

AGREEMENT

This Agreement is entered into and is effective as of the 1st day of November, 2005 (the "Effective Date"), by and between the Attorney General of the State of Iowa (the "Attorney General") and SDAC Auto Receivables Trust, SDAC Auto Receivables Trust II and SDAC Auto Receivables Trust III, all New York grantor trusts (hereinafter collectively the "Trust"). The files purchased by the Trust are serviced by EMCC, Inc. (hereinafter "EMCC").

WHEREAS, the Trust purchased a portfolio of consumer retail installment contracts from South Dakota Acceptance Corporation (hereinafter "SDAC"); and

WHEREAS, the Attorney General filed a lawsuit in the Iowa District Court for Polk County against SDAC and related parties alleging, among other things, violations by SDAC of Iowa Code Section 714.16, Iowa Code Chapter 537, and Iowa Code Chapter 706A; and

WHEREAS, the Attorney General has in said lawsuit challenged the legal validity and enforceability of the retail installment contracts and requested, among other things, reformation of such contracts; and

WHEREAS, the Trust has offered to reform the active retail installment contracts as set forth below in consideration of the Attorney General's Agreement not to pursue further modifications or challenges to such active contracts owned or controlled by the Trust or assigned to third parties by the Trust subsequent to the date of this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES DO HEREBY MUTUALLY AGREE AS FOLLOWS:

1. **Reformation of Active Retail Installment Contracts.** The Trust agrees to reform the active retail installment contracts, as hereinafter defined, in the following manner:
 - a. **Reduction of Principal Balance.** The principal balance under each outstanding active retail installment contract purchased from SDAC will be reduced by the amount of \$500 and such reduction will be credited when and if the contract principal balance reaches \$500. After such credit, the contract will have a zero balance and the Trust lien will be released.
 - b. **Interest Rate Adjustment.** All outstanding active retail installment contracts with an annual percentage rate of interest in excess of 17.95% will, as of the Effective Date, be immediately reduced to an annual percentage rate of interest of 17.95%. However, consumers' payment amounts shall remain the same under their respective contracts.