial satisfaction of the Secured Obligations or any part thereof, all right, title and interest of Grantor in and to any insurance policies then in force, and any proceeds thereof, shall pass to the purchaser or transferee, and Grantor shall not be entitled to unearned premiums.

ARTICLE SEVEN CONDEMNATION

7.1. Condemnation. If all or any part of the Mortgaged Property hereunder be taken or damaged by the exercise of the power of eminent domain, Grantor may contest the same in good

faith so long as there is not an Event of Default, the award for any property so taken is hereby assigned to Lender, and Lender, upon such award becoming final, is hereby authorized, in the name of Grantor, to execute and deliver acquittances for, and release of, any such award and to collect the proceeds. If any part of the Mortgaged Property shall be so taken or damaged, and such award shall be, at Lender's sole option, either (a) applied to the reduction of the Secured Obligations (in such order as Lender determines), principal or interest, whether matured or unmatured, or (b) (i) if Grantor and Lender agree that the tenant under the Lease can reasonably continue to conduct its business on the Mortgaged Property substantially as conducted prior to the taking or damage, (ii) if Lender determines, in its sole discretion, that its security will not be lessened or impaired, (iii) no Event of Default has occurred and is continuing, and (iv) Lender determines, in its sole discretion, that the award shall be adequate to pay all estimated costs of restoration, replacement and repair or Grantor shall deposit with Lender sums sufficient, in Lender's sole opinion, when added to such award, to pay all such estimated costs, then such award shall be used to restore, replace and repair the taken or damaged Mortgaged Property. If such award is to be applied to restoration, replacement and repair, Grantor covenants and agrees to promptly commence the restoration, replacement and repair of the taken or damaged Mortgaged Property and to diligently prosecute such restoration, replacement and repair to completion, paying all costs thereof that the award and other sums deposited by Grantor with Lender may be insufficient to pay. If at any time or times Lender determines, in Lender's sole discretion, that the award and such sums deposited by Grantor may be insufficient to pay in full all estimated costs of restoration, replacement and repair, Grantor shall on demand deposit with Lender such additional sums as Lender deems necessary to pay all such estimated costs. Grantor will submit plans and design and construction and other contracts for such restoration, replacement and repair to Lender for Lender's prior written approval. The award and any sums deposited by Grantor with Lender as aforesaid shall be held by Lender and disbursed in payment of the costs of such restoration, replacement and repair in accordance with such procedures and subject to such conditions as Lender shall require. Any portion of the award in excess of the costs of restoration, replacement and repair shall, at the option of Lender, be applied to the reduction of the Secured Obligations or paid to the person legally entitled thereto.

ARTICLE EIGHT SECURITY AGREEMENT

8.1. Security Agreement. This Deed of Trust, in addition to being a lien on real estate, is also a security agreement by and upon all Personal Property Collateral,

including without limitation any collateral listed on any schedule of collateral attached hereto, and creates a valid security interest in and lien on all Personal Property Collateral to secure the payment and performance of the Secured Obligations.

8.2. Remedies of Lender with Respect to Personal Property Collateral. Upon the occurrence of any Event of Default, Lender will have all rights and remedies granted by law, and particularly by the Uniform Commercial Code, including, without limitation, the right to take possession of all Personal Property Collateral, and for this purpose Lender may enter upon any premises on which any or all of the Personal Property Collateral is situated and take possession of and operate the Personal Property Collateral (or any portion thereof) or remove it therefrom. Lender may require Grantor to assemble the Personal Property Collateral or any part thereof and make it available to Lender at a place to be designated by Lender which is reasonably convenient to all parties. Unless the Personal Property Collateral or any part thereof is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of such Personal Property Collateral is to be made. This requirement of sending reasonable notice will be met if the notice is given to Grantor as herein provided at least five (5) days before the time of the sale or disposition.

8.3. Remedies of Lender with Respect to Fixtures Constituting a Part of the Mortgaged Property. Upon the occurrence of an Event of Default, Lender may elect, with regard to the fixtures constituting a part of the Mortgaged Property, to proceed under this Deed of Trust or to exercise such rights as are provided by the Uniform Commercial Code of Missouri.

ARTICLE NINE DEFAULT AND REMEDIES

9.1. Events of Default. Any Event of Default as defined in the Loan Agreement shall constitute an "Event of Default" hereunder.

9.2. Remedies Upon Default. At any time after an Event of Default has occurred, the Secured Obligations shall become due at Lender's option forthwith or thereafter at the continuing option of Lender, and this Deed of Trust shall remain in force, and Lender may exercise any right, power or remedy hereunder or under the Note or Loan Agreement or otherwise permitted to it by law or by contract, and in particular, without limiting the generality of the foregoing, Lender shall have the absolute right, at its option and election, to pursue one or more of the following

rights:

(a) The Trustee, or his successor appointed as hereinafter provided, may proceed to sell the Mortgaged Property hereinabove described and any and every part thereof at public vendue, to the highest bidder for cash, at the east front door of the Circuit Court House of Buchanan County, in St. Joseph, Missouri, after giving at least twenty (20) days public notice of the time, terms and place of sale, and the property to be sold, by advertisement in some newspaper printed and published in said county, or after giving notice for the minimum period and in the manner provided by statute for such sales at the time of such notice; and upon such sale shall execute and deliver deed(s) conveying the Mortgaged Property so sold to the purchaser(s) thereof, and any statement or recital of fact in any such deed(s) shall be prima facie evidence of the truth of such statement or recital, and said Trustee, or his successors in said trust, shall receive the proceeds of said sale, out of which he shall pay in the following order: (1) Costs and expenses of executing the trust created and evidenced hereby, including the usual and reasonable compensation to the Trustee, his agents and attorneys, for all services rendered in connection with the trust estate and the sale thereof; (2) Any past due and accrued, unpaid interest on the Secured Obligations; (3) All unpaid Secured Obligations (in such order as Lender determines; and (4) The remainder of such proceeds of sale, if any, after the satisfaction in full of all expenses and the Secured Obligations, to the Grantor or to those lawfully entitled to receive any such remainder. The Trustee may postpone the sale of all or any parcel of the Mortgaged Property to a different date or time by public announcement at the time and place set forth in the notice published.

(b) Lender shall have the right from time to time to take action to recover any sums, whether interest, principal or any installment of either, or any other sums required to be paid under the terms of this Deed of Trust, the Note, the Loan Agreement or any of the other Loan Documents, as the same become due, without regard to whether or not the principal sum secured, or any other sums secured, by this Deed of Trust shall be due, and without prejudice to the right of Lender thereafter to institute foreclosure, or any other action, for any Event or Events of Default existing at the time such earlier action was commenced.

9.3. Multiple Foreclosures. Lender shall have the option to proceed with foreclosure in satisfaction of any part of the Secured Obligations without declaring the whole of the Secured Obligations as immediately matured, and such foreclosure may be made subject to the unmatured part of the Secured Obligations, and it is agreed that such foreclosure, if so made, shall not in any manner affect the unmatured part of the Secured Obligations, but as to such unmatured part this Deed of Trust, as

well as the other Loan Documents, shall remain in full force and effect just as though no foreclosure had been made. Several foreclosures may be made without exhausting the right of foreclosures for any unmatured part of the Secured Obligations, it being the purpose to provide for a foreclosure of the security for any matured portion of the Secured Obligations without exhausting the power of foreclosure respecting Mortgaged Property for any other part of the Secured Obligations. The power of sale conferred herein shall survive until all of the Mortgaged Property has been conveyed by the Trustee or his successor free from defects. When necessary to effect the purpose of this Deed of Trust, the power of sale shall be construed to enable successive sales of the Mortgaged Property or any parcel thereof.

9.4. Entry by Lender. During the continuance of any Event of Default, Lender personally, or by its agents or attorneys, may enter into and upon all or any part of the Mortgaged Property, and each and every part thereof, and may exclude Grantor, its agents and servants wholly therefrom and, having and holding the same, may use, occupy and control the Mortgaged Property, either personally or by its superintendents, manager, agents, servants, attorneys or receivers; and upon every such entry, Lender at the expense of the Mortgaged Property, or Grantor, from time to time, either by purchase, repairs or construction, may maintain and restore the Mortgaged Property, thereof it shall become possessed as aforesaid, may complete the construction or development of any improvements and in the course of such completion may make such changes in the contemplated improvements as it may deem desirable and may insure the same; and likewise, from time to time, at the expense of the Mortgaged Property, or Grantor, Lender may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as may seem advisable to Lender; and in every such case Lender shall have the right to manage and operate the Mortgaged Property and exercise all rights and powers of Grantor with respect thereto either in the name of Grantor or otherwise as it shall deem best; and Lender shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other proper charges upon the Mortgaged Property, or any part thereof, as well as just and reasonable compensation for the services of Lender and for all attorneys, counsel, agents, clerks, servants and other employees by it properly engaged and employed, Lender shall apply the monies arising as aforesaid, to the payment of the Secured Obligations.

9.5. Appointment of Receiver. Upon the occurrence of any Event of Default, Lender shall be entitled without notice to Grantor to apply at any time to a court having jurisdiction thereof for the appointment of a receiver of the Mortgaged Property or any part thereof and of all rents, incomes, profits, issues and revenues thereof, from whatever source derived; and thereupon it is hereby expressly covenanted and agreed that the court shall forthwith appoint such receiver with the usual powers and duties of receivers in like cases; and said appointments shall be made by the court ex parte as a matter of strict right to Lender, and without reference to the adequacy or inadequacy of the value of the Mortgaged Property, or to the solvency or insolvency of Grantor or any party defendant to such suit. Grantor hereby specifically waives the right to object to the appointment of a receiver as aforesaid and hereby expressly consents that such appointment shall be made ex parte and without notice to Grantor as an admitted equity and as a matter of absolute right to Lender. In order to maintain and preserve the Mortgaged Property and to prevent waste and impairment of its security, Lender may, at its option, advance monies to the appointed receiver and all such sums advanced shall become Secured Obligations and shall bear interest from the date of such advance at the Default Rate (as specified and defined in the Loan Agreement).

9.6. Remedies Cumulative. No remedy conferred upon or reserved to Lender herein or in the Loan Agreement or any of the other Loan Documents is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every remedy given to Lender or now or hereafter existing at law or in equity or by statute. No delay or omission of Lender to exercise any right or power accruing upon any Event of Default herein or in the Loan Agreement or any default under the other Loan Documents shall impair any such right or power, or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Deed of Trust or in the Loan Agreement or any of the other Loan Documents to Lender may be exercised from time to time as often as may be deemed expedient by Lender. Nothing in this Deed of Trust or in the Loan Agreement or in any of the other Loan Documents shall affect the obligation of Grantor to pay its obligations under the Note and the Loan Agreement in the manner and at the time and place therein respectively expressed. In the event of foreclosure, Grantor shall be fully liable for any deficiency.

9.7. No Waiver. Any failure by Lender to insist upon the strict performance by Grantor of any of the terms and provisions of this Deed of Trust, the Loan Agreement or the other Loan Documents shall not be deemed to be a waiver of

any of the terms and provisions hereof, or of the Loan Agreement or the other Loan Documents, and Lender, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Grantor of any and all the terms and provisions of this Deed of Trust or of the Loan Agreement or the other Loan Documents to be performed by Grantor; and Lender may resort for the payment of the Secured Obligations to the Mortgaged Property or to any other security therefor held by Lender in such order and manner as Lender may elect.

9.8. Attornment by Tenant. In the event the Mortgaged Property or any part thereof is hereafter occupied by a tenant under a lease, and in the event of any foreclosure hereunder, such tenant shall, unless otherwise agreed in writing to by Lender, at the option of the purchaser of the Mortgaged Property, either (i) immediately surrender possession of the Mortgaged Property to such purchaser or (ii) agree to attorn to and to execute an agreement reasonably satisfactory to such purchaser, which agreement shall recognize such purchaser as the landlord under such lease.

9.9. Waiver of Redemption and Other Rights. To the extent permitted by the laws of Missouri, Grantor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Deed of Trust, nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted, by any governmental authority or otherwise, to redeem the property so sold or any part thereof; and Grantor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Lender, but to suffer and permit the execution of every as though no such law or laws had been made or enacted. Without limiting the generality of the foregoing, to the extent legally permissible, Grantor waives all rights of redemption, whether at equity or law, with respect to the Mortgaged Property. Grantor, for itself and all who claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property, or any other assets which secure the indebtedness hereby secured, marshaled upon any foreclosure hereof.

9.10. Trustee. Although the Trustee or any successor in trust hereunder may be or become an agent of, officer of, attorney for or otherwise connected with the Lender or any subsequent owner or holder of any Note, such Trustee may act hereunder and any such owner or holder, including the Lender, may bid for and purchase any property sold hereunder, as if such Trustee were entirely disinterested. If publication of notice of sale hereunder be withdrawn by request of the Grantor, all expenses of the Trustee with a fee for his attorney in preparation and publication of such notice shall be paid by Grantor on demand, and the power of sale granted herein shall in no way be affected.

ARTICLE TEN ENVIRONMENTAL COVENANTS

10.1. Definitions. "Hazardous Substances" means and includes all hazardous and toxic substances (including without limitation petroleum and petroleum products), pesticides, infectious wastes, wastes or materials, any pollutants or contaminants (including, without limitation, PCBs, asbestos and raw materials which include hazardous constituents), or any other similar substances, or materials which are included under or regulated by any now existing or hereafter enacted or promulgated local, state or federal law, statute, ordinance, rule or regulation pertaining to environmental protection, regulation, contamination or clean-up, toxic waste, underground storage tanks and hazardous substance or material handling, treatment, storage, use or disposal, including without limitation the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), the Resource Conservation and Recovery Act ("RCRA"), state lien or environmental clean-up statutes, all as exist from time to time (all such laws, statutes, ordinances, rules and regulations being referred to collectively as "Environmental Laws").

10.2. Hazardous Substances. Grantor represents and warrants, after diligent inspection of the Mortgaged Property, that the Mortgaged Property has never been used as either a sanitary landfill or as a disposal site for Hazardous Substances and no Hazardous Substances or underground storage tanks have been deposited or are located in, under or upon the Mortgaged Property and no part of the Mortgaged Property is presently contaminated by Hazardous Substances.

10.3. Adjacent Property. To Grantor's knowledge, no parcel adjacent to the Mortgaged Property has ever been used as either a sanitary landfill or as a disposal site for Hazardous Substances, and no Hazardous Substances or underground storage tanks have been deposited or are located in, under or upon any

parcel adjacent to the Mortgaged Property and no part of any parcel adjacent to the Mortgaged Property is presently contaminated by Hazardous Substances.

10.4. Representation and Warranties. Grantor represents and warrants that it has not received and does not have actual notice of any violation or claimed or threatened violation of any Environmental Laws. Grantor agrees to notify Lender of any such notice within five (5) business days of receipt. Grantor hereby covenants and agrees to comply with, operate and at all times use, keep and maintain the Mortgaged Property and every part thereof (whether or not such property constitutes a facility, as defined in CERCLA) in conformance with all Environmental Laws. Without limiting the generality of the foregoing, Grantor will not use, generate, treat, store, dispose of or otherwise introduce any Hazardous Substance into, under or on the Mortgaged Property or any part thereof nor cause, suffer, allow or permit anyone else to do so except in accordance with Environmental Laws.

10.5. Default. Upon any Event of Default, Lender shall have the right to inspect the Mortgaged Property and, if the Event of Default is not remedied within thirty (30) days, the option to obtain an environmental assessment(s) of the Mortgaged Property. This Deed of Trust also secures the reasonable cost of such an environmental assessments(s), and all money so paid, with interest thereon from the date of such payment at a rate equivalent to the Default Rate (as defined and specified in the Loan Agreement), shall be a Secured Obligation, and shall be repaid by Grantor on demand. Grantor agrees that Lender shall not be responsible for liability caused by the presence or release of Hazardous Substances during such inspection and/or an environmental assessment(s), and Grantor agrees to indemnify and hold Lender harmless from and against any and all such liability.

10.6. Indemnification. Grantor covenants and agrees to indemnify and hold Lender, it affiliates, agents, servants and employees harmless from and against any or all liability, loss, injury, damage, liens or cost (including reasonable attorney's fees) whatsoever caused by or relating to any violation or claimed violation of any of the foregoing representations, warranties or covenants or any Environmental Laws which relates to the Mortgaged Property. This indemnification provision shall survive the satisfaction or release of the lien hereof, foreclosure, or transfer of title by deed in lieu of foreclosure or otherwise.

ARTICLE ELEVEN
MISCELLANEOUS

11.1. Protection of Lender's Security. Lender may, at its option and without waiving its right to accelerate the Secured Obligations and to foreclose the same, pay either before or after delinquency any or all of those certain obligations required by the terms hereof to be paid by Grantor for the protection of the Deed of Trust or for the collection of any of the Secured Obligations. All sums so advanced or paid by Lender shall become Secured Obligations and shall bear interest from the date thereof at the default rate (as specified and defined in the Loan Agreement) and become an integral part thereof, subject in all respects to the terms, conditions and covenants of the Loan Agreement, and this Deed of Trust, as fully and to the same extent as though a part of the original indebtedness evidenced by the Note and the Loan Agreement and secured by this Deed of Trust, excepting, however, that said sums shall be repaid to Lender upon demand by Lender to Grantor for said payment.

11.2. Costs and Expenses. Grantor agrees to pay all fees and charges incurred in the procuring and making of this Deed of Trust or in the perfection of the lien and security interest hereof, including without limitation fees and expenses relating to the examination of title to the Mortgaged Property; title insurance premiums, costs and expenses; surveys; recording, documentary, transfer, registration or similar fees or taxes; revenue stamps; architects' and engineers' services; and attorneys' fees. Grantor further agrees to pay all and singular costs, charges and expenses, including attorneys' fees and abstract costs, reasonably incurred or paid at any time by Lender because of the failure of Grantor to perform, comply with, and abide by each and every of the agreements, conditions and covenants of the Loan Agreement, this Deed of Trust, or any of the other Loan Documents.

11.3. Successors and Assigns. All of the grants, covenants, terms, provisions and conditions herein shall run with the Land and bind and inure to the benefit of, the successors and assigns of Grantor and the successors and assigns of Lender.

11.4. Grantor's Certificate. Grantor will, within ten (10) days after the request of Lender, furnish a written statement of the amount owing on the Secured Obligations. Such statement shall also include such other certifications as Lender may require.

11.5. Notices. Except as otherwise provided by applicable law, all notices, certificates or other communications hereunder shall be in writing and shall be given as provided for notices given under the Loan Agreement.

11.6. Corrections and Future Acts. Grantor will, upon request of Lender, promptly correct any defect, error, or

omission which may be discovered in the contents of this Deed of Trust or in the execution or acknowledgment hereof, and will execute, acknowledge, and deliver such further instruments and do such further acts as may be necessary or as may be reasonably requested by Lender to carry out more effectively the purpose of this Deed of Trust, to subject to the lien and security interest hereby created any of Grantor's properties, rights, or interest covered or intended to be covered hereby, and to perfect and maintain such lien and security interest.

11.7. Indemnification. Grantor shall indemnify, defend, hold harmless and reimburse Lender for any liability, damage, or expense, including attorneys' fees and amounts paid in settlement, which Lender may incur or sustain in the execution of this Deed of Trust or in the doing of any act which it is required or permitted to do by the terms hereof or by law, and shall be reimbursed therefor in accordance with the provisions of Section 11.1. However, Grantor shall not be obligated to indemnify, defend, hold harmless and reimburse Lender from any such liabilities, damages or expenses to the extent such are attributable to the gross negligence or willful misconduct of Lender or any of its agents, contractors or employees.

11.8. Governing Law. This Deed of Trust shall be construed according to Missouri law, without reference to the conflicts of laws principles thereof.

11.9. Severability. If any provision or clause of this Deed of Trust shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case or in all cases because it conflicts with any provisions of any constitution or statute or rule of public policy, or for any other reason, such determination shall not affect in any way any other provision or clause herein which can be given effect without the inoperative, invalid or unenforceable provision or clause.

11.10. Amendments. No alteration or amendment of this Deed of Trust shall be effective unless in writing signed by the parties sought to be charged or bound thereby.

11.11. After-Acquired Property. All rights, title and interest of Grantor in and to all improvements, betterments, renewals, substitutes and replacements of and all additions and appurtenances to, the Mortgaged Property hereafter acquired, constructed, assembled or placed by Grantor on the Mortgaged Property, and all conversions of the security constituted thereby, and any other or additional interest in or to the Mortgaged Property hereafter acquired by Grantor, immediately upon such acquisition, construction, assembly, placement or conversion, as the case may be, and in each such case without any further

mortgage, grant, conveyance or assignment or other act of Grantor, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by Grantor and specifically described in the Granting Clause hereof.

11.12. Tenancy. By the execution and delivery hereof, Grantor becomes tenant of the Trustee and any successor in trust hereunder until a foreclosure sale be held as hereinafter provided for, at a rental of one cent per month, payable monthly in advance on demand, upon the condition that he Grantor and all persons claiming or occupying the Mortgaged Property through or under Grantor, shall pay said monthly rental on demand and surrender peaceable possession of the entire Mortgaged Property to the Trustee or any successor in trust as Trustee hereunder, or to the purchaser at any foreclosure sale hereunder, within ten days after such sale and without any notice or demand for such possession.

11.13. Successor Trustee. The Lender shall have the right and power successively to remove the above named Trustee or any successor Trustee and to appoint in writing (acknowledged and recorded) a successor to such Trustee, which successor shall succeed to the title and to all of the rights and powers of the original Trustee.

11.14. Effective Date. The dating of this Deed of Trust is intended as and for the convenient identification of this Deed of Trust and is not intended to indicate that this Deed of Trust was executed and delivered on said date, this Deed of Trust being executed on the date set forth in the acknowledgment hereto. This Deed of Trust shall become effective simultaneously with the effectiveness of the Loan Agreement as provided for therein.

IN WITNESS WHEREOF, Grantor has duly executed this Deed of Trust.

SYSTEMS &
SERVICES TECHNOLOGY,
INC., a Delaware corporation

By: _____

Name: _____

Title: _____

along said North right-of-way South 89 degrees 56' 50" East for a distance of 199.81 feet; thence continuing along said North right-of-way South 88 degrees 43' 06" East for a distance of 35.01 feet; thence North 25 degrees 37' 28" East along the Westerly right-of-way of the access road for a distance of 269.25 feet to the West right-of-way of Interstate 29; thence North 00 degrees 11'56" East along said West right-of-way line along a cure to the left having a radius of 9549.3 feet of an arc length of 358.42 feet; thence South 89 degrees 59' 55" West for a distance of 721.60 feet to the West line of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4); thence South 00 degrees 10' 00" East along said West line for a distance of 929.36 feet to the point of beginning. All in Buchanan County, Missouri and subject to all public and private roads and easements.

RED20/2051

TERM NOTE

\$360,000.00
October ___, 1996
plus interest
Kansas City, Missouri

FOR VALUE RECEIVED, the undersigned, SYSTEMS & SERVICES TECHNOLOGIES, INC. ("Company"), a Delaware corporation, hereby promises to pay to the order of COMMERCE BANK, N.A. ("Bank"), at its offices in Kansas City, Missouri, and in lawful money of the United States of America and in immediately available funds, the principal sum of Three Hundred Sixty Thousand Dollars (\$360,000) and accrued interest, or so much thereof as is advanced hereunder (if less than all of the principal amount is advanced). The aggregate unpaid principal amount plus interest shall become immediately due and payable without demand or further action on the part of Bank upon the occurrence of an Event of Default as set forth under that certain Letter Agreement dated as of September 26, 1996, by and between Company and Bank.

This Term Note shall be payable with respect to interest only until and including March 31, 1997. Thereafter, this Term Note shall be payable in thirty-six (36) equal monthly installments of principal (with each installment to be equal to 1/36th of the principal balance outstanding on March 31, 1997). Principal payments (together with accrued interest) shall commence on April 30, 1997, and shall continue on the last day of each month thereafter until March 31, 2000, when the outstanding principal balance, together with accrued interest, shall be due and payable in full.

This Term Note shall bear interest at a per annum variable rate equal to the Prime Rate (as that term is defined in the Letter

Agreement) in effect from time to time. Accrued interest shall be calculated on the actual number of days outstanding based on a year consisting of 360 days and shall be payable monthly, in arrears, and at maturity. After any expressed or accelerated maturity, this Term Note shall bear interest at 3% above the Prime Rate, and if not paid monthly, such interest shall be compounded monthly.

If any installment of this Term Note shall become due and payable on a day which is not a business day of Bank, payment shall be made on the next succeeding business day of Bank.

Company may, at any time, make principal prepayments without premium or penalty. Any such prepayments shall be applied to the monthly principal payments in inverse order of their maturities.

The Company and all endorsers, sureties, guarantors and other persons liable hereon or who may become liable for the payment hereof, severally waive demand on the Company, presentment, notice of dishonor or nonpayment to the Company, notice of protest and any and all lack of diligence in the enforcement hereof and hereby assent to each and any extension or postponement of the time of payment, at or after maturity, or other indulgence and hereby waive any and all notice thereof.

This Term Note is issued pursuant to the terms of the Letter Agreement and any amendments thereto, is entitled to the benefits thereof and is subject to the terms and conditions expressed therein including, without limitation, provisions concerning the acceleration of the maturity hereof upon the happening of certain stated events. The defined terms used herein shall have the same meaning as used in the Letter Agreement.

THE COMPANY AND BANK HEREBY AGREE TO TRIAL BY COURT AND IRREVOCABLY WAIVE JURY TRIAL IN ANY ACTION OR PROCEEDING (INCLUDING BUT NOT LIMITED TO ANY COUNTERCLAIM) ARISING

OUT OF OR IN ANY WAY RELATING TO OR CONNECTED TO THIS TERM NOTE, ANY RELATIONSHIP OR TRANSACTION BETWEEN COMPANY AND BANK, THE ORIGINATION, ADMINISTRATION OR ENFORCEMENT OF THE INDEBTEDNESS EVIDENCED OR SECURED BY THIS TERM NOTE, OR ANY OTHER MATTER.

This Term Note shall be governed by, and construed in accordance with, the laws of the State of Missouri.

IN WITNESS WHEREOF, Company has duly caused this Term Note to be executed and delivered at the place specified above and as of the date first written above.

SYSTEMS & SERVICES
TECHNOLOGIES, INC.

By: _____

Title: _____

ADDENDUM

WITNESS THIS ADDENDUM to be incorporated in and made a part of that certain Deed of Trust and Security Agreement dated October 2, 1996 (the "Deed of Trust"), between Systems and Services Technologies, Inc. ("Borrower") and the First Bank of Missouri ("Lender").

In consideration of and in connection with the sum or sums to be loaned to Borrower to Lender under the terms of that certain promissory note of even date herewith in the principal amount of \$705,000.00, executed by Borrower and made payable to the order of Lender, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower and Lender hereby agree that the terms and conditions of the Deed of Trust shall be and are hereby modified, altered and changed as follows:

1. The last sentence of the last paragraph of Section 4 is hereby deleted in its entirety.

2. Paragraph I of Section 10 is hereby deleted in its entirety and, in lieu thereof, a new Paragraph I, Section 10 is hereby added to read as follows:

A transfer of a substantial part of Grantor's money or property to any person or party other than Aegis Consumer Funding Group, Inc.

3. The first sentence of Section 11 is hereby deleted in its entirety and, in lieu thereof, a new first sentence of Section 11 is hereby added to read as follows:

At the option of Bank, all or any part of the principal and accrued interest on the Obligations shall become immediately due and payable after the giving of ten (10) days written notice by Bank to Grantor of any non-monetary Event of Default, or

the giving of five (5) days written notice by Bank to Grantor of any monetary Event of Default, or at any time thereafter.

4. Subparagraph I, Paragraph B, Section 18 is hereby deleted in its entirety and, in lieu thereof, a new Subparagraph 1, Paragraph B, Section 18 is hereby added to read as follows:

To the best of Grantor's knowledge, except as previously disclosed and acknowledged in writing to Bank, no hazardous Substance has been, is or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

5. Paragraph C and paragraph E of Section 27, as well as the last sentence of Section 27, are hereby deleted in their entirety.

6. A new Paragraph F to Section 30 is hereby added to read as follows:

Trustee agrees to release this Deed of Trust upon payment of all Obligations secured by this Deed of Trust.

7. Paragraph A of Section 34 is hereby deleted in its entirety.

8. Except as herein modified, all terms, conditions and provisions of the Deed of Trust shall remain in full force and effect and unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to have been executed as of this ____ day of _____, 1996.

GRANTOR:

SYSTEMS & SERVICES TECHNOLOGIES, INC.

By:

Matthew B. Burns, Chief Executive Officer

BANK:

THE FIRST BANK OF MISSOURI

By:

Wayde S. Kindiger, Vice President

STATE OF MISSOURI)
)
COUNTY OF CLAY)

On this ____ day of _____, 19____, before me, a notary public, personally appeared Matthew B. Burns, Chief Executive Officer, to me personally known, who, being by me duly sworn, did say that he is acting in the capacity shown above on behalf of Systems & Services Technologies, Inc., a Delaware corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and that Matthew B. Burns acknowledged said instrument to be the free act and deed of said corporation, and that said corporation has no corporate seal.

Notary Public

My Commission Expires:

STATE OF MISSOURI)
)
COUNTY OF CLAY)

On this ____ day of _____, 19 ____, before me, a notary public, personally appeared Wayde S. Kindiger, Vice President, to me personally known, who, being by me duly sworn, did say that he is acting in the capacity shown above on behalf on the First Bank of Missouri, a Missouri corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and that Wayde S. Kindiger acknowledged said instrument to be the free act and deed of said corporation, and that said corporation has no corporate seal.

Notary Public

My Commission Expires:

EXHIBIT 10.105.2

Loan No.	Loan Name	Account No.	Note Date	Rate	Note Amount	Maturity	Initials
100270	Systems/100270		10/02/96	8.5%	\$705,000.00	06/02/99	
WSK							

Draw

(For Bank Purposes Only-MC)

PROMISSORY NOTE
(Business Purpose)
First Bank of Missouri

1. DATE AND PARTIES. The date of this Promissory Note (Note) is October 2, 1996. This Note evidences a loan which includes all extensions, modifications and and substitutions (Loan). The parties to this Note and Loan are:

BORROWER:

SYSTEMS & SERVICES TECHNOLOGIES, INC.
a DELAWARE corporation
4315 PICKETT ROAD
ST. JOSEPH, MO 64506
Tax I.D. # 22-3370315

BANK:

FIRST BANK OF MISSOURI
a MISSOURI banking corporation
7001 N. Oak St.
P.O. Box 10689
Gladstone, Missouri 64118
Tax I.D. # 44-0667863
Branch No. 001

2. PROMISE TO PAY. For value received, Borrower promises to pay to Bank s order at its office at the above address, or such other place as Bank may designate, the sum of \$705,000.00 (Principal) or so much thereof as may, from time to time, be advanced to Borrower hereunder plus interest from the date of disbursement, on the unpaid principal balance at the rate of 8.5% per annum (Contract Rate) until this Note matures or the obligation is accelerated. After maturity or acceleration, the unpaid balance shall bear Interest at the rate specified in the paragraph in this Note entitled DEFAULT RATE OF INTEREST until paid in full. The Loan and this Note are limited to the maximum lawful amount of Interest (Maximum Lawful Interest) permitted under federal and state laws. If the interest accrued and collected exceeds the Maximum Lawful Interest as of the time of

collection, such excess shall be applied to reduce the principal amount outstanding, unless otherwise required by law. If or when no principal amount is outstanding, any excess interest shall be amortized and prorated over the full term of the Loan for purposes of determining the Maximum Lawful Interest. Interest shall be computed on the basis of the actual calendar year and the actual number of days elapsed.

This is a draw Note and all or part of the Principal shall be advanced from time to time by Bank upon request of Borrower or any authorized agent of Borrower subject to all of the following conditions:

- A. There has not been a default by Borrower or any other party.
- B. Bank has retrieved all documents, information, and warranties as Bank may require, all properly executed, if appropriate, in a form acceptable to Bank.
- C. A request for the advance is received from Borrower or Borrower's authorized agent prior to the maturity date of the Loan in a form acceptable to Bank.
- D. Bank has made all inspections which Bank considers necessary and is satisfied with the same.
- E. At no time shall the amount of any advance exceed 85% of the amount of the invoice, payment order or other written evidence satisfactory to Lender relating to the making of leasehold improvements to the Facility, nor shall any advance exceed 80% of the amount of the invoice, payment order or other written evidence satisfactory to Lender relating to the purchase of the furniture or equipment to be used by Borrower in connection with those operations to be conducted by Borrower at the Facility. At no time shall Lender be obligated to make any advance to Borrower under the Note on or after April 1, 1997.

Any authorized agent of Borrower shall have authority to direct the disposition of any such advances until written notice of the revocation is received by Bank. The total amount of all such advances shall not exceed the Principal regardless of any payments made by Borrower and credited to Principal. Interest shall accrue only on the amount of outstanding Principal that is drawn and unpaid. In the event of default, Bank is not obligated to make any additional advances regardless of the amount of Principal that has not been drawn at the time of default.

Accrued interest only is due and payable on the 2nd day of each month for the months of November and December, 1996 and January, February, March, April, and May, 1997. Principal and accrued interest are due and payable in 24 equal monthly payments of \$11,362.46 on the 2nd day of each month, beginning June 2, 1997, or the day following if the payment day is a holiday or is a non-business day for Bank. Unless paid prior to maturity, all other unpaid principal, accrued interest, costs and expenses are due and payable on June 2,

1999, which is the date of maturity. These payments amounts are based upon timely payment of each installment. All amounts shall be paid in legal U.S. currency. Any payment made with a check will constitute payment only when collected.

3. EFFECT OF PAYMENT. Borrower may prepay this Loan in full, subject to any prepayment penalty or minimum charge as agreed to below. However, no partial prepayment shall excuse or defer Borrower's subsequent payments or entitle Borrower to a release of any collateral. Interest will cease to accrue on the amounts prepaid on the day actually credited by Bank.

4. MINIMUM FINANCE CHARGE. Borrower has the right to prepay in full subject to a minimum finance charge of \$1.00.

5. LATE CHARGE. Borrower agrees to pay Bank a late charge equal to 5% of the unpaid installment, if payment is not made in full on or before 15 days after the scheduled due date.

6. EVENTS OF DEFAULT. Borrower shall be in default upon the occurrence of any of the following events, circumstances or conditions (Events of Default):

- A. Failure by any party obligated on the Note or any other obligations Borrower has with Bank to make payment when due; or
- B. A default or breach by Borrower or any co-signer, endorser, surety, or guarantor under any of the terms of this Note, any construction loan agreement or other loan agreement, any security agreement, mortgage, deed to secure debt, deed of trust, trust deed, or any other document or instrument evidencing, guarantying, securing, or otherwise relating to this Note or any other obligations Borrower has with Bank; or
- C. The making or furnishing of any verbal or written representation, statement or warranty to Bank which is or becomes false or incorrect in any material respect by or on behalf of Borrower, or any co-signer, endorser, surety or guarantor of this Note or any other obligations Borrower has with Bank; or
- D. Failure to obtain or maintain the insurance coverages required by Bank, or insurance as is customary and proper for any collateral (as herein defined); or
- E. The death, dissolution or insolvency of, the appointment of a receiver by or on behalf of, the assignment for the benefit of creditors by or on federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Borrower, or any co-signer, endorser, surety or guarantor of this Note or any other obligations Borrower has with Bank; or
- F. A good faith belief by Bank at any time that Bank is insecure with respect to Borrower, or any co-signer,

endorser, surety or guarantor, that the prospect of any payment is impaired or that any collateral (as herein defined) is impaired; or

- G. Failure to pay or provide proof of payment of any tax, assessment, rent, insurance premium, escrow or escrow deficiency on or before its due date; or
- H. A material adverse change in Borrower's business, including ownership, management, and financial conditions, which in Bank's opinion, impairs any collateral or repayment of the Obligations; or
- I. A transfer of a substantial part of Borrower's money or property.

7. **DEFAULT RATE OF INTEREST.** If there is a default in this Note, the rate of interest, at Bank's option, shall immediately be increased by 5 percentage points whether or not Bank accelerates the maturity, and interest shall accrue thereafter at the resulting rate until all obligations under this Note are paid in full. Unless Bank has accelerated the maturity, Bank shall, within 10 days following the effective date of such interest rate increase, notify Borrower of the fact that the interest rate has been increased pursuant to this provision.

8. **REMEDIES ON DEFAULT.** On or after the occurrence of an Event of Default, at the option of Bank, all or any part of the Principal and accrued interest on this Note, the Loan and all other obligations which Borrower owes Bank shall become immediately due and payable without notice or demand. Bank may exercise all rights and remedies provided by law, equity, this Note, any mortgage, deed of trust or similar instrument and any other security, loan, guaranty or surety agreements pertaining to this Note and all other obligations of Borrower to Bank. Bank is entitled to all rights and remedies provided at law or equity whether or not expressly stated in this Note. By choosing any remedy, Bank does not waive its right to an immediate use of any other remedy if the event of default continues or occurs again.

9. **SET-OFF.** Borrower agrees that Bank may exercise Bank's right of off-set to pay and or all of the outstanding Principal and accrued Interest, costs and expenses, attorneys' fees, and advances due and owing on this Note against any obligation Bank may have, now or hereafter, to pay money, securities, or other property to Borrower. This includes, without limitation:

- A. any deposit account balance, securities account balance or certificate of deposit balance Borrower has with Bank whether general, special, time, savings, or checking;
- B. any money owing to Borrower on an item presented to Bank or in Bank's possession for collection or exchange; and
- C. any repurchase agreement or any other non-deposit obligation or credit in Borrower's favor.

Borrower hereby appoints Bank as Borrower's attorney-in-fact and authorizes bank to redeem or obtain payment on any certificate of deposit in which Borrower has an interest in order to exercise Bank's right of set-off. Such authorization applies to any certificate of deposit even if not matured. Borrower further authorizes Bank to withhold any early withdrawal penalty without liability in the event such penalty is applicable as a result of Bank's set-off against a certificate of deposit prior to its maturity.

Bank's right of set-off may be exercised:

- A. without prior demand or notice;
- B. without regard to the existence or value of any Collateral securing this Note; and
- C. without regard to the number or creditworthiness of any other persons who have agreed to pay this Note.

Bank will not be liable for dishonor of a check or other request for payment where there are insufficient funds in the account (or other obligations) to pay such request because of Bank's exercise of Bank's right of set-off. Borrower agrees to indemnify and hold Bank harmless from any person's claims and the costs and expenses, including without limitation, attorneys' fees and paralegal fees, incurred as a result of such claims or arising as the result of Bank's exercise of Bank's right of set-off.

10. COLLECTION EXPENSES. On or after Event of Default, Bank may recover from Borrower and all guarantors or any of them, all fees and expenses in collecting, enforcing and protecting liabilities and reasonable expenses in realizing on any security incurred by Bank, plus expenses of collecting and enforcing this Note. Such fees and expenses shall include, but are not limited to, filing fees, publication expenses, deposition fees, stenographer fees, witness fees and any other court costs. Any such fees and expenses shall be added to the Principal of this Note and shall accrue interest at the same rate as provided for in this Note.

11. ATTORNEYS FEES AND COLLECTION COSTS. Upon default of this Note, Bank may recover from Borrower all costs of collecting, enforcing and protecting liabilities, reasonable expenses in realizing on any security, reasonable attorneys' fees not exceeding 15 percent of the unpaid balance (provided attorney is not Bank's salaried employee), paralegal fees and other legal expenses to the extent not prohibited by law.

12. NO DUTY BY BANK. Bank is under no duty to preserve or protect any Collateral until Bank is in actual, or constructive, possession of the Collateral. For purposes of this paragraph, Bank shall only be considered to be in actual possession of the Collateral when Bank has physical, immediate and exclusive control over the Collateral and has affirmatively accepted such control. Bank shall

only be considered to be in constructive possession of the Collateral when Bank has both the power and the intent to exercise such control over the Collateral.

13. WAIVER AND CONSENT BY BORROWER AND OTHER

SIGNERS. Regarding this Note, to the extent not prohibited by law, Borrower and any other signers:

- A. waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.
- B. consent to any renewals and extensions for payment on this Note, regardless of the number of such renewals or extensions.
- C. consent to Bank s release of any borrower, endorser, guarantor, surety, accomodation maker or any other co-signer.
- D. consent to the release, substitution or impairment of any collateral.
- E. consent that Borrower is authorized to modify the terms of this Note or any instrument securing, guarantying or relating to this Note.
- F. consent to Bank s right of set-off, as well as any right of set-off of bank participating in the Loan.
- G. consent to any and all sales, repurchases and participations of this Note to any person in any amounts and waive notice of such sales, repurchases or participations of this Note.

14. SECURITY. This Note is secured by the following type(s) (or items) of property (Collateral):

Accounts
Equipment
General Intangibles
Real Estate
Fixtures & Furniture

which includes (but is not limited to) the following described property:

ALL MACHINERY & EQUIPMENT, FURNITURE &
FIXTURES, ALL
PRESENT AND FUTURE ACCOUNTS RECEIVABLE,
PROCEEDS ARISING
THEREFROM, CHATTEL PAPER, CONTRACT RIGHTS AND
GENERAL
INTANGIBLES, HOWEVER EVIDENCED OR ACQUIRED,
NOW OWNED,
PURCHASED WITH LOAN PROCEEDS AND HEREAFTER
ACQUIRED,
AND ALL ADDITIONS AND ACCESSIONS THERETO.

The real property portion of the Collateral includes the following described property (Property) situated in BUCHANAN County,

MISSOURI, to-wit:

SEE ATTACHED EXHIBIT A.

The Property may be commonly referred to as 4315 PICKETT
ROAD, ST. JOSEPH, MISSOURI

The term Collateral further includes, but is not limited to, the following property, whether now owned or hereafter acquired, and whether or not held by a bailee for the benefit of the Owner or owners, all: accessions, accessories, additions, fittings, increases, insurance benefits and proceeds, parts, products, profits, renewals, rents, replacements, special tools and substitutions, together with all books and records pertaining to the Collateral and access to the equipment containing such books and records including computer stored information and all software relating thereto, plus all cash and non-cash proceeds and all proceeds of proceeds arising from the type(s) (items) of property listed above.

This Note is secured by the following described real estate documents:
A Deed of Trust dated October 2, 1996 in the amount of \$705,000.00
executed by Systems & Services Technologies, Inc.

Additionally, a security interest is granted in the Collateral by the following described security agreements: A Security Agreement dated October 2, 1996.

15. PAYMENTS APPLIED. All payments, including but not limited to regular payments or prepayments, received by Bank shall be applied first to costs and then in an appropriate manner as determined by Bank in its sole discretion except as otherwise required by law.

16. LOAN PURPOSE. Borrower represents and warrants that the purpose of this Loan is for leasehold improvements and purchase of fixtures, furniture & equipment.

17. JOINT AND SEVERAL. Borrower or any other signers shall be jointly and severally liable under this Note.

18. FINANCIAL STATEMENTS. Until this Note is paid in full, Borrower shall furnish Bank upon Bank s request and in the event of no request, at least annually a current financial statement which is certified by Borrower and Borrower s accountant to be true, complete and accurate.

19. GENERAL PROVISIONS.

- A. TIME IS OF THE ESSENCE. Time is of the essence in Borrower s performance of all duties and obligations imposed by this Note.
- B. NO WAIVER BY BANK. Bank s course of dealing, or Bank s forbearance from, or delay in, the exercise of any of

Bank's rights, remedies, privileges or right to insist upon Borrower's strict performance of any provisions contained in this Note, or other Loan documents, shall not be construed as a waiver by Bank, unless any such waiver is in writing and is signed by Bank.

C. AMENDMENT. The provisions contained in the Note may not be amended, except through a written amendment which is signed by Borrower and Bank.

D. INTEGRATION CLAUSE. This written Note and all documents

executed concurrently herewith, represent the entire understanding between the parties as to the Obligations and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

E. FURTHER ASSURANCES. Borrower agrees, upon request of Bank and within the time Bank specifies, to provide any information, and to execute, acknowledge, deliver and record of file such further instruments or documents as may be required by Bank to secure this Note or confirm any lien.

F. GOVERNING LAW. This Note shall be governed by the laws of the State of MISSOURI, provided that such laws are not otherwise preempted by federal laws and regulations.

G. FORUM AND VENUE. In the event of litigation pertaining to this Note, the exclusive forum, venue and place of jurisdiction shall be in the State of MISSOURI, unless otherwise designated in writing by Bank or otherwise required by law.

H. SUCCESSORS. This Note shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties; provided however, that Borrower may not assign, transfer, or delegate any of the rights or obligations under this Note.

I. NUMBER AND GENDER. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

J. DEFINITIONS. The terms used in this Note, if not defined herein, shall have their meanings as defined in the other documents executed contemporaneously, or in conjunction, with this Note.

K. PARAGRAPH HEADINGS. The headings at the beginning of any paragraph, or any subparagraph, in this Note are for convenience only and shall not be dispositive in interpreting or construing this Note.

L. IF HELD UNENFORCEABLE. If any provision of this Note shall be held unenforceable or void, then such provision to the extent not otherwise limited by law shall be severable from the remaining provisions and shall in no way affect the enforceability of the remaining provisions nor the validity of this Note.

- M. CHANGE IN APPLICATION. Borrower will notify Bank in writing prior to any change in Borrower s name, address, or other application information.
- N. NOTICE. All notices under this Note must be in writing. Any notice given by Bank to Borrower hereunder will be effective upon personal delivery or 24 hours after mailing by first class United States mail, postage prepaid, addressed to Borrower at the address indicated below Borrower s name of page one of this Note. Any notice given by Borrower to Bank hereunder will be effective upon receipt by Bank at the address indicated below Bank s name on page one of this Note. Such addresses may be changed by written notice to the other party.
- O. HOLDER. The term Bank shall include any transferee and assignee of bank or other holder of this Note.
- P. BORROWER DEFINED. The term Borrower includes each and every person signing this Note as a Borrower and any co-signers.

20. RECEIPT OF COPY. By signing below, Borrower acknowledges that Borrower has read and received a copy of this Note.

ORAL AGREEMENTS OR COMMITMENTS TO LOAN
MONEY, EXTEND
CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT
OF A
DEBT INCLUDING PROMISES TO EXTEND OR RENEW
SUCH DEBT
ARE NOT ENFORCEABLE. TO PROTECT YOU
(BORROWER) AND US
(BANK) FROM MISUNDERSTANDING OR
DISAPPOINTMENT, ANY
AGREEMENTS WE REACH COVERING SUCH MATTERS
ARE CONTAINED
IN THIS WRITING, WHICH IS THE COMPLETE AND
EXCLUSIVE
STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT
AS WE MAY
LATER AGREE IN WRITING TO MODIFY IT.

BORROWER:

SYSTEMS & SERVICES TECHNOLOGIES, INC.
a DELAWARE corporation

[Corporate Seal*]

by:

MATTHEW B. BURNS, CHIEF EXEC. OFFICER

Attest

(*Corporate seal may be affixed, but failure to affix
shall not affect validity or reliance.)

THIS IS THE LAST PAGE OF A 3 PAGE DOCUMENT.

EXHIBITS

AND/OR ADDENDA MAY FOLLOW.

EXHIBIT A

A tract of land located in the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4) of Section 23, Township 57 North, Range 35 West, lying West of the West right-of-way of Interstate 29 and North of the North right-of-way of Pickett Road, St. Joseph, Buchanan County, Missouri, more particularly described as follows: Beginning at a point on the West line of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4) of Section 23, Township 57 North, Range 35 West, on the North of the North right-of-way of Pickett Road, said point being 33.2 feet North of the Northeast Quarter (NE 1/4); thence North 84 degrees 57 55 East along the North right-of-way line of Pickett Road for a distance of 373.49 feet; thence continuing along said North right-of-way South 89 degrees 56 50 East for a distance of 199.81 feet; thence continuing along said North right-of-way South 88 degrees 43 06 East for a distance of 35.01 feet; thence North 25 degrees 37 28 East along the Westerly right-of-way of the access road for a distance of 269.25 feet to the West right-of-way of Interstate 29; thence North 00 degrees 11 56 East along said West right-of-way line for a distance of 296.43 feet; thence continuing on said West right-of-way line along a curve to the left having a radius of 9549.3 feet for an arc length of 358.42 feet; thence South 89 degrees 59 55 West for a distance of 721.60 feet to the West line of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4); thence South 00 degrees 10 00 East along said West line for a distance of 929.36 feet to the point of beginning. All in Buchanan County, Missouri and subject to all public and private roads and easements.

4315 Pickett Road, St. Joseph, MO

ADDENDUM

WITNESS THIS ADDENDUM to be incorporated in and made a part of that certain promissory note dated Octoboe 2, 1996, in the principal amount of \$705,000.00 (the Note), executed by Systems & Services Technologies, Inc. (Borrower), and made payable to the order of the First Bank of Missouri (Lender).

In consideration of and in connection with the sums to be loaned to

Borrower by Lender under the terms of the Note, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower and Lender hereby agree that the terms and conditions of the Note shall be and are hereby modified, altered and changed as follows:

1. The last sentence of the last paragraph of Section 2 is hereby deleted in its entirety.
2. Paragraph I of Section 6 is hereby deleted in its entirety and, in lieu thereof, a new paragraph I, Section 6 is hereby added to read as follows:

A transfer of a substantial part of Grantor's money or property to any person or party other than Aegis Consumer Funding Group, Inc..

3. The first sentence of Section 8 is hereby deleted in its entirety and, in lieu thereof, a new first sentence of Section 8 is hereby added read as follows:

At the option of Bank, all of any part of the principal and accrued interest on this Note, the Loan and other obligations which Borrower owes Bank, shall become immediately due and payable after the giving of ten (10) days written notice by Bank to Borrower of a non-monetary Event of Default, or the giving of five (5) days written notice by Bank to Borrower of any monetary Event of Default, or at any time thereafter.

4. Paragraph A and paragraph E of Section 13 are hereby deleted in their entirety.
5. The Collateral referred to in Section 14 is hereby amended to reflect the following types of Collateral: Real Estate, Fixtures and Accounts, excluding custodial accounts, as well as Machinery, Equipment, and Furniture purchased with proceeds advanced by Bank to Borrower under the terms of this Note.
6. Paragraph A of Section 19 is hereby deleted in its entirety.
7. Except as herein modified, all terms, conditions, and provisions of the Note shall remain in full force and effect and unchanged.

IN WITNESS THEREOF, the parties hereto have caused this Addendum to have been executed as of this 2nd day of October 1996.

GRANTOR:

SYSTEMS & SERVICES TECHNOLOGIES, INC.

By:

Matthew B. Burns, Chief Executive Officer

BANK:

THE FIRST BANK OF MISSOURI

By:

Wayde S. Kindiger, Vice President

DEED OF TRUST AND SECURITY AGREEMENT

To Secure A Loan

From FIRST BANK OF MISSOURI

(securing future advances and future obligations governed by RSMo 443.055)

1. DATE AND PARTIES. The date of this Deed of Trust (Deed of Trust) and Security Agreement is October 2, 1996, and the parties and their mailing addresses are the following:

GRANTOR:

SYSTEMS & SERVICES TECHNOLOGIES, INC.
a DELAWARE corporation
4315 PICKETT ROAD
ST. JOSEPH, MO 64506
Tax I.D. # 22-3370315

TRUSTEE:

LARRY ENKELMANN
#3 6812 N. Oak Trafficway
Gladstone, Missouri 64118

BANK:

FIRST BANK OF MISSOURI
a MISSOURI banking corporation
7001 N. Oak St.
P.O. Box 10689
Gladstone, Missouri 64118
Tax I.D. # 44-0667863
Branch No. 001

2. MAXIMUM OBLIGATION LIMIT. The total principal amount (exclusive of interest, attorneys fees, paralegal fees, costs and other legal expenses) of the Obligations secured by this Deed of Trust, not including, however, any sums advanced for the protection of the Property or Bank s Interest therein, shall not exceed the sum of \$705,000.00, provided, however, that nothing contained herein shall constitute a commitment to make additional or future loans or advances in any amounts.

3. OBLIGATIONS DEFINED. The term Obligations is defined as and includes the following:

A. A promissory note, No. 100270, (Note) dated October 2, 1996, with a maturity date of June 2, 1999, and executed by SYSTEMS & SERVICES TECHNOLOGIES, INC.

(Borrower)

payable to the order of Bank, which evidences a loan

(Loan) to Borrower in the amount of \$705,000.00, plus interest, and all extensions, renewals, modifications, or substitutions thereof.

- B. All future advances or other future obligations by Bank to Borrower, to Grantor, to any one of them or to any one of them and others, provided each instrument evidencing any such future advance shall state within the body of the instrument that such instrument is secured by this Deed of Trust and provided further that such instrument identifies this Deed of Trust by date of execution, all in accordance with 443.055 RSMo, as amended.
- C. All additional sums advanced, and expenses incurred, by Bank for the purpose of insuring, preserving or otherwise protecting the Property (as herein defined) and its value, and any other sums advanced, and expenses incurred by Bank pursuant to this Deed of Trust, plus interest at the same rate provided for in the Note computed on a simple interest method.
- D. All other obligations, now existing or hereafter arising, of Borrower to the extent the taking of the Property (as herein defined) as security therefor is not prohibited by law, including but not limited to liabilities as guarantor, endorser or surety, of Borrower to Bank, due or to become due, direct or indirect, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several.
- E. Borrower's performance of the terms in the Note or Loan, Grantor's performance of any terms in this Deed of Trust, and Borrower's and Grantor's performance of any terms in any other deed of trust, any trust deed, and trust indenture, any mortgage, and deed to secure debt, any security agreement, and assignment, any construction loan agreement, any loan agreement, any assignment of beneficial interest, any guaranty agreement or any other agreement which secures, guarantees or otherwise relates to the Note or Loan.

However, this Deed of Trust will not secure another debt:

- A. to the extent that this Deed of Trust is in household goods and the other debt to be secured is a consumer loan (as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices); or
- B. if Bank fails to make any disclosure of the existence of this Deed of Trust required by law for such other debt.

4. NOTE: Borrower has executed a promissory note dated October 2, 1996, (Note) in the principal amount of \$705,000.00 and payable to the order of Bank with interest from the date of disbursement, on the unpaid principal balance at the rate of 8.5% per annum (Contract Rate) until the Note matures or the obligation is accelerated. After maturity

or accerelation, the unpaid balance shall bear Interest at the rate specified in the Note until paid. The Loan and the Note are limited to the maximum lawful amount of Interest (Maximum Lawful Interest) permitted under federal and state laws. If the Interest accrued and collected exceeds the Maximum Lawful Interest as of the time of collection, such excess shall be applied to reduce the principal amount outstanding, unless otherwise indicated by law. If or when no principal amount is outstanding, any excess interest shall be refunded to Borrower according to the actuarial method. Unless otherwise required by law, all fees and charges, accrued, assessed or collected shall be amortized and prorated over the full term of the Loan for purposes of determining the Maximum Lawful Interest. Interest shall be computed on the basis of the actual calender year and the actual number of days elapsed.

Accrued interest only is due and payable on the 2nd day of each month for the months of November and December, 1996 and January, February, March, April, and May, 1997. Principal and accrued interest are due and payable in 24 equal monthly payments of \$11,362.46 on the 2nd day of each month, beginning June 2, 1997, or the day following if the payment day is a holiday or is a non-business day for Bank. Unless paid prior to maturity, all other unpaid principal, accrued interest, costs and expenses are due and payable on June 2, 1999, which is the date of maturity. These payments amounts are based upon timely payment of each installment. All amounts shall be paid in legal U.S. currency. Any payment made with a check will constitute payment only when collected.

5. CONVEYANCE. For and in consideration of the sum of \$1.00 and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, to the Grantor paid and to secure the Obligations according to their specific terms, and any future advances or other future obligations of Grantor or Borrower, Grantor grants, bargains, sells and warrants to Trustee in trust with power of sale the following described property (Property), situated in BUCHANAN County, MISSOURI, to-wit:

SEE ATTACHED EXHIBIT A.

The property may be commonly called referred to as
4315 PICKETT ROAD, ST. JOSEPH, MISSOURI

such property not constituting the homestead of Borrower, together with all buildings, improvements, fixtures and equipment now or hereafter attached to the Property, including, but not limited to, all heating, air conditioning, ventilation, plumbing, cooling, electrical and lighting fixtures and equipment; all exterior and interior improvements; all easements, issues, rights, appurtenances, rents, royalties, oil and gas rights, privileges, proceeds, profits, other minerals, water, water rights, and water stock, crops, grass and timber at any time growing upon

said land, including replacements and additions thereto, all of which shall be deemed to be and remain a part of the Property. The Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made of public record as provided by law.

6. LIENS AND ENCUMBRANCES. Grantor warrants the title to the Property and warrants that the Property is free and clear of all liens and encumbrances except: Future Advance Deed of Trust and Security Agreement dated July 30, 1996 and recorded July 31, 1996 in Book 2057 at Page 182 in said Recorder s Office, executed by Systems & Services Technologies, Inc., a Delaware corporation, in favor of Larry D McKeaigg, Trustee for Commerce Bank, N.A., securing \$1,360,000.00, payable as set out in said note and deed of trust.

7. WARRANTY OF TITLE. Grantor agrees to forever warrant and defend the title to the Property and represents and warrants that Grantor:

- A. owns the Property in fee simple;
- B. is authorized to convey the Property, and
- C. will defend Grantor s title against all claims.

8. CORPORATE WARRANTIES AND REPRESENTATIONS. If Grantor is a corporation, Grantor makes to Bank the following warranties and representations which shall be continuing so long as the Obligations remain outstanding:

- A. Grantor is a corporation which is duly organized and validly existing in Grantor s state of incorporation as represented in the DATE AND PARTIES paragraph above; Grantor is in good standing under the laws of all states in which Grantor transacts business; Grantor has the corporate power and authority to own the Property and to carry on its business as now being conducted; Grantor is qualified to do business in every jurisdiction in which the nature of its business or its property makes such qualification necessary; and Grantor is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.
- B. The execution, delivery and performance of this Deed of Trust by Grantor and the borrowing evidenced by the Note: (1) are within the corporate powers of Grantor, (2) have been duly authorized by all requisite corporate action; (3) have received all necessary government approval; (4) will not violate any provision of law, any order of any court or other agency of government of Grantor s Articles of Incorporation or Bylaws; and (5) will not violate any provision of indenture, agreement or other instrument to which Grantor is a party or to which Grantor is or any of Grantor s property is subject, including but not limited to any provision prohibiting the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Grantor s property or assets. The

Note and this Deed or Trust when executed and delivered by Grantor will constitute the legal, valid and binding obligations of Grantor, and of the other obligors named therein, if any, in accordance with their respective terms.

- C. All other information, reports, papers and data given to Bank with respect to Grantor or to others obligated under the terms of this Deed of Trust are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Bank a true and accurate knowledge of the subject matter.
- D. Grantor has not changed its name within the last six years, unless otherwise disclosed in writing; other than the trade names of fictitious names actually disclosed to Bank prior to execution of this Deed of Trust, Grantor uses no other names; and until the Obligations shall have paid in full, Grantor hereby covenants and agrees to preserve and keep in full force and effect its existing name, corporate existence, rights, franchises and trade names, and to continue the operation of its business in the ordinary course.

9. ASSIGNMENT OF LEASES AND RENTS. Grantor grants, bargains, sells, warrants, assigns, and transfers to Trustee, in trust for the benefit of Bank, as additional security all the right, title and interest in and to any and all:

- A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as Leases).
- B. Rents, issues and profits (all referred to as Rents), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, loss of rents insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Grantor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

In the event any item listed as Leases or Rents is determined to be personal property, this Deed of Trust will also be regarded as a security agreement.

Grantor will promptly provide Bank with true and correct copies of all existing and future Leases. Grantor may collect, receive, enjoy and

use the Rents so long as Grantor is not in default. Except for one lease period's rent, Grantor will not collect in advance any Rents in trust for Bank and Grantor will not commingle the Rents with any other funds. Any amounts collected shall be applied at Bank's discretion first to costs of managing, protecting and preserving the Property, and to any other necessary related expenses including Bank's court costs. Any remaining amounts shall be applied to reduce the Obligations.

Grantor agrees that this agreement is immediately effective between the parties to this Deed of Trust and effective as to third parties on Grantor's default when Bank or Trustee takes an affirmative action as prescribed by the law in the state where the Property is located, and this assignment will remain effective during any period of redemption by Grantor until the Obligations are satisfied. Unless otherwise prohibited or prescribed by state law, Grantor agrees that Bank or Trustee may take actual possession of the Property without the necessity of commencing any legal action or proceeding and Grantor agrees that actual possession of the Property is deemed to occur when Bank notifies Grantor of Grantor's default and demands that Grantor and Grantor's tenants pay all Rents due or to become due directly to Bank. Immediately after Bank gives Grantor the notice of default, Grantor will endorse and deliver to Bank any payment of Rents. If Grantor becomes subject to a voluntary or involuntary bankruptcy, then Grantor agrees that Bank and Trustee are entitled to receive relief from the automatic stay in bankruptcy for the purpose of making this assignment effective and enforceable under state and federal laws and within Grantor's bankruptcy proceedings.

Grantor warrants that no default exists under the Leases or any applicable landlord law. Grantor also warrants and agrees to maintain, and require the tenants to comply with, the Leases and any applicable law. Grantor will promptly notify Bank of any noncompliance. If Grantor neglects or refuses to enforce compliance with the terms of the Leases, then Bank or Trustee may opt to enforce compliance to the extent that the law permits. Grantor will obtain Bank's written authorization before Grantor consents to sublet, modify, cancel, or otherwise alter the Leases, to accept the surrender of the Property covered by such Leases (unless the Leases so require), or to assign, compromise or encumber the Leases or any future Rents. Grantor will hold Bank harmless and indemnify Bank for any and all liability, loss or damage that Bank may incur as a consequence of the assignment under this paragraph.

10. EVENTS OF DEFAULT. Grantor shall be in default upon the occurrence of any of the following events, circumstances or conditions (Events of Default):

- A. Failure by any party obligated on the Obligations to make payments when due; or
- B. A default or breach by Borrower, Grantor or any co-signer, endorser, surety, or guarantor under any of

the terms of this Deed of Trust, the Note, any construction loan agreement or other loan agreement, any security agreement, mortgage, deed to secure debt, deed of trust, trust deed, or any other document or instrument evidencing, guarantying, securing or otherwise relating to the Obligations; or

- C. The making or furnishing of any verbal or written representation, statement or warranty to Bank which is or becomes false or incorrect in any material respect by or on behalf of Grantor, Borrower, or any co-signer, endorser, surety or guarantor of the Obligations; or
- D. Failure to obtain or maintain the insurance coverages required by Bank, or insurance as is customary and proper for the Property (as herein defined); or
- E. The death, dissolution of insolvency of, the appointment of a receiver by or on behalf of, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Grantor, Borrower, or any co-signer, endorser, surety or guarantor of the Obligations; or
- F. A good faith belief by Bank at any time that Bank is insecure with respect to Borrower, or any co-signer, endorser, surety or guarantor, that the prospect of any payment is impaired or that the Property (as herein defined) is impaired; or
- G. Failure to pay or provide proof of any tax, assessment, rent, insurance premium, escrow or escrow deficiency on or before its due date; or
- H. A material adverse change in Grantor's business, including ownership, management, and financial conditions, which in Bank's opinion, impairs the Property or repayment of the Obligations; or
- I. A transfer of a substantial part of Grantor's money or property; or
- J. If all or any part of the Property or any interest therein is sold, leased or transferred by Grantor except as permitted in the paragraph below entitled DUE ON SALE OR ENCUMBRANCE .

11. REMEDIES ON DEFAULT. At the option of Bank, all or any part of the principal and accrued interest on the Obligations shall become immediately due and payable after giving up the required notice, if any, under applicable law, upon the occurrence of an Event of Default or at any time thereafter. In addition, upon the occurrence of any Event of Default, Bank and Trustee shall be entitled to all of the rights and remedies provided by law, the Note, this Deed of Trust, and any related loan documents, including without limitation, the power to sell the Property, and/or the the power to foreclose on the Property as

a mortgage, and to exercise any remedies permitted under MISSOURI s Uniform Commercial Code. If Bank exercises such option to accelerate, Bank shall mail Grantor, by certified mail or otherwise, notice of acceleration to the address of Grantor shown on Bank s records as may be required by law. If Grantor fails to pay all sums that are due and payable within the time period provided by law or as provided in the notice (if any), Bank may, without further notice or demand on Grantor, invoke any remedies permitted on Default. In addition, if there is a Default and Bank files with Trustee a notice of election and demand for sale of the Property, Trustee shall advertise and sell the Property (to convey title as a whole or in separate parcels as Bank may deem best) free and clear of all right, title and interest of Grantor at public auction of the Property or at such place as Trustee designates in the notice for the best price the Property will bring in cash. Trustee shall give notice of sale in accordance with and as prescribed by applicable MISSOURI law. Public advertisement of such notice shall take the form of daily publication in some newspaper of general circulation in the county, or counties, where the Property is located for at least 20 days prior to the sale, except where the applicable state law requires or permits notice in another form(s) or in another manner. Upon sale of the Property and to the extent not prohibited by law, Trustee shall make and deliver to the purchaser or purchasers a deed or deeds to the Property sold to convey title, and after first paying and retaining all fees, charges and costs, shall pay to Bank all amounts advanced for repairs, taxes, insurance, liens, assessments and prior encumbrances and interest thereon, and the principal and interest on the Note paying the surplus, if any, to the person or persons legally entitled thereto. The holder of the Note may purchase the Property. The recitals in any deed or deeds of conveyance shall be taken as prima facie true. Bank and Trustee are entitled to all rights and remedies provided at law or equity whether or not expressly stated in this Deed of Trust. By choosing any remedy, Bank and Trustee do not waive their right to an immediate use of any other remedy if the event of default continues or occurs again.

12. DUE ON SALE OR ENCUMBRANCE. Bank may, at Bank s option, declare the entire balance will all accrued interest on the Obligations to be immediately due and payable upon the contract for, or creation of, any lien, encumbrance, transfer or sale of the Property, or any portion thereof, by Grantor. Lapse of time or the acceptance of payments by Bank after such creation of any lien, encumbrance, transfer, sale or contract for any of the foregoing shall not be deemed a waiver or estoppel of Bank s right to accelerate the Note. If Grantor fails to pay such sums prior to the expiration of such period, Bank may, without further notice or demand on Grantor, invoke any remedies permitted on Default. This covenant shall run with the Property and shall remain in effect until the Obligations and this Deed of Trust are fully paid.

In the preceding paragraph, the phrase transfer or sale includes the conveyance of any right, title or interest in the Property, whether

voluntary or involuntary, by outright sale, deed, installment contract sale, land contract, contract for deed, leasehold interest with a term greater than three years, lease-option contract or any other method of conveyance of Property interests; the term interest includes, whether legal or equitable, any right, title, interest, lien, claim, encumbrance or proprietary right, choate or inchoate.

13. POSSESSION ON DEFAULT. If there is an Event of Default, Bank or the holder of the Note shall at once become entitled to the possession, use and enjoyment of the Property and to the rents, issues and profits from the Property, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of Grantor or the then owner of the Property and without regard to the value of the Property or the adequacy of any security for the Obligations.

14. APPOINTMENT OF RECEIVER. If there is a Default, Bank or the holder of the Note shall at once become entitled to appointment of a receiver for the Property and the rents, issues and profits from the Property, and shall be entitled thereto as a matter of right without adequacy of any security for the Obligations. Such receiver may be appointed by a court of competent jurisdiction upon ex parte application, and without notice (notice being expressly waived) and all rents, issues and profits, income and revenue from the Property shall be applied by the receiver, subject to the court's order, to the payment of the Obligations under this Deed of Trust and the Note.

15. PROPERTY OBLIGATIONS. Grantor shall promptly pay all taxes, assessments, levies, water rents, other rents, insurance premiums, and all amounts due on any encumbrances, if any, as they become due. Grantor shall provide written proof to Bank for such payment(s).

16. INSURANCE. Grantor shall insure and keep insured the Property against loss by fire, and other hazard, casualty and loss, with extended coverage including but not limited to the replacement value of all improvements, with an insurance company acceptable to Bank and in an amount acceptable to Bank. Such insurance shall contain the standard Mortgage Clause and where applicable, Loss Payee Clause, which shall name and endorse Bank as mortgagee and loss payee. Such insurance shall also contain a provision under which the insurer shall give Bank at least 30 days notice before the cancellation, termination or material change in coverage.

If an insurer elects to pay a fire or other hazard loss or damage claim rather than to repair, rebuild or replace the Property lost or damaged, Bank shall have the option to apply such insurance proceeds upon the Obligations secured by this Deed of Trust whether or not then due or to have said Property repaired or rebuilt. Grantor hereby appoints Bank as Grantor's attorney-in-fact, coupled with an interest to collect, settle, and compromise and matters with insurer. Grantor shall deliver, or cause to be delivered, evidence of such coverage and copies of all notices and renewals relating thereto. Bank shall be entitled to pursue

any claim under the insurance if Grantor fails to promptly do so. The Bank shall be entitled to endorse the Grantor's name on any insurance check or draft. Grantor shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates. Notwithstanding anything to the contrary, if the Property is acquired by Bank under the terms of this Deed of Trust, all right, title, and interest of Grantor in and to any insurance policies (including proceeds thereof resulting from damage to the Property prior to the sale or acquisition) shall pass to Bank to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

17. WASTE. Grantor shall not alienate or encumber the Property to the prejudice of Bank, or commit, permit or suffer any waste, impairment or deterioration of the Property, and regardless of natural depreciation, shall keep the Property and all its improvements at all times in

good condition and repair. Grantor shall comply with and not violate any and all laws and regulations regarding the use, ownership and occupancy of the Property. Grantor shall perform and abide by all obligations and restrictions under any declarations, covenants and other documents governing the use, ownership and occupancy of the Property.

18. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.

A. As used in this paragraph:

(1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA , 42 U.S.C. 9601 et seq.), all federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a Hazardous Substance (as defined herein).

(2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or the environment. The term includes, without limitation, any substances defined as hazardous material, toxic substances, hazardous waste or hazardous substance under any Environmental Law.

B. Grantor represents, warrants and agrees that:

(1) Except as previously disclosed and acknowledged in writing to Bank, no Hazardous Substance has been, is or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property except in the ordinary course of business and in strict compliance with all applicable Environmental Law.

(2) Except as previously disclosed and acknowledged in writing to Bank, Grantor has not and shall not cause,

contribute to or permit the release of any Hazardous Substance on the Property.

(3) Grantor shall immediately notify Bank if: (a) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (b) there is a violation of any Environmental Law concerning the Property. In such an event, Grantor shall take all necessary remedial action in accordance with any Environmental Law.

(4) Except as previously disclosed and acknowledged in writing to Bank, Grantor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (a) any Hazardous Substance located on, under or about the Property or (b) any violation by Grantor of any tenant of any Environmental Law. Grantor shall immediately notify Bank in writing as soon as Grantor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Bank has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

(5) Except as previously disclosed and acknowledged in writing to Bank, Grantor and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.

(6) Except as previously disclosed and acknowledge in writing to Bank, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well shall be added unless Bank first agrees in writing.

(7) Grantor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

(8) Grantor will permit, or cause any tenant to permit, Bank or Bank's agent to enter and inspect the Property and review all records at any reasonable time to determine: (a) the existence, location and nature of any Hazardous Substance on, under or about the Property; (b) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; (c) whether or not Grantor and any tenant are in compliance with any applicable Environmental Law.

(9) Upon Bank's request, Grantor agrees, at Grantor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Bank. The choice of the environmental engineer who will perform such audit is subject to the approval of Bank.

(10) Bank has the right, but not the obligation, to perform any of Grantor's obligations under this paragraph at Grantor's expense.

(11) As a consequence of any breach of any representation, warranty or promise made in this paragraph, (a)

Grantor will indemnify and hold Bank and Bank's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and reasonable attorneys' fees, which Bank and Bank's successors or assigns may sustain; and (b) at Bank's discretion, Bank may release this Deed of Trust and in return Grantor will provide Bank with collateral of at least equal value to the Property secured by this Deed of Trust without prejudice to any of Bank's rights under this Deed of Trust.

(12) Notwithstanding any of the language contained in this Deed of trust to the contrary, the terms of this paragraph shall survive any foreclosure or satisfaction of any deed of trust, mortgage or any obligation regardless of any passage of title to Bank or any disposition by Bank of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

19. CONDITION OF PROPERTY. As to the Property, Grantor shall:

A. keep all buildings occupied and keep all buildings, structures and improvements in good repair.

B. refrain from the commission or allowance of any acts of waste or impairment of the value of the Property or improvements thereon.

C. not cut or remove or permit to be cut or removed, any wood or timber from Property, which cutting or removal would adversely affect the value of the Property.

D. prevent the spread of noxious or damaging weeds, preserve and prevent the erosion of the soil and continuously practice approved methods of farming on the Property if used for agricultural purposes.

20. INSPECTION BY BANK. Bank or its agents may make or cause to be made reasonable entries upon the Property and inspect the Property provided that bank shall make reasonable efforts to give Grantor prior notice of any such inspection.

21. PROTECTION OF BANK'S SECURITY. If Grantor fails to perform any covenant, obligation or agreement contained in the Note, this Deed of Trust or any loan documents or if any action or proceeding is commenced which materially affects Bank's interest in the Property, including, but not limited to, foreclosure, eminent domain, insolvency, housing or Environmental Law or law enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Bank, at Bank's sole option, may make such appearances, disburse such sums, and take such action as is necessary to protect Bank's interest. Grantor hereby assigns to Bank any right Grantor may have by reason of any prior encumbrance on the Property or by law or otherwise to cure any default under said prior encumbrance. Grantor agrees to indemnify and hold Bank harmless for all liability, costs, expenses, attorneys' fees and paralegal fees

incurred by Bank in its protection of the Property of its lien. Without Bank's prior written consent, grantor will not partition or subdivide the Property.

22. EXPENSES OF BANK. If Grantor fails to:

- A. procure the required insurance for the Property.
- B. keep the Property in good repair or prevent waste of the Property.
- C. promptly pay all of the obligations relating to the Property.
- D. perform any other obligation of this Deed of Trust, the Note, or any other instrument securing or relating to the Note, or
- E. prevent the Property from becoming subject to any other lien or encumbrance.

Bank may pay or procure such things at Grantor's cost and Bank may make any reasonable expenditure incidental thereto. Bank shall have the right to file and defend suits at the expense of Grantor and in Grantor's name for the recovery of damages or to uphold the lien of the encumbrance and preserve the rights of Bank. All costs expended by Bank in accordance with this section, including reasonable attorneys' and paralegal fees, shall be repaid by Grantor upon demand, and such sums, with interest thereon at the rates provided in the Note shall be added to the indebtedness secured by this Deed of Trust, and shall become a part of the Obligations as defined above, and shall be paid out of the proceeds of the sale of the Property, if not otherwise paid by Grantor.

23. COLLECTION EXPENSES. In the event of default, Grantor agrees to pay all costs of collection incurred by Bank. Such costs shall include, but not limited to, filing fees, costs of publication, deposition fees, stenographer fees, witness fees and any other court costs.

plus costs of collecting, enforcing and protecting the Property and Obligations. Any such collection costs shall be added to the principal amount of the Obligations, shall accrue interest at the same rate as the Obligations and shall be secured by this Deed of Trust.

24. ATTORNEYS' FEES. In the event of default, Grantor agrees to pay reasonable attorneys' fees incurred by Bank. Such reasonable attorneys' fees shall include, without limitation, paralegal fees. Any such reasonable attorneys' fees shall be added to the principal amount of the Obligations, shall accrue interest at the same rate as the Obligations and shall be secured by this Deed of Trust.

25. CONDEMNATION. In the event all or any part of the Property (including but not limited to any easement therein) is sought to be taken by private taking or by virtue of the law of eminent domain, Grantor will promptly give written notice to Bank of the institution of such proceedings. Grantor further agrees to notify Bank of any attempt to purchase or appropriate the Property or any easement therein, by any public authority or by any other person or corporation

claiming or having the right of eminent domain or appropriation. Grantor further agrees and directs that all condemnation proceeds or purchase money which may be agreed upon or which may be found to be due shall be paid to Bank as a prepayment under the Note. Grantor also agrees to notify Bank of any proceedings instituted for the establishment of any sewer, water, conservation, ditch drainage, or other district relating to or binding upon the Property or any part thereof. All awards payable for the taking of title to, or possession of, or damage to all or any portion of the Property by reason of any private taking, condemnation, eminent domain, change of grade, or other proceeding shall, at the option of Bank, be paid to Bank. Such awards or compensation are hereby assigned to Bank, and judgment therefor shall be entered in favor of Bank.

When paid, such awards shall be used, at Bank's option, toward the payment of the Obligations or payment of taxes, assessments, repairs or other items provided for in this Deed of Trust, whether due or not, all in such order and manner as Bank may determine. Any amount not so used shall be applied to the Obligations. Such application or release shall not cure or waive any default. In the event Bank deems it necessary to appear or answer in any condemnation action, hearing or proceeding, Grantor shall hold Bank harmless from and pay all legal expenses, including but not limited to attorneys' fees, paralegal fees, court costs and other expenses.

26. OTHER PROCEEDINGS. If any action or proceeding is commenced to which Bank is made or chooses to become a party by reason of the execution of the Note, this Deed of Trust, any loan documents, the existence of any Obligations, or in which Bank deems it necessary to appear or answer in order to protect its interests, Grantor agrees to pay and to hold Bank harmless for all liabilities, costs and expenses paid or incurred by Bank in such action or proceedings, including but not limited to attorney's fees, paralegal fees, court costs and all other damages and expenses.

27. WAIVER BY GRANTOR. To the extent not specifically prohibited by law, Grantor hereby waives and releases any and all rights and remedies Grantor may now have or acquire in the future relating to:

- A. homestead;
- B. exemptions as to the Property;
- C. appraisalment;
- D. marshalling of liens and assets; and
- E. statutes of limitations.

In addition, redemption by Grantor after foreclosure sale is expressly waived to the extent and prohibited by law.

28. OTHER WAIVERS. No waiver, express or implied, of the performance of any obligation of this Deed of Trust, the Note or Obligations, shall be deemed to be a waiver of any other or succeeding obligation. No payment or advancement by Bank on behalf of Grantor

shall be deemed a waiver of the breach occurring, or of the right to elect to foreclose this Deed of Trust; and, the indulgence of Bank to Grantor in not exercising its option to declare the entire indebtedness to be due and payable upon the happening of any one of the events or conditions herein described, shall not, even though such indulgence be repeated and extended, be construed as a waiver of the right of Bank to exercise such option at any time thereafter for any cause and without notice to Grantor.

29. PARTIAL RELEASE. Bank, at Bank's discretion, may release any part of the Property from the lien of this Deed of Trust and such release shall in no way affect the lien of this Deed of Trust on the remaining portion of the Property or any of the rights or remedies herein provided. Trustee shall, only upon proper written authorization of Bank, perform all acts necessary to execute such release. It is agreed that Grantor will pay the expenses of obtaining and recording all releases, if any, from this Deed of Trust.

30. DUTIES AND OBLIGATIONS OF TRUSTEE. The duties and obligations of Trustee are as follows:

A. The duties and obligations of Trustee shall be determined solely by the express provisions of this Deed of Trust and applicable law, and Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth herein, and no implied covenants or obligations shall be imposed upon Trustee;

B. No provision of this Deed of Trust shall require Trustee to expend or risk Trustee's own funds, or otherwise incur any financial obligation in the performance of any of the duties hereunder, or in the exercise of any of the rights or powers. If Trustee shall have ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to Trustee;

C. Trustee may consult with counsel of Trustee's own choosing and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and reliance thereon;

D. Trustee shall not be liable for any action taken in good faith and reasonably believed to be authorized or within the discretion or rights or powers conferred by this Deed of Trust; and

E. Trustee shall not be responsible for the payment of any unpaid taxes on the Property due and owing at the time of the sale of all or any part of the Property as herein provided.

31. SUCCESSOR TRUSTEE. Bank may from time to time substitute a successor or successors to any trustee named herein or acting hereunder to execute this Deed of Trust. Upon such appointment and without conveyance to the successor trustee, the letter shall be vested with all title, powers, and duties conferred upon Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument given by Bank, containing reference to this Deed of Trust and its place of record, which when recorded in the office of the county or counties in which the Property is situated shall

be conclusive proof of proper appointment of the successor trustee. The foregoing power of substitution and the procedure therefor shall be used in substitution of the power and procedure provided for by law, unless and to the extent otherwise provided by applicable law.

32. LEASE OF PROPERTY. Trustee hereby leases the Property to Grantor until this Deed of Trust is either satisfied and released or until there is a default under the provisions of this Deed of Trust. The Property is leased upon the following terms and conditions: Grantor, and every person claiming an interest in or prossessing the Property of any part thereof, shall pay rent during the term of the lease in the amount of one cent per month, payable on demand, and without notice or demand shall and will surrender peaceable possession of the Property to Trustee upon default or to the purchaser of the Property at the foreclosure sale.

33. TERM. This Deed of Trust shall remain in effect until terminated in writing.

34. GENERAL PROVISIONS.

A. TIME IS OF THE ESSENCE. Time is of the essence in Grantor's performance of all duties and obligations imposed by this Deed of Trust.

B. NO WAIVER BY BANK. Bank's course of dealing, or Bank's forbearance from, or delay in, the exercise of any of Bank's rights, remedies, privileges or right to insist upon Grantor's strict performance of any provisions contained in this Deed of Trust, or other loan documents, shall not be construed as a waiver by Bank, unless any such waiver is in writing and is signed by Bank.

C. AMENDMENT. The provisions contained in this Deed of Trust may not be amended, except through a written amendment which is signed by Grantor and Bank.

D. INTEGRATION CLAUSE. This written Deed of Trust and all documents executed concurrently herewith, represent the entire understanding between the parties as to the Obligations and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties.

E. FURTHER ASSURANCES. Grantor agrees, upon request of Bank and within the time Bank specifies, to provide and information, and to execute, acknowledge, deliver and record or file such further instruments or documents as may be required by Bank to secure the Note or confirm any lien.

F. GOVERNING LAW. This Deed of Trust shall be governed by the laws of the State of MISSOURI, provided that such laws are not otherwise preempted by federal laws and regulations.

G. FORUM AND VENUE. In the event of litigation pertaining to this Deed of Trust, the exclusive forum, venue and place of jurisdiction shall be in the State of Missouri, unless otherwise designated in writing by Bank or otherwise required by law.

H. SUCCESSORS. This Deed of Trust shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of

the parties; provided however, that Grantor may not assign, transfer or delegate any of the rights or obligations under this Deed of Trust.

I. NUMBER AND GENDER. Whenever used, the singular shall include the plural, the plural the singular and the use of any gender shall be applicable to all genders.

J. DEFINITIONS. The terms used in this Deed of Trust, if not defined herein, shall have their meanings as defined in the other docuemtns executed contemporaneously, or in conjunction, with this Deed of Trust.

K. PARAGRAPH HEADINGS. The headings at the beginning of any paragraph, or any subparagraph, in this Deed of Trust are for convenience only and shall not be dispositive in interpreting or construing this Deed of Trust.

L. IF HELD UNENFORCEABLE. If any provision of this Deed of Trust shall be held unenforceable or void, then such provision to the extent not otherwise limited by law shall be severable from the remaining provisions and shall in no way affect the enforceability of the remaining provisions not the validity of this Deed of Trust.

M. CHANGE IN APPLICATION. Grantor will notify Bank in writing prior to any change in Grantor's name, address, or other application information.

N. NOTICE. All notices under this Deed of Trust must be in writing. Any notice given by Bank to Grantor hereunder will be effective upon personal delivery or 24 hours after mailing by first class United States mail, postabe prepaid, addressed to Grantor at the address indicated below Grantor's name on page one of this Deed of Trust. Any notice given by Grantor to Bank hereunder will be effective upon receipt by Bank at the address indicated below Bank's name on page one of this Deed of Trust. Such addresses may be changed by written notice to the other party.

O. GRANTOR DEFINED. The term "Grantor" includes each and every person signing this Deed of Trust as a Grntor and any co-signers.

P. SEPARATE AND DISTINCT. Each privilege, option or remedy provided in this Deed of Trust is distinct from every other priviledge, option or remedy contained herein or afforded by law or equity, and may be exercised, to the extent not prohibited by law, independently, concurrently, cumulatively, and successively by Bank or by any other owner or holder of the Obligations.

Q. FILING AS FINANCING STATEMENT. Grantor agrees and acknowledge that this Deed of Trust also suffices as a financing statement and as such, may be filed of record as a financing statement for purposes of Article 9 of the MISSOURI Uniform Commercial Code. A carbon, photographic or other reproduction of this Deed of Trust is sufficient as a financing statment. This deed of trust may be filed in the real estate records as a fixture filing.

35. ACKNOWLEDGMENT. By their signatures below, the undersigned acknowledge they have read and received a copy of this Deed of Trust.

GRANTOR:

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS OF THE AEGIS CONSUMER FUNDING GROUP, INC. AND SUBSIDIARIES AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS WHICH START ON PAGE 3 OF THIS REPORT.

<TABLE>

<S>	<C>	<C>	<C>	<C>
[PERIOD-TYPE]	3-MOS	YEAR	3-MOS	3-MOS
[FISCAL-YEAR-END]	JUN-30-1997	JUN-30-1996	JUN-30-1997	JUN-30-1996
[PERIOD-END]	SEP-30-1996	JUN-30-1996	SEP-30-1996	SEP-30-1995
[CASH]	\$2,373,277	\$3,090,624	0	0
[SECURITIES]	0	0	0	0
[RECEIVABLES]	54,153,648	41,058,222	0	0
[ALLOWANCES]	0	0	0	0
[INVENTORY]	0	0	0	0
[CURRENT-ASSETS]	0	0	0	0
[PP&E]	0	0	0	0
[DEPRECIATION]	0	0	0	0
[TOTAL-ASSETS]	\$147,374,267	\$121,451,754	0	0
[CURRENT-LIABILITIES]	\$110,321,176	\$87,460,289	0	0
[BONDS]	0	0	0	0
[PREFERRED-MANDATORY]	0	0	0	0
[PREFERRED]	33	53	0	0
[COMMON]	160,026	154,560	0	0
[OTHER-SE]	(340,000)	0	0	0
[TOTAL-LIABILITY-AND-EQUITY]	\$147,374,267	\$121,451,754	0	0
[SALES]	0	0	0	0
[TOTAL-REVENUES]	0	0	\$13,688,778	\$9,158,153
[CGS]	0	0	0	0
[TOTAL-COSTS]	0	0	0	0
[OTHER-EXPENSES]	0	0	4,824,397	2,632,549
[LOSS-PROVISION]	0	0	536,175	753,775
[INTEREST-EXPENSE]	0	0	3,013,473	2,124,347
[INCOME-PRETAX]	0	0	5,314,733	3,647,482
[INCOME-TAX]	0	0	2,179,090	1,3641,400
[INCOME-CONTINUING]	0	0	3,135,643	2,006,082
[DISCONTINUED]	0	0	0	0
[EXTRAORDINARY]	0	0	0	0
[CHANGES]	0	0	0	0
[NET-INCOME]	0	0	\$3,135,643	\$2,006,082
[EPS-PRIMARY]	0	0	\$0.19	\$0.15
[EPS-DILUTED]	0	0	\$0.19	\$0.14

</TABLE>