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

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FORM 8-K

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

Date of Report:  
(Date of earliest event reported)

September 11, 2007

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CONN'S, INC.  
(Exact name of registrant as specified in charter)

Delaware  
(State or other Jurisdiction of Incorporation or Organization)

000-50421  
(Commission File Number)

06-1672840  
(IRS Employer  
Identification No.)

3295 College Street  
Beaumont, Texas 77701  
(Address of Principal Executive  
Offices and zip code)

(409) 832-1696  
(Registrant's telephone  
number, including area code)

N/A  
(Former Name or Former Address, if Changed Since Last Report)

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

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

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Item 1.01 Entry into a Material Definitive Agreement.

On September 11, 2007, the Company issued a press release announcing its entering into an Amended and Restated Series 2002-A Supplement to Base Indenture and an Amended and Restated Note Purchase Agreement. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

Amended and Restated Series 2002-A Supplement to Base Indenture; Amended

and Restated Note Purchase Agreement: On September 10, 2007, the Company, through Conn Funding II, L.P. (CFII), a special purpose affiliate of the Company, entered an "Amended and Restated Series 2002-A Supplement to Base Indenture dated September 1, 2002" with Wells Fargo Bank, National Association, as Trustee, amending its "Base Indenture" dated September 1, 2002 (as amended, supplemented and otherwise modified through the date of the Second Supplemental Indenture); and an "Amended and Restated Note Purchase Agreement" with Conn Funding II, L.P., as Issuer, Conn Appliances, Inc., a wholly owned subsidiary of the Company as Seller, Three Pillars Funding LLC, as a Conduit Purchaser, Park Avenue Receivables Company, LLC (PARCO), as a Conduit Purchaser, JPMorgan Chase Bank, N.A., as Funding Agent and as Committed Purchaser, and SunTrust Robinson Humphrey, Inc., as the Administrator, amending its Note Purchase Agreement dated September 1, 2002.

These Amendments provide for an increase in the Variable Funding Note issued under the Indenture from \$300,000,000 to \$450,000,000, and extends the term of \$200 million of the Variable Funding Note for one year to September 2012. The \$150 million increase is renewable annually with an initial maturity date in July 2008, which will be accelerated when a long-term, fixed-rate bond issuance is completed. During the time period that the increased commitment is outstanding, CFII is subject to an Additional Cash Reserve Amount if the Net Portfolio Yield, which was 9.0% at July 31, 2007, falls below 5%. Debt service coverage ratio, total adjusted leverage ratio and minimum net worth covenants relative to the performance of Conn's, Inc. were also added. Additionally, PARCO joined as an additional purchaser and is providing one-third of the commitment, while Three Pillars Funding LLC, originally the sole purchaser, provides two-thirds of the commitment.

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

We are not directly liable to the lenders under the asset-backed securitization facility described under Item 1.01. If the QSPE is unable to repay the notes due to the QSPE's inability to collect the transferred customer accounts, the QSPE could not pay the subordinated notes it has issued to us in partial payment for transferred customer accounts.

Item 9.01 Exhibits.

- |              |  |
|--------------|--|
| Exhibit 99.1 | Press Release, dated September 11, 2007                            |
| Exhibit 99.2 | Amended and Restated Series 2002-A Supplement<br>to Base Indenture |
| Exhibit 99.3 | Amended and Restated Note Purchase Agreement                       |

SIGNATURES

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

CONN'S, INC.

Date: September 11, 2007

By: /s/ David L. Rogers

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David L. Rogers  
Chief Financial Officer

Conn's, Inc. Reports Increase in Securitization Funding Capacity  
and Addition of a New Co-Purchaser

BEAUMONT, Texas--(BUSINESS WIRE)--Sept. 11, 2007--Conn's, Inc. (NASDAQ/NM:CONN), a specialty retailer of home appliances, consumer electronics, computers, mattresses, furniture and lawn and garden products, today announced that its qualified special purpose entity (QSPE) has executed an expansion of its existing 2002 Series A variable funding note to provide additional liquidity and support the continued growth of the credit portfolio.

The expansion increases the QSPE's borrowing capacity under the variable funding note to \$450 million, an increase of \$150 million. Further, the QSPE diversified the funding sources supporting the variable funding note with one of the world's largest global financial services firms joining as a co-purchaser and providing one-third of the total commitment. The existing co-purchaser of the variable funding note supports the remaining two-thirds of the total commitment. There was \$192.5 million outstanding under the variable funding note at July 31, 2007. Including the Company's invested cash balance and borrowing capacity at July 31, 2007, this increase brings the total unused capital available for growth and repayment of debt to approximately \$365 million. The \$150 million capacity increase is renewable annually with an initial maturity date in July 2008, which will be accelerated when a long-term, fixed-rate bond issuance is completed. More information about the transaction and its participants can be found in the Current Report on Form 8-K filed today.

"We believe this expanded borrowing capacity and addition of a new co-purchaser is recognition by the banking community, and our long-time valued business partners, of the strength, performance, and growth opportunities of our Company," said Thomas J. Frank, Conn's Chairman and Chief Executive Officer. "This additional capacity provides liquidity to support our growth plans, while the QSPE works on completing the process of obtaining long-term financing for its continued growth."

About Conn's, Inc.

The Company is a specialty retailer currently operating 63 retail locations in Texas and Louisiana: 21 stores in the Houston area, 14 in the Dallas/Fort Worth Metroplex, 10 in San Antonio, five in Austin, four in Southeast Texas, one in Corpus Christi, two in South Texas and six stores in Louisiana. It sells major home appliances, including refrigerators, freezers, washers, dryers and ranges, and a variety of consumer electronics, including micro-display projection, plasma and LCD flat-panel televisions, camcorders, digital cameras, computers and computer peripherals, DVD players (both standard and high definition), portable audio and home theater products. The Company also sells lawn and garden products, furniture and mattresses, and continues to introduce additional product categories for the home to help respond to its customers' product needs and to increase same store sales.

Unlike many of its competitors, the Company provides flexible in-house credit options for its customers. In the last three years, the Company has financed, on average, approximately 58% of retail sales. Customer receivables are financed substantially through an asset-backed securitization facility, from which the Company derives servicing fee income and interest income. The Company transfers receivables, consisting of retail installment contracts and revolving accounts for credit extended to its customers, to a QSPE in exchange for cash and subordinated securities. The QSPE funds its purchases of the receivables through the issuance of asset-backed and variable funding notes issued to third parties and subordinated securities to the Company.

This press release contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "should," "anticipate," or "believe," or the negative thereof or variations thereon or similar terminology. Although the Company believes that the expectations reflected in such forward-looking statements will prove to be correct, the Company can give no assurance that such expectations will prove to be correct and there can be no assurance that the QSPE will be able to issue additional fixed rate bonds, or if it does, it will be prior to the maturity of the increase

of the capacity under the 2002 Series A variable funding note. The actual future performance of the Company and the QSPE could differ materially from such statements. Factors that could cause or contribute to such differences include, but are not limited to: interest rates; volatility in the bond markets; delinquency and loss trends in the receivables portfolio; borrowings from its revolving line of credit and proceeds from securitizations to fund operations, debt repayment and expansion; the Company's growth strategy and plans regarding opening new stores and entering new markets; the Company's intention to update or expand existing stores; the Company's estimated capital expenditures and costs related to the opening of new stores or the update or expansion of existing stores; the Company's ability to introduce additional product categories; the Company's cash flow from operations; growth trends and projected sales in the home appliance and consumer electronics industry and the Company's ability to capitalize on such growth; relationships with the Company's key suppliers; the results of the Company's litigation; weather conditions in the Company's markets; changes in the Company's stock price; and the actual number of shares of common stock outstanding. Further information on these risk factors is included in the Company's filings with the Securities and Exchange Commission, including the Company's annual report on Form 10-K filed on March 29, 2007. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect the events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

CONTACT: Conn's, Inc., Beaumont  
Chairman and CEO  
Thomas J. Frank, 409-832-1696 Ext. 3218

CONN FUNDING II, L.P.,

as Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Trustee

AMENDED AND RESTATED SERIES 2002-A SUPPLEMENT

Dated as of September 10, 2007

to

BASE INDENTURE

Dated as of September 1, 2002

CONN FUNDING II, L.P.

SERIES 2002-A

Variable Funding Asset Backed Floating Rate Notes

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EXHIBIT A	Form of Third Amended and Restated Series 2002-A Note
EXHIBIT B	Form of Monthly Noteholders' Statement
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EXHIBIT D	Form of Notice of Voluntary Decrease
SCHEDULE 1	List of Proceedings
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This AMENDED AND RESTATED SERIES 2002-A SUPPLEMENT, dated as of September 10, 2007 (as amended, modified, restated or supplemented from time to time in accordance with the terms hereof, this "Series Supplement"), by and among CONN FUNDING II, L.P., a special purpose limited partnership established under the laws of Texas, as issuer ("Issuer"), and WELLS FARGO BANK, NATIONAL ASSOCIATION (as successor to Wells Fargo Bank Minnesota, National Association), a banking association organized and existing under the laws of the United States of America, as trustee (together with its successors in trust under the Base Indenture referred to below, the "Trustee") is a Series Supplement to the Base Indenture, dated as of September 1, 2002, between the Issuer and the Trustee (as amended, modified, restated or supplemented from time to time, exclusive of Series Supplements, the "Base Indenture").

PRELIMINARY STATEMENT  
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WHEREAS, Section 2.2 of the Base Indenture provides, among other things, that Issuer and the Trustee may at any time and from time to time enter into a series supplement to the Base Indenture for the purpose of authorizing the issuance of one or more Series of Notes.

WHEREAS, the Issuer and the Trustee have entered into that certain Series 2002-A Supplement, dated as of September 1, 2002 (as amended prior to the date hereof, the "Original Series Supplement").

NOW, THEREFORE, the parties hereto hereby agree to amend and restate the Original Series Supplement in its entirety as follows:

DESIGNATION  
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(a) There is hereby amended and restated a Series of notes to be issued pursuant to the Base Indenture and this Series Supplement and such Series of notes shall be substantially in the form of Exhibit A hereto, executed by or on behalf of the Issuer and authenticated by the Trustee and designated generally Variable Funding Asset Backed Floating Rate Notes, Series 2002-A (the "Notes"). The Notes shall be issued in minimum denominations of \$500,000 (and in integral multiples of \$100,000 in excess thereof).

(b) Series 2002-A (as defined below) shall not be subordinated to any other Series.

SECTION 1. Definitions. In the event that any term or provision contained herein shall conflict with or be inconsistent with any provision contained in the Base Indenture, the terms and provisions of this Series Supplement shall govern. All Article, Section or subsection references herein mean Articles, Sections or subsections of this Series Supplement, except as otherwise provided herein. All capitalized terms not otherwise defined herein are defined in the Base Indenture. Each capitalized term defined herein shall relate only to the Notes and no other Series of Notes issued by the Issuer.

"Additional Amounts" means all amounts owed by the Issuer pursuant to Section 2.11 and Article VIII of the Note Purchase Agreement and Breakage Amounts (as defined in the Note Purchase Agreement).

"Additional Cash Reserve Amount" means, on any date, if the Net Portfolio Yield averaged over the three preceding Monthly Periods (i) exceeds 5.0%, \$0, (ii) exceeds 4.0% but does not exceed 5.0%, 2.0% of the outstanding principal amount of the Notes on such date, (iii) exceeds 3.0% but does not exceed 4.0%, 3.0% of the outstanding principal amount of the Notes on such date, (iv) is 3.0% or less, 4.0% of the outstanding principal amount of the Notes on such date.

"Additional Interest" has the meaning specified in Section 5.12.

"Administrator" has the meaning specified in the Note Purchase Agreement.

"Aggregate Investor Default Amount" means, with respect to any Monthly Period, an amount equal to the product of (a) the aggregate Outstanding Principal Balance of all Receivables that became Defaulted Receivables during such Monthly Period (each respective Outstanding Principal Balance being measured as of the date the relevant Receivable became a Defaulted Receivable) minus any Deemed Collections deposited into the Collection Account during such Monthly Period in respect of Receivables that have become Defaulted Receivables before or during such Monthly Period and (b) the Floating Investor Percentage with respect to such Monthly Period.

"Aggregate Net Investor Charge-Offs" means, on any date of determination, the sum of the "Net Investor Charge-Offs" or similar amount for each Series.

"Available Funds" means, with respect to any Monthly Period, an amount equal to the Investor Percentage of Collections of Finance Charges, Recoveries and Investment Earnings deposited in the Finance Charge Account for such Monthly Period (or to be deposited in the Finance Charge Account on the related Series Transfer Date with respect to the preceding Monthly Period pursuant to the third paragraph of subsection 5.4(a) of the Base Indenture).

"Available Investor Principal Collections" means (A) with respect to the Notes and any Monthly Period, an amount equal to (i) the Investor Principal Collections for such Monthly Period, plus (ii) the amount of Shared Principal Collections that are allocated to Series 2002-A in accordance with Section 5.19, and (B) when used with respect to any other Series, has the meaning specified in the applicable Series Supplement.

"Available Issuer Interest" has the meaning specified in the definition of Coverage Test.

"Bank" has the meaning specified in paragraph 6(c)(i).

"Cash Option" means a provision in any Contract which provides for the application of interest payments theretofore made by the related Obligor against the Outstanding Principal Balance of the related Receivable if such Obligor shall pay the Outstanding Principal Balance (less the interest to be so credited) on or prior to the end of the related Cash Option Period.

"Cash Option Amount" means, as of any Determination Date, with respect to the outstanding Cash Option Receivables, the product of (i) the highest Portfolio Yield during the past twelve months divided by twelve, times (ii) the aggregate Outstanding Principal Balance of such Cash Option Receivables, times (iii) the weighted average Cash Option Period for such Cash Option Receivables (expressed in months).

"Cash Option Period" means, with respect to any Cash Option Receivable, the period, not to exceed forty-eight months, from and including the Initiation Date for such Cash Option Receivable and ending on the last day, as set forth in the related Contract, that the related Obligor may exercise the Cash Option.

"Cash Option Receivable" means any Purchased Receivable which includes a Cash Option.

"Change in Control" shall mean any of the following:

(a) the acquisition of ownership by any Person or group (other than one or more shareholders of Conn (determined as of the Closing Date)) of shares representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of Conn's Inc., a Delaware corporation ("Conn's Inc."); or

(b) the failure of Conn's Inc. to own 100% of the equity interest of Conn; or

(c) the failure of Conn to directly or indirectly through its Subsidiaries own 100% of the equity interest of Issuer.

"Closing Date" means September 13, 2002.

"Commitment Termination Date" means the Final Purchase Expiration Date (as such term is defined in, and may be amended pursuant to, the Note Purchase Agreement).

"Committed Purchaser" has the meaning specified in the Note Purchase Agreement.

"Conduit Purchasers" has the meaning specified in the Note Purchase Agreement.

"Contingent Liability" means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the indebtedness, obligation or any other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Person's obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the outstanding principal amount (or maximum outstanding principal amount, if larger) of the debt, obligation or other liability guaranteed thereby.

"Coverage Test" means, on any date of determination, that (i) the Issuer Interest as of such date exceeds the largest required "Minimum Issuer Interest" of any outstanding Series (such excess being herein called the "Available Issuer Interest") as of such date (determined by the Servicer taking into account any increases, decreases and status changes of the Receivables and any increases or decreases in the outstanding notes including those scheduled to occur on such date) and (ii) the Aggregate Net Investor Charge-Offs is zero as of such date.

"Cumulative Series Principal Shortfall" means the sum of the Series Principal Shortfalls (as such term is defined in each of the related Series Supplements) for each Series.

"Decrease" means a Mandatory Decrease or a Voluntary Decrease, as applicable.

"Default Rate" has the meaning specified in the Note Purchase Agreement.

"Deficiency Amount" has the meaning specified in Section 5.12.

"Dilution Adjuster" means, with respect to any Monthly Period, (i) the highest six-month rolling average Dilution Rate during the twelve preceding Monthly Periods times (ii) (a) if Net Portfolio Yield averaged over the last three consecutive monthly periods is less than 4.00%, 4.00 or (b) otherwise, 3.25.

"Dilution Rate" means, with respect to any Monthly Period, the ratio (expressed as a percentage) computed as of the last day of such Monthly Period equal to the result of (i) an amount equal to the total returns for such Monthly Period, divided by (ii) an amount equal to total sales by the Sellers for such Monthly Period times, (iii) the aggregate original principal balance (other than that portion of the principal balance attributable to insurance premium in respect of any Merchandise) of Receivables originated during such Monthly Period, divided by (iv) the quotient of (A) the sum of (I) the aggregate Outstanding Principal Balance of all Receivables as of the last day of the previous Monthly Period, plus (II) the aggregate Outstanding Principal Balance of all Receivables as of such last day of such Monthly Period, divided by (B) two, times (v) twelve.

"Excess Funding Account" has the meaning specified in subsection 5.21(a).

"Excess Spread" means, with respect to any Series Transfer Date, the amounts with respect to such Series Transfer Date, if any, specified pursuant to paragraph 5.15(a)(vii).

"Fees" means all of the amounts payable in connection with the Fee Letters (as such term is defined in the Note Purchase Agreement).

"Final Purchase Expiration Date" has the meaning specified in the Note Purchase Agreement.

"Finance Charge Collections" means (i) all Collections allocable to Finance Charges and (ii) all Recoveries allocable to Finance Charges.

"Fixed Investor Percentage" means, with respect to any Monthly Period, the percentage equivalent of a fraction, the numerator of which is the Investor Interest as of the close of business on the last day of the Revolving Period and the denominator of which is the sum of the numerators used to calculate the respective investor percentages used for allocations with respect to Principal Receivables for all outstanding Series on such date of determination.

"Floating Investor Percentage" means, with respect to any Monthly Period, the percentage equivalent of a fraction, the numerator of which is the Modified Investor Interest for such Monthly Period and the denominator of which is the sum of the numerators used to calculate the respective investor percentages used for allocations with respect to Finance Charges, Recoveries, Investment Earnings, Aggregate Investor Default Amounts, Principal Receivables, Available Issuer Interest, Servicing Fee or Trustee and Back-up Servicer Fees and Expenses, as applicable, for all outstanding Series on such date of determination.

"Funding Agent" has the meaning specified in the Note Purchase Agreement.

"Gross Loss Adjuster" means, with respect to any Monthly Period, (i) the highest six-month rolling average Gross Loss Rate during the twelve immediately preceding Monthly Periods times (ii) (a) if Net Portfolio Yield averaged over the last three consecutive monthly periods is less than 4.00%, 4.00 or (b) otherwise, 3.25.

"Gross Loss Rate" means, with respect to any Monthly Period, the ratio (expressed as a percentage) computed as of the last day of such Monthly Period, by dividing (i) the Outstanding Principal Balance of Defaulted Receivables which were deemed to be Defaulted Receivables during such Monthly Period by (ii) (A) the aggregate Outstanding Principal Balance of all Receivables as of the last day of the previous Monthly Period plus (B) the aggregate Outstanding Principal Balance of all Receivables as of such last day of such Monthly Period divided by (C) two and multiplying the result by (iii) twelve.

"Increase" has the meaning specified in subsection 3.1(a).

"Initial Note Principal" means \$28,080,192.

"Initiation Date" means, with respect to any Receivable, the date of the transaction that gave rise to the original Outstanding Principal Balance of such Receivable.

"Interest Period" means, with respect to any Payment Date, the preceding Monthly Period (or, in the case of the first Payment Date, from and including the Closing Date to and including October 21, 2002).

"Investor Charge-Offs" has the meaning specified in subsection 5.16(a).

"Investor Interest" means, on any date of determination, an amount equal to (a) the Initial Note Principal, plus (b) the aggregate amount of all Increases made prior to such date, minus (c) the aggregate amount of principal payments (including, without limitation, any Decreases) made to Noteholders prior to such date, minus (d) the aggregate amount of Investor Charge-Offs pursuant to subsection 5.16(a), plus (e) the aggregate amount of Excess Spread and funds on deposit in the Excess Funding Account applied on all prior Series Transfer Dates pursuant to subsection 5.17(b) for the purpose of reimbursing amounts deducted pursuant to the foregoing clause (d), plus (f) the Required Reserve Amount. Once all principal and interest on the Notes and any other amounts payable to the Noteholders, if any, pursuant to the Transaction Documents have been paid in full, the Investor Interest shall be zero.

"Investor Percentage" means, for any Monthly Period, (a) with respect to Finance Charges, Recoveries, Investment Earnings, Aggregate Investor Default Amounts, Available Issuer Interest, Servicing Fee and Trustee and Back-Up Servicer Fees and Expenses at any time and Principal Receivables during the Revolving Period, the Floating Investor Percentage and (b) with respect to Principal Receivables during the Rapid Amortization Period, the Fixed Investor Percentage.

"Investor Principal Collections" means, with respect to any Monthly Period, the sum of (a) the Investor Percentage of the aggregate amount deposited into the Principal Account (less any Issuer Distributions) for such Monthly Period pursuant to paragraph 5.11(a)(i), (b) the aggregate amount to be treated as Investor Principal Collections for such Monthly Period pursuant to paragraph 5.15(a)(iii) and Section 5.17, and (c) in connection with the purchase or redemption of Notes, the aggregate amount deposited in the Payment Account pursuant to Section 4 hereof.

"Issuer" is defined in the preamble of this Series Supplement.

"Legal Final Payment Date" means July 30, 2016.

"Mandatory Decrease" has the meaning specified in subsection 3.2(a).

"Maximum Principal Amount" means:

(a) commencing on the Restatement Date and ending on the Tranche C Purchase Expiration Date, the sum of (i) the Tranche A Principal Amount, plus (ii) the Tranche B Principal Amount, plus (iii) Tranche C Principal Amount;

(b) commencing on the day following the Tranche C Purchase Expiration Date and ending on the Tranche A Purchase Expiration Date, the sum of (i) the Tranche A Principal Amount, plus (ii) the Tranche B Principal Amount; and

(c) commencing on the day following the Tranche A Purchase Expiration Date, and ending on the Tranche B Purchase Expiration Date, the Tranche B Principal Amount.

"Minimum Issuer Interest" means for any date of determination an amount equal to (a) the Cash Option Amount as of such date plus (b) the Outstanding Principal Balance of all Receivables that are not Eligible Receivables as of such date.

"Modified Investor Interest" means for any Monthly Period, the average daily Investor Interest for such Monthly Period (or, in the case of the first Monthly Period, from and including the Closing Date to, and including the last day of such first Monthly Period).

"Monthly Interest" has the meaning specified in subsection 5.12.

"Monthly Period" has the meaning specified in the Base Indenture, except that the first Monthly Period with respect to the Notes shall begin on and include the Closing Date and shall end on and include September 30, 2002.

"Monthly Principal" has the meaning specified in subsection 5.13.

"Net Investor Charge-Offs" means, on any date of determination, the excess of (a) the amount described in clause (d) of the definition of Investor Interest on such date over (b) the amount described in clause (e) of such definition on such date.

"Net Portfolio Yield" for any Monthly Period (as determined as of the last day of each Monthly Period) shall mean the annualized percentage equivalent of a fraction, (a) the numerator of which is equal to the Net Yield Amount for such Monthly Period and (b) the denominator of which is equal to the aggregate Outstanding Principal Balance of all Receivables on such day. For purposes of this definition, "Net Yield Amount" means for any Monthly Period an amount equal to the excess of the sum of Collections of Finance Charges plus Recoveries allocable to Finance Charges over the sum of (a) interest and fees accrued for the current Monthly Period and overdue interest and fees with respect to the Notes and "Enhancement" of all Series (together with, if applicable, interest on such overdue interest and fees at the rate specified in the accompanying series supplements), (b) accrued and unpaid Servicing Fees and Trustee and Back-Up Servicer Fees and Expenses for such Monthly Period, (c) the aggregate Outstanding Principal Balance of all Receivables that became Defaulted Receivables during such Monthly Period (each respective Outstanding Principal Balance being measured as of the date the relevant Receivable became a Defaulted Receivable), and (d) any other costs, expenses, or liability of the Issuer of any nature whatsoever incurred during such Monthly Period (except for the obligations of the Issuer to pay any principal on the Notes outstanding at such time or any Business Taxes and except for fee and indemnity expenses for which cash other than such Monthly Period's Collections are available to the Issuer).

"Note Principal" means on any date of determination the then outstanding principal amount of the Notes.

"Note Purchase Agreement" means any agreement by and among the Conduit Purchasers party thereto, the Administrator, the Funding Agent, the Committed Purchaser, the Issuer and the Seller, pursuant to which the Conduit Purchasers agree to purchase an interest in Notes from the Issuer, subject to the terms and conditions set forth therein, or any successor agreement to such effect among the Issuer and such Conduit Purchasers or its successors, as amended, supplemented or otherwise modified from time to time.

"Note Rate" has the meaning specified in the Note Purchase Agreement.

"Noteholder" means with respect to any Note, the holder of record of such Note.

"Notes" has the meaning specified in paragraph (a) of the Designation.

"Notice Persons" means the Administrator and the Funding Agent.

"Parent" shall mean Conn Appliances, Inc.

"Payment Account" means the account established as such for the benefit of the Secured Parties of this Series 2002-A pursuant to subsection 5.3(c) of the Base Indenture.

"Payment Date" means October 21, 2002 and the twentieth day of each calendar month thereafter, or if such twentieth day is not a Business Day, the next succeeding Business Day.

"Payment Rate" shall mean, with respect to any Monthly Period, the ratio (expressed as a percentage) computed as of the last day of such Monthly Period by dividing (i) an amount equal to all Collections received with respect to the Principal Receivables and Finance Charges during such Monthly Period by (ii) (A) the aggregate Outstanding Principal Balance of all Receivables as of the last day of the previous Monthly Period plus (B) the aggregate Outstanding Principal Balance of all Receivables as of such last day of such Monthly Period divided by (C) two.

"Payoff Date" means the date on which all principal and interest on the Notes and any other amounts directly related to Series 2002-A payable to any Noteholder, the Administrator or the Funding Agent under the Transaction Documents have been indefeasibly paid in full.

"Permissible Uses" means the amount of funds to be used by the Issuer to pay (i) the Servicer Letter of Credit Bank any amounts payable thereto by the Issuer under the reimbursement agreement for the Servicer Letter of Credit, (ii) the Seller for Subsequently Purchased Receivables (directly or through repayment of any subordinated notes issued to the Seller), (iii) its equity owners, as a dividend distribution (so long as the Issuer has a net worth (in accordance with GAAP) of at least 1% of the outstanding principal amount of the Notes after giving effect thereto) and (iv) other expenses of the Issuer not prohibited by the Transaction Documents.

"Portfolio Yield" means, with respect to Eligible Receivables for any Monthly Period, the ratio (expressed as a percentage) computed as of the last day of such Monthly Period by dividing (i) the amount of all Finance Charge Collections (other than amounts described in clause (iii) of the definition thereof) received during such Monthly Period, by (ii) (A) the aggregate Outstanding Principal Balance of all Receivables as of the last day of the previous Monthly Period plus (B) the aggregate Outstanding Principal Balance of all Receivables as of such last day of such Monthly Period divided by (C) two and multiplying the result by (iii) twelve.

"Portfolio Yield Adjuster" means, with respect to any Monthly Period, (i) if Net Portfolio Yield averaged over the last three consecutive Monthly Periods is less than 4.00%, the greater of (a) the difference (which may be a negative number) of (I) 18.0%, minus (II) the lowest six-month rolling average Portfolio Yield during the twelve preceding Monthly Periods and (b) -3.00% or (ii) otherwise, 0%.

"Potential Series 2002-A Pay Out Event" shall mean an event which upon the lapse of time or the giving of notice, or both, would constitute a Series 2002-A Pay Out Event.

"Principal Reallocation Amount" means the Investor Percentage (determined with regard to only (and only to the extent of) those Series with respect to which principal is being reallocated pursuant to a corresponding provision at such time) of the Available Issuer Interest (after giving effect to any reduction pursuant to Section 5.16 or the definition of Required Reserve Amount on such day or pursuant to any comparable provisions of any other Series Supplement of any other Series on such day) at such time.

"QIB" has the meaning specified in paragraph 6(c)(i).

"Rapid Amortization Period" means the Amortization Period commencing on the Rapid Pay Out Commencement Date and ending on the Series 2002-A Termination Date.

"Rapid Pay Out Commencement Date" means the earliest of (i) the Commitment Termination Date, (ii) the date on which an Issuer Pay Out Event is deemed to occur pursuant to Section 9.1 of the Base Indenture or (iii) the date on which a Series 2002-A Pay Out Event is deemed to occur pursuant to Section 9 of this Series Supplement.

"Rating Agency" means Moody's and Standard & Poor's and any other nationally recognized statistical rating organization from which a rating for the commercial paper issued by a Conduit Purchaser (at the request thereof) is currently in effect.

"Redemption Date" means the date on which the Notes are redeemed in full pursuant to Section 4 or 11 hereof.

"Required Amount" has the meaning specified in subsection 5.14(a).

"Required Persons" means Holders of Notes representing at least 100% of the aggregate Note Principal of all Notes.

"Required Reserve Amount" shall mean, at any time, the sum of (I) the greater of (a) \$7,500,000 and (b) an amount equal to (i) the Note Principal at such time, multiplied by (ii)(A) the Required Reserve Percentage at such time, divided by (B) 100% minus the Required Reserve Percentage at such time, plus (II)(A) commencing on the Restatement Date and ending on the Tranche C Purchase Expiration Date, the Additional Cash Reserve Amount, and (B) thereafter, zero; provided, however, that the Required Reserve Amount shall be fixed during the Rapid Amortization Period as of the Rapid Pay Out Commencement Date; provided, further, that the Required Reserve Amount may only increase from time to time to the extent of the Investor Percentage (determined with regard to only (and only to the extent of) those Series with respect to which the "Required Reserve Amount" is increasing at such time) of the Available Issuer Interest (after giving effect to any reductions pursuant to Section 5.16 but prior to any reductions with respect to Principal Reallocation Amounts on such day, or pursuant to any comparable provisions of any other Series Supplement for any Series on such day) at such time.

"Required Reserve Percentage" means the ratio (expressed as a percentage) equal to the sum of (a) the Gross Loss Adjuster, (b) the Dilution Adjuster, and (c) the Portfolio Yield Adjuster; provided that the Required Reserve Percentage shall not be less than 15.0%.

"Restatement Date" means September 10, 2007.

"Revolving Period" means the period from and including the Closing Date to, but not including, the Rapid Pay Out Commencement Date.

"Rule 144A" has the meaning specified in paragraph 6(c)(i).

"Series 2002-A" means the Series of the Variable Funding Asset Backed Floating Rate Notes represented by the Notes.

"Series 2002-A Pay Out Event" has the meaning specified in Section 9.

"Series 2002-A Termination Date" means the earliest to occur of (a) the Payment Date on which the Notes, plus all other amounts due and owing to the Noteholders, if any, are paid in full, (b) the Legal Final Payment Date and (c) the Indenture Termination Date.

"Series Principal Shortfall" means with respect to the Notes and any Series Transfer Date, the excess, if any, of (a) (i) with respect to any Series Transfer Date related to a Mandatory Decrease, the amount of such Mandatory Decrease, (ii) with respect to any Series Transfer Date during the Rapid Amortization Period, the Investor Interest (but not less than the Note Principal) or (iii) with respect to any other Series Transfer Date, zero, over (b) the Investor Principal Collections for such Series Transfer Date.

"Shared Principal Collections" means, with respect to any Series Transfer Date, either (a) the amount allocated to the Notes which may be applied to the "Series Principal Shortfall" with respect to other outstanding Series or (b) the amounts allocated to the notes of other Series which the applicable Series Supplements for such Series specify are to be treated as "Shared Principal Collections" and which may be applied to cover the Series Principal Shortfall with respect to the Notes.

"Solvent" means with respect to any Person that as of the date of determination both (A)(i) the then fair saleable value of the property of such Person is (y) greater than the total amount of liabilities (including Contingent Liabilities) of such Person and (z) not less than the amount that will be required to pay the probable liabilities on such Person's then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to such Person; (ii) such Person's capital is not unreasonably small in relation to its business or any contemplated or undertaken transaction; and (iii) such Person does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due; and (B) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Tranche A Principal Amount" means \$100,000,000.

"Tranche B Principal Amount" means \$200,000,000.

"Tranche C Principal Amount" means \$150,000,000.

"Tranche A Purchase Expiration Date" has the meaning specified in the Note Purchase Agreement.

"Tranche B Purchase Expiration Date" has the meaning specified in the Note Purchase Agreement.

"Tranche C Purchase Expiration Date" has the meaning specified in the Note Purchase Agreement.

"Voluntary Decrease" has the meaning specified in subsection 3.2(b).

SECTION 2. Article 3 of the Base Indenture. Article 3 shall be read in its entirety as follows and shall be applicable only to the Notes:

ARTICLE 3  
INITIAL ISSUANCE AND INCREASES AND DECREASES  
OF INVESTOR INTEREST AND NOTES

SECTION 3.1 Initial Issuance; Procedure for Increasing the Investor Interest.

(a) (i) On the Closing Date, the Issuer issued Notes in accordance with Section 2.2 of the Base Indenture and Section 6 of the Original Series Supplement and subject to satisfaction of the conditions precedent set forth in subsection (b) of this Section 3.1 (other than clause (b)(i)), on the Restatement Date the Issuer will replace such Notes, as amended, with Notes in the aggregate initial principal amount equal to the Maximum Principal Amount and (ii) on any Business Day during the Revolving Period, the Issuer may increase the Investor Interest (each such increase referred to as an "Increase"), upon one Business Day's prior written notice (delivered by 12:00 noon New York time) to the Trustee, Administrator and the Funding Agent, by reducing the Issuer Interest and increasing the Note Principal, pro rata for all Notes, by an amount equal to such Increase; provided that the Issuer shall not request more than two Increases during any Monthly Period.

(b) The Investor Interest may be increased on any Business Day during the Revolving Period pursuant to subsection (a) above, only upon satisfaction of each of the following conditions with respect to such initial issuance and each proposed Increase:

(i) The aggregate amount of each issuance or Increase shall be equal to or greater than \$1,000,000 (and in integral multiples of \$100,000 in excess thereof);

(ii) After giving effect to such issuance or Increase, the Note Principal shall not exceed the Maximum Principal Amount;

(iii) The Coverage Test is satisfied and, if SunTrust Bank (or any Affiliate thereof) is the Servicer Letter of Credit Bank, there are no outstanding draws on the Servicer Letter of Credit;

(iv) After giving effect to any Increase, the Net Investor Charge-Offs is zero;

(v) Such issuance or Increase and the application of the proceeds thereof shall not result in the occurrence of (1) a Pay Out Event for any Series, Servicer Default or an Event of Default, or (2) an event or occurrence, which, with the passing of time or the giving of notice thereof, or both, would become a Pay Out Event for any Series, Servicer Default or an Event of Default; and

(vi) All required consents have been obtained and all other conditions precedent to the purchase of the Notes and the making of advances under the Note Purchase Agreement shall have been satisfied.

(c) Upon receipt of the proceeds of such issuance or Increase by or on behalf of the Issuer, the Trustee shall, or shall cause the Transfer Agent and Registrar to, indicate in the Note Register the amount thereof.

(d) The Issuer shall not issue additional Notes of this Series. For this purpose, neither an Increase pursuant to subsection 3.1(b) nor an amendment to this Series Supplement to increase the Maximum Principal Amount shall constitute the issuance of additional Notes.

(e) Notwithstanding anything to the contrary in this Section 3.1 or in Section 3.2, the Issuer may allocate "Increases" and "Decreases" among the VFN Series (but not among individual Notes of this Series) on a non-pro rata basis, provided that (i) the Issuer shall not (unless necessary in order to comply with paragraph (ii) of this subsection (e)) disproportionately allocate "Increases" or "Decreases" to the same Series for two or more consecutive "Increases" or "Decreases" (as the case may be) and (ii) the Issuer shall use its reasonable best efforts to allocate "Increases" and "Decreases" among the VFN Series such that the aggregate "Note Principal" of the VFN Series is at all times ratably allocated among the VFN Series according to their respective "Maximum Principal Amounts".

#### SECTION 3.2 Procedure for Decreasing the Investor Interest.

(a) Mandatory Decrease. Without limiting Section 9 hereof, if on any date of determination (i) the Issuer Interest as of the end of the prior Monthly Period is less than the largest required Minimum Issuer Interest of any Series outstanding as of such date (unless, on or before the succeeding Series Transfer Date, a Seller transfers Subsequently Purchased Receivables to the Issuer and/or the Issuer reduces the outstanding principal balance of any other Series of notes and, in either case, increases the Issuer Interest so that it is greater than or equal to such Minimum Issuer Interest) or (ii) the Note Principal exceeds the Maximum Principal Amount, on or before the following Payment Date, the Issuer shall deposit or cause to be deposited into the Payment Account from Available Investor Principal Collections, amounts otherwise payable to the Issuer (to the extent not required to be paid pursuant to Section 5.22) or other amounts so designated to be applied in accordance with subsection 5.15(g), a principal payment to decrease (x) the Investor Interest by the amount necessary, so that after giving effect to all Decreases of the Investor Interest on the related Payment Date, the Issuer Interest shall be greater than or equal to the largest required Minimum Issuer Interest of any Series outstanding and (y) the Note Principal to an amount equal to the Maximum Principal Amount (each such decrease pursuant to this subsection 3.2(a), a "Mandatory Decrease"). Each such Mandatory Decrease shall be on a pro rata basis for all Notes, and "Mandatory Decreases" of all VFN Series shall occur on a pro rata basis subject to subsection 3.1(e). Upon such Mandatory Decrease, the Servicer, on behalf of the Issuer, shall reflect such Decrease in the Monthly Noteholder Statement.

(b) Voluntary Decrease. On any Business Day, the Issuer may upon two Business Days' prior written notice (or seven Business Days' prior written notice if the Decrease is \$10,000,000 or more) (in substantially the form of Exhibit D hereto) to the Trustee and to the Noteholders (in accordance with the terms of the Note Purchase Agreement) decrease the Investor Interest (each such reduction of the Investor Interest pursuant to this subsection 3.2(b), a "Voluntary Decrease") by depositing or causing to be deposited into the Payment Account from Available Investor Principal Collections, amounts otherwise payable to the Issuer (to the extent not required to be paid pursuant to Section 5.22) or other amounts so designated and distributing to the Noteholders in respect of principal on the Notes, an amount equal to the amount of such Decrease in accordance with subsection 5.15(g). Each such Voluntary Decrease shall be on a pro rata basis for all Notes, the Voluntary Decrease shall be in a minimum principal amount of \$1,000,000 (and in integral multiples of \$100,000 in excess thereof) and shall occur on a pro rata basis subject to subsection 3.1(e). Upon such Voluntary Decrease, the Servicer, on behalf of the Issuer shall reflect such Decrease in the Monthly Noteholder Statement.

(c) Principal Amortization. During the Rapid Amortization Period, principal will be allocated to the Investor Interest (pursuant to Section 5.13) and paid to the Noteholders on a pro rata basis.

(d) Upon each Decrease and each decrease due to the commencement of the Rapid Amortization Period, the Trustee shall, or shall cause the Transfer Agent and Registrar to, indicate in the Note Register the amount thereof.

SECTION 3. Servicing Compensation. The share of the Servicing Fee allocable to Series 2002-A with respect to any Series Transfer Date shall be equal to the Investor Percentage of the Servicing Fee for the relevant Monthly Period. The Servicing Fee shall be paid by the cash flows from the Trust Estate allocated to the Noteholders or the noteholders of other Series (as provided in the related series supplements) and in no event shall the Issuer, the Trustee or the Noteholders be liable therefor. The Servicing Fee allocable to Series 2002-A shall be payable to the Servicer solely to the extent amounts are available for distribution in respect thereof pursuant to paragraph 5.15(a)(ii) and subsection 5.17(a).

#### SECTION 4. Cleanup Call.

(a) The Notes shall be subject to purchase by the initial Servicer, at its option, in accordance with the terms specified in subsection 12.4(a) of the Base Indenture, on any Payment Date on or after the Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Maximum Principal Amount as of the Restatement Date.

(b) The deposit to the Payment Account required in connection with any such purchase will be equal to the sum of (i) the Note Principal, plus (ii) accrued and unpaid interest on the Notes through the day preceding the Payment Date on which the purchase occurs, plus (iii) any other amounts (including, without limitation, accrued and unpaid Additional Amounts) payable to the Noteholders pursuant to the Note Purchase Agreement, minus (iv) the amounts, if any, on deposit at such Payment Date in the Payment Account for the payment of the foregoing amounts.

SECTION 5. Delivery and Payment for the Notes. The Trustee shall execute, authenticate and deliver the Notes in accordance with Section 2.4 of the Base Indenture and Section 6 below.

SECTION 6. Form of Delivery of the Notes; Depository; Denominations; Transfer Provisions.

(a) The Notes shall be delivered as Registered Notes in definitive form as provided in Sections 2.1 and 2.18 of the Base Indenture. The Notes shall initially be registered in the name of the Administrator for Three Pillars Funding LLC and the Funding Agent for Park Avenue Receivables Company, LLC, as applicable, and shall not be transferred, sold or pledged, in whole or in part, other than pursuant to Section 2.6 of the Base Indenture and this Section 6.

(b) The Notes will be issuable in minimum denominations of \$500,000 (and in integral multiples of \$100,000 in excess thereof).

(c) When Notes are presented to the Transfer Agent and Registrar or a co-registrar with a request to register a transfer or to exchange them for an equal principal amount of Notes of other authorized denominations, the Transfer Agent and Registrar shall register the transfer or make the exchange if its requirements for such transaction are met; provided, however, that the Notes surrendered for transfer or exchange (a) shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Transfer Agent and Registrar, duly executed by the holder thereof or its attorney, duly authorized in writing and (b) shall be transferred or exchanged in compliance with the following provisions:

(i) (A) if such Note is being transferred to a qualified institutional buyer (a "QIB") as defined in, and in accordance with, Rule 144A under the Securities Act ("Rule 144A"), the transferor shall, unless the transferee is a party to the Note Purchase Agreement or is a QIB within the meaning of Rule 144A(a)(1)(vi) (a "Bank"), provide the Issuer and the Transfer Agent and Registrar with a certification to that effect (in substantially the form of Exhibit C hereto); or (B) if such Note is being transferred in reliance on another exemption from the registration requirements of the Securities Act, the transferor shall provide the Issuer and the Transfer Agent and Registrar with a certification to that effect (in substantially the form of Exhibit C hereto) and, if requested by the Transfer Agent and Registrar or the Issuer, an opinion of counsel in form and substance acceptable to the Issuer and to the Transfer Agent and Registrar to the effect that such transfer is in compliance with the Securities Act.

(ii) each such transferee of such Note shall be deemed to have made the acknowledgements, representations and agreements set forth below:

(1) unless it has been advised that the transferor is relying on an exemption from the registration requirements of the Securities Act, it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB and is aware that the sale to it is being made in reliance on Rule 144A;

(2) it understands that the Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and are being offered only in a transaction not involving any public offering within the meaning of the Securities Act, that the Issuer is not required to register or qualify the Notes, and that the Notes may be resold, pledged or transferred only in compliance with provisions of this subsection 6(c) and only (A) to the Issuer, (B) to a person the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A or (C) in a transaction otherwise exempt from the registration requirements of the Securities Act and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and in accordance with the restrictions set forth herein;

(3) if it desires to offer, sell or otherwise transfer, pledge or hypothecate the Notes as described in clause (B) or (C) of the preceding paragraph, it may, pursuant to clause (i) above, be required to deliver a certificate and, in the case of clause (C), may be required to deliver an opinion of counsel if the Issuer and the Transfer Agent and Registrar so request, in each case, reasonably satisfactory in form and substance to the Issuer and the Servicer, that an exemption from the registration requirements of the Securities Act applies to such offer, sale, transfer or hypothecation; and it understands that the Registrar and Transfer Agent will not be required to accept for registration of transfer the Notes acquired by it, except upon presentation of, if applicable, the certificate and, if applicable, the opinion described above;

(4) it agrees that it will, and each subsequent holder is required to, notify any purchaser of Notes from it of the resale restrictions referred to in clauses (2) and (3) above, if then applicable and understands that such notification requirement will be satisfied, in the case only of transfers by physical delivery of Definitive Notes, by virtue of the fact that the following legend will be placed on the Notes unless otherwise agreed to by the Issuer:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (2) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE, EACH PURCHASER WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND COVENANTED EITHER THAT (A) IT IS NOT AN "EMPLOYEE BENEFIT PLAN" SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A "PLAN" DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AN ENTITY DEEMED TO HOLD "PLAN ASSETS" OF ANY OF THE FOREGOING BY REASON OF INVESTMENT BY AN "EMPLOYEE BENEFIT PLAN" OR "PLAN" IN SUCH ENTITY, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE OR (B) ITS PURCHASE AND HOLDING OF THIS NOTE WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

(5) it acknowledges that the foregoing restrictions apply to holders of beneficial interests in the Notes as well as to Holders of the Notes; and

(6) it acknowledges that the Trustee, the Issuer and their Affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of such Notes is no longer accurate, it will promptly notify the Issuer; and it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and

(7) it acknowledges that either (i) no part of the assets used by it to acquire the Notes constitutes assets of any employee benefit plan subject to ERISA, Section 4975 of the Code or any entity deemed to hold plan assets of any of the foregoing by reason of investment by an employee benefit plan or plan in the entity or (ii) its purchase and holding of the Notes will not, throughout the term of holding, constitute a non-exempt "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code by reason of the application of one or more statutory or administrative exemptions from such prohibited transaction rules or otherwise.

In addition, such transferee, unless it is a party to the Note Purchase Agreement or a Bank, shall be responsible for providing additional information or certification, as shall be reasonably requested by the Trustee or Issuer, to support the truth and accuracy of the foregoing acknowledgments, representations and agreements, it being understood that such additional information is not intended to create additional restrictions on the transfer of the Notes.

SECTION 7. Article 5 of Base Indenture. Sections 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9 and 5.10 of the Base Indenture shall be read in their entirety as provided in the Base Indenture. The following provisions, however, shall constitute part of Article 5 of the Indenture solely for purposes of Series 2002-A and shall be applicable only to the Notes (except as otherwise provided in the following provisions or in another Series Supplement):

ARTICLE 6  
ALLOCATION AND APPLICATION OF COLLECTIONS

SECTION 5.11 Allocations.

(a) Allocations of Collections. On each day any Collections are deposited in the Collection Account, the Servicer shall, prior to the close of business on such day, make the following deposits from the Collection Account:

(i) Deposit into the Principal Account all Collections received in respect of Principal Receivables on such date (such deposit to be applied in accordance with the Indenture and subsection 5.15(b)); and

(ii) Deposit into the Finance Charge Account all Collections received in respect of Finance Charges, Recoveries, Investment Earnings or otherwise (but not in respect of Principal Receivables) on such date (such deposit to be applied in accordance with the Indenture and subsection 5.15(a)).

(b) Excess Funding Collections. Any Collections deposited into the Excess Funding Account pursuant to Section 5.15 shall be held in the Excess Funding Account and, prior to the commencement of the Rapid Amortization Period, shall be first applied in accordance with Section 5.17 and then paid, first, to the Servicer Letter of Credit Bank to the extent of any amounts payable thereto by the Issuer under the reimbursement agreement for the Servicer Letter of Credit and, second, to the Issuer, in each case on any date (so long as the Coverage Test remains satisfied (or will be satisfied on such date through the use of such Collections to pay for Subsequently Purchased Receivables from the Seller) and such payment and the application thereof shall not result in the occurrence of (1) a Pay Out Event for any Series, a Servicer Default or an Event of Default, or (2) in the case of Permissible Uses of the type described in clauses (ii) and (iii) of the definition thereof, an event or occurrence, which, with the passing of time or the giving of notice thereof, or both, would become a Pay Out Event for any Series, Servicer Default or an Event of Default) to the extent of (and to be used solely for) Permissible Uses on such date as determined by the Servicer; provided, however, that if an Accumulation Period or an Amortization Period commences with respect to any Series, any funds on deposit in the Excess Funding Account shall be first applied in accordance with Section 5.17 and then released from the Excess Funding Account, deposited in the Principal Account and treated as Shared Principal Collections to the extent needed to cover principal payments due to such Series; provided, however, that \$10,000 shall remain on deposit in the Excess Funding Account for use to pay expenses of the Issuer not prohibited by the Transaction Documents, as determined by the Servicer.

SECTION 5.12 Determination of Monthly Interest. The amount of monthly interest payable on the Notes shall be determined as of each Determination Date and shall be an amount equal to the product of (i)(A) a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, times (B) the weighted average Note Rate in effect with respect to the related Interest Period, and (ii) the average daily outstanding principal balance of the Notes during such Interest Period (the "Monthly Interest"); provided, however, that in addition to Monthly Interest, an amount equal to the sum of (i) the amount of any unpaid Deficiency Amount, as defined below and (ii) an amount equal to the product (such product being herein called the "Additional Interest") of (A) a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, times (B) a rate equal to the Default Rate in effect with respect to the related Interest Period, times (C) any Deficiency Amount, as defined below (or the portion thereof which has not theretofore been paid to Noteholders) and (iii) the amount of any unpaid Additional Amounts for the related Interest Period as determined pursuant to the Note Purchase Agreement shall also be payable to the Noteholders. The "Deficiency Amount" for any Determination Date shall be equal to the excess, if any, of (x) the sum of the Monthly Interest, the Additional Interest, the Additional Amounts and the Deficiency Amount as determined pursuant to the preceding sentence for the Interest Period ended immediately prior to the preceding Payment Date, over (y) the amount actually paid in respect thereof on the preceding Payment Date; provided, that the Deficiency Amount on the Initial Determination Date shall be zero.

SECTION 5.13 Determination of Monthly Principal. The amount on deposit in the Principal Account allocable to the repayment of principal of the Notes shall be determined as of each Series Transfer Date ("Monthly Principal"), beginning with the first Series Transfer Date occurring after the Rapid Amortization Period begins, and shall be equal to the lesser of (i) the Available Investor Principal Collections on deposit in the Principal Account on such Series Transfer Date and (ii) the Investor Interest (after taking into account any adjustments to be made on such Series Transfer Date pursuant to Section 5.16) on such Series Transfer Date.

SECTION 5.14 Coverage of Required Amount.

(a) On or before each Series Transfer Date, the Servicer shall determine the amount (the "Required Amount"), if any, by which an amount equal to the sum of (i) the Monthly Interest for such Series Transfer Date, plus (ii) the Deficiency Amount, if any, for such Series Transfer Date, plus (iii) the Additional Interest, if any, for such Series Transfer Date, plus (iv) the Additional Amounts, and the Investor Percentage of the Trustee and Back-Up Servicer Fees and Expenses for such Series Transfer Date, plus (v) the Investor Percentage of the Servicing Fee for the prior Monthly Period, plus (vi) any amounts described in clauses (iv) and (v) above that were due but not paid on any prior Series Transfer Date, plus (vii) the Aggregate Investor Default Amount, if any, for the prior Monthly Period.

(b) In the event that the Required Amount for such Series Transfer Date is greater than zero, (i) the Servicer shall give written notice to the Trustee of such positive Required Amount on or before such Series Transfer Date, and (ii) to the extent available in each case, the Required Amount shall be paid first from the Finance Charge Account and second from the Excess Funding Account on such Series Transfer Date pursuant to subsection 5.17(a).

SECTION 5.15 Monthly Payments. On or before each Series Transfer Date, the Servicer shall instruct the Trustee in writing (which writing shall be substantially in the form of the Monthly Servicer Report attached as Exhibit A to the Servicing Agreement) to withdraw, and the Trustee, acting in accordance with such instructions, shall withdraw on such Series Transfer Date or the related Payment Date, as applicable, to the extent of the funds credited to the relevant accounts, the amounts in respect of the Notes required to be withdrawn from the Finance Charge Account, the Principal Account, the Excess Funding Account and the Payment Account as follows:

(a) An amount equal to the Available Funds deposited into the Finance Charge Account for the related Monthly Period shall be distributed on each Series Transfer Date in the following priority:

(i) first, an amount equal to the Investor Percentage of the Trustee and Back-Up Servicer Fees and Expenses for such Series Transfer Date (plus the Investor Percentage of any Trustee and Back-Up Servicer Fees and Expenses due but not paid to the Trustee on any prior Series Transfer Date) shall be paid by the Servicer or the Trustee to the Trustee, second, an amount equal to Monthly Interest for such Series Transfer Date, plus the amount of any Deficiency Amount (other than with respect to any Additional Amounts) for such Series Transfer Date, plus the amount of any Additional Interest (other than with respect to any Additional Amounts) for such Series Transfer Date shall be deposited by the Servicer or the Trustee into the Payment Account for distribution to the Noteholders on the related Payment Date and, third, an amount equal to any Additional Amounts for such Series Transfer Date, plus the amount of any Deficiency Amount (with respect to any Additional Amounts) for such Series Transfer Date, plus the amount of any Additional Interest (with respect to any Additional Amounts) for such Series Transfer Date shall be distributed by the Servicer or the Trustee to the Person entitled thereto;

(ii) an amount equal to the Investor Percentage of the Servicing Fee for such Series Transfer Date (plus the Investor Percentage of any Servicing Fee due but not paid to the Servicer on any prior Series Transfer Date) shall be paid to the Servicer;

(iii) an amount equal to the Aggregate Investor Default Amount, if any, for the preceding Monthly Period shall be treated as a portion of Investor Principal Collections and deposited into the Principal Account on such Series Transfer Date;

(iv) [reserved];

(v) to the extent the Available Issuer Interest is greater than zero (after giving effect to all other reductions thereof on such date and the payment pursuant to this clause (v) and the corresponding provision of each other Series Supplement), an amount equal to the Investor Percentage of any amounts payable to the Servicer Letter of Credit Bank by the Issuer under the reimbursement agreement for the Servicer Letter of Credit shall be paid to the Servicer Letter of Credit Bank;

(vi) to the extent the Available Issuer Interest is greater than zero (after giving effect to all other reductions thereof on such date and the payment pursuant to this clause (vi) and the corresponding provision of each other Series Supplement), an amount equal to the Investor Percentage of any unreimbursed expenses of the Trustee shall be paid to the Trustee; and

(vii) the balance, if any, shall constitute Excess Spread and shall be allocated and distributed as set forth in Section 5.17.

(b) During the Revolving Period (unless the next Business Day after such Series Transfer Date is the Commitment Termination Date), an amount equal to the Available Investor Principal Collections deposited into the Principal Account for the related Monthly Period, after giving effect to any payment required under clause (g) below on the related Payment Date, shall be distributed on each Series Transfer Date in the following priority:

(i) an amount, not in excess of the Principal Reallocation Amount, to pay or deposit any amounts described in clauses(a)(i), (ii), (iv), (v) and (vi) above (in such order) that remain unpaid or undeposited after giving effect to the application of funds, pursuant to clause (a) above;

(ii) an amount equal to the lesser of (A) the product of (1) a fraction, the numerator of which is equal to the Available Investor Principal Collections remaining after the application specified in paragraph 5.15(b)(i) above and the denominator of which is equal to the sum of the portion of the "Available Investor Principal Collections" for each Series that are available for sharing as specified in the related Series Supplement and (2) the Cumulative Series Principal Shortfall, if any, and (B) Available Investor Principal Collections remaining after the application specified in paragraph 5.15(b)(i) above, shall remain in the Principal Account to be treated as Shared Principal Collections and applied to Series other than this Series 2002-A; and

(iii) the balance, if any, shall be deposited into the Excess Funding Account.

(c) During the Rapid Amortization Period (or if the next Business Day after such Series Transfer Date is the Commitment Termination Date), an amount equal to the Available Investor Principal Collections deposited into the Principal Account for the related Monthly Period shall be distributed on each Series Transfer Date in the following priority:

(i) an amount equal to the Monthly Principal for such Series Transfer Date shall be deposited into the Payment Account;

(ii) an amount, not in excess of the Principal Reallocation Amount, to pay or deposit any amounts described in clauses(a)(i), (ii), (iv) and (v) above (in such order) that remain unpaid or undeposited after giving effect to the application of funds, pursuant to clause (a) above;

(iii) an amount equal to the lesser of (A) the product of (1) a fraction, the numerator of which is equal to the Available Investor Principal Collections remaining after the application specified in paragraphs 5.15(c)(i) and (ii) above and the denominator of which is equal to the sum of the "Available Investor Principal Collections" for each Series that are available for sharing as specified in the related Series Supplement and (2) the Cumulative Series Principal Shortfall, if any, and (B) the Available Investor Principal Collections remaining after the application specified in paragraphs 5.15(c)(i) and (ii) above, shall remain in the Principal Account to be treated as Shared Principal Collections and applied to Series other than this Series 2002-A; and

(iv) the balance, if any, shall be deposited into the Excess Funding Account.

(d) On each Payment Date, the Trustee, acting in accordance with instructions from the Servicer, shall pay to the Noteholders, on a pro rata basis, the amount deposited into the Payment Account pursuant to paragraph 5.15(a)(i) (including, without limitation, indirectly pursuant to paragraphs 5.15(b)(i) and (c)(ii) above) on the immediately preceding Series Transfer Date.

(e) On the first Payment Date occurring after the Rapid Amortization Period begins, and on each Payment Date thereafter, the Trustee, acting in accordance with instructions from the Servicer, shall pay the amount deposited into the Payment Account pursuant to subsection 5.15(c) on the immediately preceding Series Transfer Date to the following Persons or accounts (as the case may be) in the following priority:

(i) to the Noteholders, pro rata, an amount equal to the least of (A) the Monthly Principal and (B) the Note Principal;

(ii) first, to the Noteholders, pro rata, any other amounts (including, without limitation, accrued and unpaid interest) payable thereto pursuant to any Transaction Document (other than Additional Amounts) and, second, to the Persons entitled thereto, any Additional Amounts payable thereto;

(iii) [reserved];

(iv) to the extent the Available Issuer Interest is greater than zero (after giving effect to all other reductions thereof on such date and the payment pursuant to this clause (iv) and the corresponding provision of each other Series Supplement), to the Trustee to pay unreimbursed expenses of the Trustee; and

(v) the balance, if any, shall be deposited into the Excess Funding Account.

(f) On any Redemption Date, the amounts required to be on deposit in the Payment Account pursuant to Section 4 or Section 11, shall be paid to the following Persons:

(i) to the Noteholders, pro rata, the Note Principal; and

(ii) first, to the Noteholders, pro rata, any other amounts (including, without limitation, accrued and unpaid interest) payable thereto pursuant to the Note Purchase Agreement and, second, to the Persons entitled thereto, any Additional Amounts payable thereto.

(g) On any Payment Date in connection with a Decrease pursuant to Section 3.2, the amount of such Decrease shall be paid to the Noteholders, pro rata, from (i) Available Investor Principal Collections, (ii) the proceeds of a partial refinancing of any outstanding Series of Notes or (iii) amounts otherwise available to the Issuer, all to the extent that such amounts have been deposited in the Payment Account.

SECTION 5.16 Investor Charge-Offs.

(a) On or before each Series Transfer Date, the Servicer shall calculate the Aggregate Investor Default Amount. If, on any Series Transfer Date, the Aggregate Investor Default Amount exceeds the aggregate amount to be distributed with respect thereto for the relevant Monthly Period pursuant to paragraph 5.15(a)(iii) and subsection 5.17(a), the Investor Interest shall be reduced by the amount of such excess, but only to the extent such excess exceeds the Investor Percentage (determined with regard to only (and only to the extent of) those Series with respect to which the "Investor Interest" is being so reduced with respect to Defaulted Receivables during such Monthly Period) of the Available Issuer Interest (such reduction, an "Investor Charge-Off"). The Investor Interest shall thereafter be reimbursed on any Series Transfer Date by the amount of Excess Spread and funds on deposit in the Excess Funding Account allocated and available for such purpose pursuant to subsection 5.17(b).

(b) Except as otherwise expressly provided herein, if losses and investment expenses attributable to the investment of amounts on deposit in any Trust Account or any Series Account exceed interest and investment earnings in respect of such amounts during any Monthly Period, the net losses and expenses shall be allocated first to the Issuer Interest and second between the "Investor Interests" of all outstanding Series, in the same proportion that losses in respect of Principal Receivables are so allocated for such Monthly Period.

SECTION 5.17 Allocation of Excess Amounts. On or before each Series Transfer Date, the Trustee, acting pursuant to the Servicer's instructions, shall apply Excess Spread in the Finance Charge Account and to the extent necessary (to cover amounts described in clauses (a) and (b) below) transfer funds from the Excess Funding Account (after giving effect to the deposits to be made therein on such date) to the Finance Charge Account in order to make the following distributions on each Series Transfer Date (in the following order of priority) for the related Monthly Period:

(a) an amount equal to the Required Amount, if any, with respect to such Series Transfer Date will be used to fund such Required Amount and be applied in accordance with, and in the priority set forth in, subsection 5.15(a);

(b) an amount equal to the aggregate amount by which the Investor Interest has been reduced on previous Series Transfer Dates (but has not been reimbursed) for reasons other than a reduction of the Required Reserve Amount, Decreases and/or the payment of principal to the Noteholders will be treated as a portion of Investor Principal Collections and deposited into the Principal Account on such Series Transfer Date; and

(c) any remaining Excess Spread shall be treated as a portion of Investor Principal Collections and deposited into the Principal Account on such Series Transfer Date.

To the extent that there are insufficient funds in the Excess Funding Account to make all payments required under subsections 5.17(a) and (b) above and under the corresponding provisions for each other Series, the amount on deposit in the Excess Funding Account shall be allocated to each Series on a pro rata basis (based on the "Investor Interest" of each such Series).

SECTION 5.18 Servicer's Failure to Make a Deposit or Payment. If the Servicer fails to make, or give instructions to make, any payment, deposit or withdrawal (other than as required by subsection 12.4(a) and Section 12.1) required to be made or given by the Servicer at the time specified in the Base Indenture or this Series Supplement (including applicable grace periods), the Trustee shall make such payment, deposit or withdrawal from the applicable account without instruction from the Servicer. The Trustee shall be required to make any such payment, deposit or withdrawal hereunder only to the extent that the Trustee has sufficient information to allow it to determine the amount thereof. The Servicer shall, upon request of the Trustee, promptly provide the Trustee with all information necessary to allow the Trustee to make such payment, deposit or withdrawal. Such funds or the proceeds of such withdrawal shall be applied by the Trustee in the manner in which such payment or deposit should have been made by the Servicer.

SECTION 5.19 Shared Principal Collections.

(a) The portion of Shared Principal Collections allocable to Series 2002-A on deposit in the Principal Account on any Series Transfer Date shall be treated and applied as an Available Investor Principal Collection pursuant to Section 5.15.

(b) "Shared Principal Collections allocable to Series 2002-A" on any Series Transfer Date means an amount equal to the Series Principal Shortfall, if any, with respect to Series 2002-A on such Series Transfer Date; provided, however, that if the aggregate amount of Shared Principal Collections for all Series for such Series Transfer Date is less than the Cumulative Series Principal Shortfall for such Series Transfer Date, then "Shared Principal Collections allocable to Series 2002-A" on such Series Transfer Date shall equal the product of (i) Shared Principal Collections for all Series for such Series Transfer Date and (ii) a fraction, the numerator of which is the Series Principal Shortfall with respect to Series 2002-A and the denominator of which shall be the aggregate amount of "Cumulative Series Principal Shortfall" for all Series for such Series Transfer Date.

(c) Solely for the purpose of determining the amount of Available Investor Principal Collections to be treated as Shared Principal Collections on any Series Transfer Date allocable to other Series, on each Determination Date, the Servicer shall determine the Required Amount and Excess Spread as of such Determination Date for the following Series Transfer Date.

SECTION 5.20 [Reserved].

SECTION 5.21 Excess Funding Account.

(a) The Servicer has established and maintained and shall continue to maintain, with a Qualified Institution, in the name of the Trustee, on behalf of the Issuer, for the benefit of the Secured Parties, a segregated trust account (the "Excess Funding Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of such Secured Parties. The Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Excess Funding Account and in all proceeds thereof. The Excess Funding Account shall be under the sole dominion and control of the Trustee for the benefit of the Secured Parties, and the Trustee shall be the entitlement holder of the Excess Funding Account. If at any time the institution holding the Excess Funding Account ceases to be a Qualified Institution, the Trustee shall notify each Rating Agency and within ten (10) Business Days establish a new Excess Funding Account meeting the conditions specified above with a Qualified Institution, and shall transfer any cash or any investments to such new Excess Funding Account. The Trustee, at the direction of the Servicer, shall (i) make withdrawals from the Excess Funding Account from time to time for the purposes set forth in subsection 5.11(b) and any comparable provision of any other Series Supplement and (ii) make deposits into the Excess Funding Account as specified in subsection 5.11(b) and any comparable provision of any other Series Supplement.

(b) Funds on deposit in the Excess Funding Account shall be invested by the Trustee (at the Servicer's written discretion) in Permitted Investments. Funds on deposit in the Excess Funding Account on any Series Transfer Date, after giving effect to any withdrawals that day, shall be invested in Permitted Investments that will mature so that such funds will be available for withdrawal on or before the next Series Transfer Date. The Trustee shall:

(i) hold each Permitted Investment (other than such as are described in clause (c) of the definition thereof) that constitutes investment property through a securities intermediary, which securities intermediary shall (I) agree that such investment property shall at all times be credited to a securities account of which the Trustee is the entitlement holder, (II) comply with entitlement orders originated by the Trustee without the further consent of any other person or entity, (III) agree that all property credited to such securities account shall be treated as a financial asset, (IV) waive any lien on, security interest in, or right of set-off with respect to any property credited to such securities account, and (V) agree that its jurisdiction for purposes of Sections 8-110 and Section 9-305(a)(3) of the UCC shall be New York, and that such agreement shall be governed by the laws of the State of New York; and

(ii) maintain for the benefit of the Secured Parties, possession or control of each other Permitted Investment (including any negotiable instruments, if any, evidencing such Permitted Investments) not described in clause (i) above (other than such as are described in clause (c) of the definition thereof); provided that no Permitted Investment shall be disposed of prior to its maturity date if such disposition would result in a loss. Terms used in clause (i) above that are defined in the New York UCC and not otherwise defined herein shall have the meaning set forth in the New York UCC.

(c) All interest and earnings (net of losses and investment expenses) accrued on funds on deposit in the Excess Funding Account to the extent allocable to this Series shall be treated as Collections, deposited into the Finance Charge Account and applied in accordance with the Indenture.

SECTION 5.22 Payment of Fees. If on any Payment Date (a) the Notes are not allocated any Collections because the Investor Interest is zero and (b) any Noteholders are owed Additional Amounts on the amount of Notes that the Conduit Purchasers (or the Committed Purchaser, as the case may be) have committed to purchase but has not been purchased, then such Additional Amounts shall be paid from amounts otherwise payable to the Issuer.

SECTION 8. Article 6 of the Base Indenture. Article 6 of the Base Indenture shall read in its entirety as follows and shall be applicable only to the Noteholders.

ARTICLE 6  
DISTRIBUTIONS AND REPORTS

SECTION 6.1 Distributions.

(a) On each Payment Date, the Trustee shall distribute (in accordance with the Monthly Servicer Report delivered by the Servicer on or before the related Series Transfer Date pursuant to subsection 2.09(a) of the Servicing Agreement) to each Noteholder of record on the immediately preceding Record Date (other than as provided in Section 12.5 respecting a final distribution), such Noteholder's pro rata share (based on the aggregate Investor Interests represented by the Notes held by such Noteholder) of the amounts on deposit in the Payment Account that are payable to the Noteholders pursuant to Section 5.15 by wire transfer to an account designated by such Noteholders, except that, with respect to Notes registered in the name of the nominee of a Clearing Agency, such distribution shall be made in immediately available funds.

(b) Notwithstanding anything to the contrary contained in the Base Indenture or this Series Supplement, if the amount distributable in respect of principal on the Notes on any Payment Date is less than one dollar, then no such distribution of principal need be made on such Payment Date.

SECTION 6.2 Monthly Noteholders' Statement.

(a) On or before each Payment Date, the Trustee shall forward to each Noteholder, with respect to each Noteholder's interest and to each Rating Agency and Notice Person a statement substantially in the form of Exhibit B hereto prepared by the Servicer and delivered to the Trustee on the preceding Determination Date and setting forth, among other things, the following information:

- (i) the total amount distributed to the Noteholders;
- (ii) the amount of such distribution allocable to Monthly Principal;
- (iii) the amount of such distribution allocable to Trustee and Back-Up Servicer Fees and Expenses, Monthly Interest, Deficiency Amounts, Additional Interest and Additional Amounts, respectively;
- (iv) the amount of Collections of Principal Receivables received during the related Monthly Period and allocated in respect of the Notes;

(v) the amount of Recoveries, premium refunds and Collections of Finance Charges received during the related Monthly Period and allocated in respect of the Notes;

(vi) the aggregate Outstanding Principal Balance of the Receivables, the Issuer Interest, the Investor Interest, the Floating Investor Percentage and the Fixed Investor Percentage as of the end of the preceding Monthly Period;

(vii) the aggregate Outstanding Principal Balance of Receivables, including earned and unearned Finance Charges, but excluding bankrupt accounts and accounts in repossession, which were 1-30 days, 31-60 days, 61-90 days, 91-120 days, 121-180 days and more than 180 days delinquent, respectively as of the end of the preceding Monthly Period;

(viii) the Net Portfolio Yield, Portfolio Yield, Portfolio Yield Adjuster, Payment Rate, Gross Loss Rate, Gross Loss Adjuster, Dilution Adjuster, Dilution Rate and the Aggregate Investor Default Amount as of the end of the preceding Monthly Period;

(ix) the aggregate amount of Investor Charge-Offs and other reductions in the absence of principal distributions on the Investor Interests for such Series Transfer Date;

(x) the aggregate amount of Investor Charge-Offs and other reductions in the absence of principal distributions on the Investor Interests deemed to have been reimbursed on such Series Transfer Date;

(xi) the Note Principal as of the end of the day on the Payment Date;

(xii) Increases and Decreases in the Notes during the related Interest Period, and the average daily balance of the Notes for the related Interest Period;

(xiii) the amount of the Servicing Fee and the Investor Percentage of the Servicing Fee for such Series Transfer Date;

(xiv) the Note Rate for the Interest Period ending on the day before such Payment Date;

(xv) the amount of Available Funds on deposit in the Finance Charge Account on the related Series Transfer Date;

(xvi) the date on which the Rapid Amortization Period commenced, if applicable;

(xvii) the Cash Option Amount, if any;

(xviii) the Minimum Issuer Interest, Available Issuer Interest and Aggregate Net Investor Charge-Offs, if any, as of the end of the preceding Monthly Period;

(xix) the aggregate Outstanding Principal Balance of all Receivables the final maturity date of which has been extended by up to six months, more than six months to twelve months and more than twelve months, respectively, as of the end of the preceding Monthly Period;

(xx) the aggregate amount of reductions of the Outstanding Principal Balance of the Receivables as a result of cancellations of service maintenance contracts and credit insurance during the related Monthly Period; and

(xxi) the aggregate Outstanding Principal Balance of all Receivables any Obligor of which is an Opportunity Customer as of the end of the preceding Monthly Period.

(b) Annual Noteholders' Tax Statement. To the extent required by the Code, on or before January 31 of each calendar year, beginning with the calendar year 2003, the Trustee shall distribute to each Person who at any time during the preceding calendar year was a Noteholder, a statement prepared by the Trustee containing the information required to be contained in the regular monthly report to Noteholders, as set forth in subclauses (i), (ii) and (iii) above, aggregated for such calendar year or the applicable portion thereof during which such Person was a Noteholder, together with such other customary information (consistent with the treatment of the Notes as debt) (the "Section 6.2(b) Tax Statement"). Such obligations of the Trustee shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Trustee pursuant to any requirements of the Code as from time to time in effect. The Issuer shall provide the Funding Agent with a copy of the Section 6.2(b) Tax Statement that the Trustee distributed on or prior to January 31, 2007, if any, for the calendar year 2007, on or before the Restatement Date.

SECTION 9. Series 2002-A Pay Out Events. If any one of the following events (a "Series 2002-A Pay Out Event") shall occur with respect to the Notes:

(a) failure on the part of the Issuer (i) to pay any amount described in clauses (i)-(vi) of the definition of Required Amount or to make any payment or deposit required by the terms of this Series Supplement, the Note Purchase Agreement or any other Transaction Document, on or before the date two (2) Business Days after the date on which such payment or deposit is required to be made herein or therein (or, in the case of a deposit to be made with respect to any Monthly Period, by the related Payment Date), or (ii) duly to observe or perform in any respect any other covenants or agreements of the Issuer set forth in this Series Supplement, the Note Purchase Agreement or any other Transaction Document which failure, solely in the case of this clause (ii), continues unremedied for a period of thirty (30) Business Days after the Issuer has knowledge thereof, or after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Issuer by the Administrator, the Funding Agent, Servicer or any Noteholder (it being understood and agreed that the failure to duly to observe or perform in any respect any covenant set forth in Section 7.6 of the Note Purchase Agreement shall have no grace period); provided, however, that a Series 2002-A Pay Out Event pursuant to this subsection 9(a) shall not be deemed to have occurred hereunder if such Series 2002-A Pay Out Event is the result of a breach of a representation, warranty, statement or certificate with respect to any Receivable, and the Servicer has received a Deemed Collection in connection therewith, in an amount equal to the Outstanding Principal Balance of such Receivable and all accrued and unpaid interest thereon for application in accordance with Article 5 of the Base Indenture as modified by this Series Supplement;

(b) any representation or warranty made by the Issuer in this Series Supplement, the Note Purchase Agreement or any other Transaction Document or any information delivered by the Issuer pursuant thereto shall prove to have been incorrect in any respect when made or when delivered which, solely to the extent such incorrect representation or warranty may be cured without any actual or potential detriment to any Secured Party, continues unremedied for a period of thirty (30) Business Days after the date on which the Issuer has knowledge thereof or on which written notice thereof, requiring the same to be remedied, shall have been given to the Issuer by the Administrator, the Funding Agent, Servicer or any Noteholder; provided, however, that a Series 2002-A Pay Out Event pursuant to this subsection 9(b) shall not be deemed to have occurred hereunder if such Series 2002-A Pay Out Event is the result of a breach of a representation, warranty, statement or certificate with respect to any Receivable, and the Servicer has received a Deemed Collection in connection therewith, in an amount equal to the Outstanding Principal Balance of such Receivable and all accrued and unpaid interest thereon for application in accordance with Article 5 of the Base Indenture as modified by this Series Supplement;

(c) the Issuer or the Seller shall become the subject of any Event of Bankruptcy or voluntarily suspend payment of its obligations; or the Issuer shall become unable for any reason (other than by reason of a determination by the Seller not to sell receivables to the Issuer pursuant to the Purchase Agreement) to pledge Receivables to the Trustee in accordance with the provisions of this Series Supplement;

(d) the Issuer or the Seller shall become an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(e) any Servicer Default (other than a Servicer Default specified in clause (e), (h), (i) or (j) of Section 2.04 of the Servicing Agreement) shall occur, or a Servicer Default specified in clause (e), (h), (i) or (j) of Section 2.04 of the Servicing Agreement shall occur and not be cured within ten (10) days after the earlier of discovery by the Servicer or the date on which written notice of such Servicer Default, requiring the same to be remedied, shall have been given to the Servicer by the Issuer or any Noteholder;

(f) on the close of the Issuer's business on the last day of any Monthly Period, the Net Portfolio Yield averaged over any three consecutive Monthly Periods is less than 2.00%;

(g) an Event of Default;

(h) on any date of determination the Gross Loss Rate shall be equal to or exceed 10.0% on a rolling three-month average basis;

(i) a Pay Out Event occurs under any other Series;

(j) at any time Parent is the Servicer, any event of default (not cured or waived within ten (10) Business Days) under (A) the Retailer Credit Agreement, (B) any inventory financing agreement between any lender and the Servicer, the Parent or the Seller, or (C) any indenture, credit or loan agreement or other agreement or instrument of any kind pursuant to which Indebtedness of the Servicer, the Parent or the Seller in an aggregate principal amount in excess of \$1,000,000 is outstanding or by which the same is evidenced, shall have occurred and be continuing;

(k) the Trustee shall, for any reason, fail or cease to have a valid and perfected first priority security interest in the Receivables and Related Security, and any other Issuer assets in the Trust Estate free and clear of any Adverse Claims (and, solely with respect to the Collections and proceeds with respect to the foregoing or other proceeds of any item of collateral described above, to the extent provided in Section 9-315 of the UCC);

(l) the Coverage Test is not satisfied or the Required Reserve Amount cannot increase as a result of the limitation in the second proviso in the definition thereof and in either case such condition continues unremedied for three (3) Business Days;

(m) the imposition of (i) non de-minimis tax liens against the Issuer, (ii) tax liens against the Seller unless such lien would not have a Material Adverse Effect and has been released within thirty (30) days of the earlier of (a) the date the Seller has knowledge of the imposition of such tax lien or (b) the date on which the Seller receives notice of the imposition of such tax lien, and (iii) ERISA liens against the Issuer or the Seller;

(n) there shall have occurred a Change in Control;

(o) the Servicer shall become unable for any reason to transfer the Collections on, or other proceeds of, Receivables to the Issuer in accordance with the provisions of this Series Supplement;

(p) the occurrence and continuation of a Purchase Termination Event under and as defined in the Purchase Agreement;

(q) the failure of the Issuer to pay when due any amount due with respect to any Indebtedness to which it is a party (other than Issuer Obligations);

(r) the Payment Rate shall be less than or equal to 3.0% for any Monthly Period;

(s) [reserved]; or

(t) if SunTrust Bank (or any Affiliate thereof) is the Servicer Letter of Credit Bank, the Available Issuer Interest is less than the principal of, and interest on, any unreimbursed draws under the Servicer Letter of Credit;

then, (i) in the case of any event described in subparagraph (a), (b), (e), (h), (j), (k), (l), (m), (n), (p), (q), (r), (s) or (t) after the applicable grace period, if any, set forth in such subparagraphs, the Administrator or the Funding Agent by notice then given in writing to the Issuer and the Servicer may declare that the Rapid Pay Out Commencement Date has occurred as of the date of such notice and (ii) in the case of an event described in subparagraphs (c), (d), (f), (g), (i) or (o) or, three (3) Business Days following the occurrence and continuation of an event described in subparagraph (l), the Rapid Pay Out Commencement Date shall occur without any notice or other action on the part of any party hereto immediately upon the occurrence of such event.

Notwithstanding anything to the contrary in the Base Indenture, no Series 2002-A Pay Out Event may be amended, waived or deleted, and no new Series 2002-A Series Pay Out Event may be added, without the prior consent of the Required Persons for Series 2002-A.

SECTION 10. Article 7 of the Base Indenture. Article 7 of the Base Indenture shall read in its entirety as follows:

ARTICLE 7  
REPRESENTATIONS AND WARRANTIES OF THE ISSUER

SECTION 7.1 Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Trustee and each of the Secured Parties that:

(a) Organization and Good Standing, etc. The Issuer has been duly organized and is validly existing and in good standing under the laws of its state of Texas, with power and authority to own its properties and to conduct its respective businesses as such properties are presently owned and such business is presently conducted. The Issuer is not organized under the laws of any other jurisdiction or governmental authority. The Issuer is duly licensed or qualified to do business as a foreign entity in good standing in the jurisdiction where its principal place of business and chief executive office is located and in each other jurisdiction in which the failure to be so licensed or qualified would be reasonably likely to have a Material Adverse Effect.

(b) Power and Authority; Due Authorization. The Issuer has (a) all necessary power, authority and legal right to (i) execute, deliver and perform its obligations under this Indenture and each of the other Transaction Documents to which it is a party and (b) duly authorized, by all necessary action, the execution, delivery and performance of this Indenture and the other Transaction Documents to which it is a party and the borrowing, and the granting of security therefor, on the terms and conditions provided herein.

(c) No Violation. The consummation of the transactions contemplated by this Indenture and the other Transaction Documents and the fulfillment of the terms hereof will not (a) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (i) the organizational documents of the Issuer or (ii) any indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument to which the Issuer is a party or by which it or its properties is bound, (b) result in or require the creation or imposition of any Adverse Claim upon its properties pursuant to the terms of any such indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument, other than pursuant to the terms of the Transaction Documents, or (c) violate any law or any order, rule, or regulation applicable to the Issuer or of any court or of any federal, state or foreign regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over the Issuer or any of its respective properties.

(d) Validity and Binding Nature. This Indenture is, and the other Transaction Documents to which it is a party when duly executed and delivered by the Issuer and the other parties thereto will be, the legal, valid and binding obligation of the Issuer enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

(e) Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body required for the due execution, delivery or performance by the Issuer of any Transaction Document to which it is a party remains unobtained or unfiled, except for the filing of the UCC financing statements referred to in Section 15.4.

(f) [Reserved].

(g) Margin Regulations. The Issuer is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds with respect to the sale of the Notes or any Increases thereto, directly or indirectly, will be used for a purpose that violates, or would be inconsistent with, Regulations T, U and X promulgated by the Federal Reserve Board from time to time.

(h) Perfection. (1) Immediately preceding the Closing Date and the date of each recomputation of the Investor Interest, the Issuer shall be the owner of all of the Receivables and Related Security and Collections and proceeds with respect thereto, free and clear of all Adverse Claims. On or prior to the Initial Closing Date and the date of each recomputation of the Investor Interest, all financing statements and other documents required to be recorded or filed in order to perfect and protect the assets of the Trust Estate against all creditors (other than Secured Parties) of, and purchasers (other than Secured Parties) from, the Issuer and the Seller will have been (or will be within ten (10) days of the Initial Closing Date) duly filed in each filing office necessary for such purpose, and all filing fees and taxes, if any, payable in connection with such filings shall have been (or will be within ten (10) days of the Initial Closing Date) paid in full;

(ii) the Indenture constitutes a valid grant of a security interest to the Trustee for the benefit of the Purchasers and the other Secured Parties in all right, title and interest of the Issuer in the Receivables, the Related Security and Collections and proceeds with respect thereto and all other assets of the Trust Estate, now existing or hereafter created or acquired. Accordingly, to the extent the UCC applies with respect to the perfection of such security interest, upon the filing of any financing statements described in Article 8 of the Indenture, and, solely with respect to the Related Security, to the extent required for perfection under the relevant UCC, the delivery of possession of all instruments, if any, included in such Related Security to the Servicer), the Trustee shall have a first priority perfected security interest in such property and the proceeds thereof (to the extent provided in Section 9-315), subject to Permitted Encumbrances and, to the extent the UCC does not apply to the perfection of such security interest, all notices, filings and other actions required by all applicable law have been taken to perfect and protect such security interest or lien against and prior to all Adverse Claims with respect to the relevant Receivables, Related Security and Collections and proceeds with respect thereto and all other assets of the Trust Estate. Except as otherwise specifically provided in the Transaction Documents, neither the Issuer nor any Person claiming through or under the Issuer has any claim to or interest in the Collection Account; and

(iii) immediately prior to, and after giving effect to, the initial purchase of the Notes, the Issuer will be Solvent.

(i) Offices. The principal place of business and chief executive office of the Issuer is located at the address referred to in Section 15.4 (or at such other locations, notified to the Trustee in jurisdictions where all action required thereby has been taken and completed).

(j) Tax Status. The Issuer has filed all tax returns (Federal, State and local) required to be filed by it and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges then due and payable (including for such purposes, the setting aside of appropriate reserves for taxes, assessments and other governmental charges being contested in good faith).

(k) Use of Proceeds. No proceeds of any Notes will be used by the Issuer to acquire any security in any transaction which is subject to Section 13 or 14 of the Securities Exchange Act of 1934, as amended.

(l) Compliance with Applicable Laws; Licenses, etc.

(i) The Issuer is in compliance with the requirements of all applicable laws, rules, regulations, and orders of all governmental authorities, a breach of any of which, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

(ii) The Issuer has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain would be reasonably likely to have a Material Adverse Effect.

(m) No Proceedings. Except as described in Schedule 1,

(i) there is no order, judgment, decree, injunction, stipulation or consent order of or with any court or other government authority to which the Issuer is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, to the knowledge of the Issuer, threatened, before or by any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, against the Issuer that, individually or in the aggregate, is reasonably likely to have a Material Adverse Effect; and

(ii) there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the knowledge of the Issuer, threatened, before or by any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Indenture, the Notes or any other Transaction Document, (B) seeking to prevent the issuance of the Notes pursuant hereto or the consummation of any of the other transactions contemplated by this Indenture or any other Transaction Document or (C) seeking to adversely affect the federal income tax attributes of the Issuer.

(n) Investment Company Act. The Issuer is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(o) Eligible Receivables. Each Receivable included as an Eligible Receivable in any Monthly Servicer Report shall be an Eligible Receivable as of the date so included. Each Receivable, including Subsequently Purchased Receivables, purchased by the Issuer on any Purchase Date shall be an Eligible Receivable as of such Purchase Date unless otherwise specified to the Trustee in writing prior to such Purchase Date.

(p) Receivables Schedule. The Receivable File is a true and correct schedule of the Receivables included in the Trust Estate.

(q) ERISA. (i) Each of the Issuer and its ERISA Affiliates is in compliance in all material respects with ERISA unless any failure to so comply could not reasonably be expected to have a Material Adverse Effect and (ii) no Lien exists in favor of the Pension Benefit Guaranty Corporation on any of the Receivables. No ERISA Event has occurred with respect to Title IV Plans of the Issuer. No ERISA Event has occurred with respect to Title IV plans of the Issuer's ERISA Affiliates that have an aggregate Unfunded Pension Liability equal to or greater than \$1,000,000. No ERISA Event has occurred with respect to a Multiemployer Plan of the Issuer or its ERISA Affiliates.

(r) Accuracy of Information. All information heretofore furnished by, or on behalf of, the Issuer to the Trustee or any of the Noteholders in connection with any Transaction Document, or any transaction contemplated thereby, is true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).

(s) No Material Adverse Change. Since January 31, 2002, there has been no material adverse change in the collectibility of the Receivables or the Issuer's (i) financial condition, business, operations or prospects or (ii) ability to perform its obligations under any Transaction Document.

(t) Trade Names and Subsidiaries. Set forth on Schedule 2 hereto is a complete list of trade names of the Issuer for the six year period preceding the Closing Date. The Issuer has no Subsidiaries and does not own or hold, directly or indirectly, any equity interest in any Person.

(u) Notes. The Notes have been duly and validly authorized, and, when executed and authenticated in accordance with the terms of the Indenture, and delivered to and paid for in accordance with each of the Note Purchase Agreements, will be duly and validly issued and outstanding and will be entitled to the benefits of the Indenture.

(v) Sales by Seller. (a) Each sale of Receivables by the Seller (and its predecessors) to the Issuer shall have been effected under, and in accordance with the terms of, the Purchase Agreement, including the payment by the Issuer to the Seller (or its predecessors) of an amount equal to the purchase price therefor as described in the Purchase Agreement, and each such sale shall have been made for "reasonably equivalent value" (as such term is used under Section 548 of the Federal Bankruptcy Code) and not for or on account of "antecedent debt" (as such term is used under Section 547 of the Federal Bankruptcy Code) owed by the Issuer to the Seller.

SECTION 7.2 Reaffirmation of Representations and Warranties by the Issuer. On the Closing Date, the Restatement Date and on each Business Day, the Issuer shall be deemed to have certified that all representations and warranties described in Section 7.1 hereof are true and correct on and as of such day as though made on and as of such day (except to the extent they relate to an earlier date or later time, and then as of such earlier date or later time).

#### SECTION 11. Redemption Provision.

(a) The Issuer shall (if able) redeem the Notes in full on the Commitment Termination Date through a refinancing. The Issuer shall give notice of its election to pay such Notes in accordance with the terms of the Base Indenture and the Note Purchase Agreement prior to such redemption.

(b) The amount required to be deposited into the Payment Account in connection with any redemption in full shall be equal to the sum of (i) the Note Principal, plus (ii) accrued and unpaid the interest on the Notes through the Payment Date on which the redemption occurs, plus (iii) any other amounts (including, without limitation, accrued and unpaid Additional Amounts) payable to the Noteholders pursuant to the Note Purchase Agreement, less (iv) the amounts, if any, on deposit at such Payment Date in the Payment Account for the payment of the foregoing amounts. Such deposit shall be made not later than 1:00 p.m. New York City time on the Redemption Date.

SECTION 12. Amendments and Waiver. Any amendment, waiver or other modification to the Base Indenture, this Series Supplement or the Series Supplement for any other VFN Series shall be subject to the restrictions thereon, if applicable, in the Note Purchase Agreement.

SECTION 13. Counterparts. This Series Supplement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

SECTION 14. Governing Law. THIS SERIES SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICTS OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. EACH OF THE PARTIES TO THIS SERIES SUPPLEMENT AND EACH NOTEHOLDER HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURT HAVING JURISDICTION TO REVIEW THE JUDGMENTS THEREOF. EACH OF THE PARTIES HERETO AND EACH NOTEHOLDER HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

SECTION 15. Waiver of Trial by Jury. To the extent permitted by applicable law, each of the parties hereto and each of the Noteholders irrevocably waives all right of trial by jury in any action, proceeding or counterclaim arising out of or in connection with this Series Supplement or the Transaction Documents or any matter arising hereunder or thereunder.

SECTION 16. No Petition. The Trustee, by entering into this Series Supplement and each Noteholder, by accepting a Note hereby covenant and agree that they will not prior to the date which is one year and one day after payment in full of the last maturing Note of any Series and termination of the Indenture institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy proceedings under any United States Federal or state bankruptcy or similar law in connection with any obligations relating to the Noteholders, the Servicing Agreement, the Base Indenture or this Series Supplement.

SECTION 17. Rights of the Trustee. The rights, privileges and immunities afforded to the Trustee under the Base Indenture shall apply hereunder as if fully set forth herein.

SECTION 18. Issuer Additional Issuance Requirements.

(a) The Issuer (or the Servicer on its behalf and in the best interest of the Issuer and the "Noteholders" of each Series) shall, within 12 months prior to the Commitment Termination Date, initiate marketing to renew or replace the commitment under this Series Supplement. Such commitment shall continue to be provided by a commercial paper conduit, on a floating rate basis, for a period of three to five years, subject to market conditions.

(b) If, as of any month end, the Note Principal exceeds the sum of (i) 50% of the Maximum Principal Amount, plus (ii) \$35,000,000, then the Issuer (or the Servicer on its behalf and in the best interest of the Issuer and the "Noteholders" of each Series) shall, within three months thereafter, initiate marketing of a new Series of term fixed rate notes in an amount equal to the difference (the "New Issuance Amount") of (i) the Note Principal, minus (ii) \$35,000,000 (rounded down to the nearest \$25,000,000 increment), with a three to five year weighted average life and a Class structure similar to the Issuer's Series 2002-B Notes, subject to market conditions. Under no circumstances will the New Issuance Amount be less than \$150,000,000. Additionally, the new Series of term notes will not be issued if the interest rate on such notes would cause the Net Portfolio Yield to fall to or continue at a level that would require an increase in the then existing "Additional Cash Reserve Amounts" for any Series. If the Issuer (or the Servicer on its behalf and in the best interest of the Issuer and the "Noteholders" of each Series) is not able to close a new term Series within six months of the initiation of the marketing thereof, the Issuer (or the Servicer on its behalf and in the best interest of the Issuer and the "Noteholders" of each Series) shall seek a temporary increase of the Maximum Principal Amount in an amount equal to the New Issuance Amount and then re-initiate its marketing of a new term Series within six months. At the time the new term Series issuance is completed, the net proceeds thereof will be used to pay down Note Principal and the Maximum Principal Amount will be reduced by the amount of the temporary increase, if any.

(c) If the Maximum Principal Amount (which term for the purposes of this clause (c) shall exclude any temporary increases pursuant to clause (b) above) is less than 45% (or, if the Maximum Principal Amount at such date of determination equals or exceeds \$300,000,000, 33%) of the sum of the Maximum Principal Amount plus the aggregate "Note Principal" of each outstanding term Series plus the principal amount of any term Series for which marketing has been initiated pursuant to clause (b) above, then the Issuer (or the Servicer on its behalf and in the best interest of the Issuer and the "Noteholders" of each Series) shall, within three months thereafter, initiate marketing to increase the Maximum Principal Amount to 45% (or, if the Maximum Principal Amount equals or exceeds \$300,000,000, 40%) of the sum of the Maximum Principal Amount plus the aggregate "Note Principal" of each outstanding term Series plus the principal amount of any term Series for which marketing has been initiated pursuant to clause (b) above (such total rounded up to the nearest \$25,000,000 increment), in each case on substantially the same terms as this Series Supplement and with the Commitment Termination Date extended to match the original term, subject to market conditions.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Series Supplement to be duly executed by their respective officers as of the day and year first above written.

CONN FUNDING II, L.P., as Issuer

By: Conn Funding II GP, L.L.C.,  
its general partner

By: \_\_\_\_\_  
Name:  
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
not in its individual capacity, but  
solely as Trustee

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT A

FORM OF

THIRD AMENDED AND RESTATED SERIES 2002-A NOTE

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY (1) TO A PERSON THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (2) IN A TRANSACTION OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION AND BASED ON AN OPINION OF COUNSEL IF THE ISSUER OR TRANSFER AGENT AND REGISTRAR SO REQUEST, IN EACH SUCH CASE, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ACQUIRING THIS NOTE, EACH PURCHASER WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND COVENANTED EITHER THAT (A) IT IS NOT AN "EMPLOYEE BENEFIT PLAN" SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A "PLAN" DESCRIBED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AN ENTITY DEEMED TO HOLD "PLAN ASSETS" OF ANY OF THE FOREGOING BY REASON OF INVESTMENT BY AN "EMPLOYEE BENEFIT PLAN" OR "PLAN" IN SUCH ENTITY, OR A GOVERNMENTAL PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE OR (B) ITS PURCHASE AND HOLDING OF THIS NOTE WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, ANY SUBSTANTIALLY SIMILAR APPLICABLE LAW).

THE INDENTURE (AS DEFINED BELOW) CONTAINS FURTHER RESTRICTIONS ON THE TRANSFER AND RESALE OF THIS NOTE. EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE ACCEPTED THIS NOTE, SUBJECT TO THE FOREGOING RESTRICTIONS ON TRANSFERABILITY. IN ADDITION, EACH TRANSFEREE OF THIS NOTE, BY ACCEPTANCE HEREOF, IS DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE.

BY ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THE INDENTURE AND HEREIN.

REGISTERED

No. 1

[\$450,000,000]

SEE REVERSE FOR CERTAIN DEFINITIONS

THE PRINCIPAL OF THIS NOTE MAY BE INCREASED AND DECREASED AS SPECIFIED IN THE SERIES 2002-A SUPPLEMENT AND IS PAYABLE IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

CONN FUNDING II, L.P.

VARIABLE FUNDING ASSET BACKED FLOATING RATE NOTES, SERIES 2002-A

Conn Funding II, L.P., a limited partnership organized and existing under the laws of the State of Texas (herein referred to as the "Issuer"), for value received, hereby promises to pay [\_\_\_\_\_], as the [Administrator/Funding Agent] for [Three Pillars Funding LLC/Park Avenue Receivables Company, LLC], or registered assigns, the principal sum set forth above or such other principal sum set forth on Schedule A attached hereto (which sum shall not exceed \$[450,000,000]), payable on each Payment Date after the end of the Revolving Period (as defined in the Series 2002-A Supplement) in an amount equal to the Monthly Principal, as defined in Section 5.13 of the Amended and Restated Series 2002-A Supplement, dated as of September 10, 2007 (as amended, supplemented or otherwise modified from time to time, the "Series 2002-A Supplement"), between the Issuer and the Trustee to the Base Indenture (described below); provided, however, that the entire unpaid principal amount of this Note shall be due and payable on July 30, 2016 (the "Legal Final Payment Date"). The Issuer will pay interest on this Note at the Note Rate (as defined in the Series 2002-A Supplement) on each Payment Date until the principal of this Note is paid or made available for payment, on the average daily outstanding principal balance of this Note during the related Interest Period (as defined in the Series 2002-A Supplement). Interest will be computed on the basis set forth in the Indenture. Such principal of and interest on this Note shall be paid in the manner specified on the reverse hereof.

[This Note is issued in substitution and replacement for the Note issued in favor of Holder by Issuer, dated as of August 1, 2006 in the amount of \$300,000,000 and is not intended to be, nor shall it be deemed to be, a repayment of such original Note.]

The Notes are subject to optional redemption in accordance with the Indenture on or after any Payment Date on which the Investor Interest is reduced to an amount less than or equal to 10% of the Maximum Principal Amount as of the Restatement Date.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Exhibit A-2

Issuer hereby irrevocably authorizes the [Administrator/Funding Agent] to enter on the reverse hereof or on an attachment hereto the date and amount of each borrowing and principal payment under and in accordance with the Indenture. Issuer agrees that this Note, upon each such entry being duly made, shall evidence the indebtedness of Issuer with the same force and effect as if set forth in a separate Note executed by Issuer; provided that such entry is recorded by the Transfer Agent and Registrar in the Note Register.

Reference is made to the further provisions of this Note set forth on the reverse hereof and to the Indenture, which shall have the same effect as though fully set forth on the face of this Note.

Unless the certificate of authentication hereon has been executed by the Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

Exhibit A-3

IN WITNESS WHEREOF, the Issuer, has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer as of the date set forth below.

CONN FUNDING II, L.P.  
By: Conn Funding II GP, L.L.C.,  
its general partner

By: \_\_\_\_\_  
Authorized Officer

Attested to:

By: \_\_\_\_\_  
Authorized Officer

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the within mentioned Series 2002-A Supplement.

WELLS FARGO BANK,  
NATIONAL ASSOCIATION, not in  
its individual capacity, but solely as  
Trustee

By: \_\_\_\_\_  
Authorized Officer

Dated: \_\_\_\_\_, 2007

Exhibit A-4

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Notes of the Issuer, designated as its Variable Funding Asset Backed Floating Rate Notes, Series 2002-A (herein called the "Notes"), all issued under the Amended and Restated Series 2002-A Supplement to the Base Indenture dated as of September 10, 2007 (such Base Indenture, as supplemented by the Series 2002-A Supplement and supplements relating to other series of notes, as supplemented or amended, is herein called the "Indenture"), between the Issuer and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the "Trustee," which term includes any successor Trustee under the Indenture), to which Indenture reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Trustee and the Noteholders. The Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture.

Principal of the Notes will be payable on each Payment Date after the end of the Revolving Period as described on the face hereof and may be prepaid as set forth in the Indenture. "Payment Date" means the twentieth day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on September 20, 2007.

All principal payments on the Notes shall be made pro rata to the Noteholders entitled thereto.

Subject to certain limitations set forth in the Indenture, payments of interest on this Note due and payable on each Payment Date, together with the installment of principal, if any, to the extent not in full payment of this Note, shall be made by wire transfer in immediately available funds to the Person whose name appears as the Noteholder on the Note Register as of the close of business on each Record Date without requiring that this Note be submitted for notation of payment. Any reduction in the principal amount of this Note effected by any payments made on any Payment Date or date of prepayment shall be binding upon all future Noteholders and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted on Schedule A attached hereto. If funds are expected to be available, as provided in the Indenture, for payment in full of the then remaining unpaid principal amount of this Note on a Payment Date, then the Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Holder hereof as of the Record Date preceding such Payment Date by notice mailed prior to such Payment Date and the amount then due and payable shall be payable only upon presentation and surrender of this Note at the Trustee's principal Corporate Trust Office or at the office of the Trustee's agent appointed for such purposes located in the City of New York.

On any redemption, purchase, exchange or cancellation of any of the beneficial interests represented by this Note, details of such redemption, purchase, exchange or cancellation shall be entered by the Paying Agent in Schedule A hereto recording any such redemption, purchase, exchange or cancellation. Upon any such redemption, purchase, exchange or cancellation, the principal amount of this Note and the beneficial interests represented by the Note shall be reduced or increased, as appropriate, by the principal amount so redeemed, purchased, exchanged or cancelled.

Each Noteholder, by acceptance of a Note, covenants and agrees that by accepting the benefits of the Indenture that such Noteholder will not prior to the date which is one year and one day after the payment in full of the last maturing note of any Series and the termination of the Indenture institute against the Issuer or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States Federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, the Indenture or the Transaction Documents.

Each Noteholder, by acceptance of a Note, covenants and agrees that by accepting the benefits of the Indenture that such Noteholder will treat such Note as indebtedness for all Federal, state and local income and franchise tax purposes.

Prior to the due presentment for registration of transfer of this Note, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Note (as of the day of determination or as of such other date as may be specified in the Indenture) is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

As provided in the Indenture, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer under the Indenture, including this Note, against any Seller, the Initial Seller, the Servicer, the Trustee or any partner, owner, incorporator, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Seller, the Initial Seller, the Servicer or the Trustee except as any such Person may have expressly agreed.

The term "Issuer" as used in this Note includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Trustee and the Noteholders under the Indenture.

The Notes are issuable only in registered form as provided in the Indenture in denominations as provided in the Indenture, subject to certain limitations therein set forth.

This Note and the Indenture shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_(1)  
Signature Guaranteed:

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- - - - -  
(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

Exhibit A-7

SCHEDULE A

The following are borrowings, renewals and payments made under this Note of the Issuer Dated \_\_\_\_\_, 2007:

Loan Date	Renewal Date	Amount Borrowed/ Renewed	Due ---	Date Prin. Paid -----	Amount Paid Principal Interest -----
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Schedule A-1

EXHIBIT B

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FORM OF MONTHLY NOTEHOLDERS' STATEMENT

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Exhibit B-1

EXHIBIT C

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FORM OF TRANSFER CERTIFICATE

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To: Wells Fargo Bank, National Association,  
as Trustee and Registration and Transfer Agent  
MAC N9311-161  
6th and Marquette  
Minneapolis, Minnesota 55479-0700  
Attention: Corporate Trust Services/Asset-Backed Administration

Re: Conn Funding II, L.P.- Variable Funding Asset Backed  
Floating Rate Notes, Series 2002-A

This Certificate relates to \$450,000,000 principal amount  
of Notes held in

book-entry or  
 definitive form

by \_\_\_\_\_ (the "Transferor") issued pursuant to the Base Indenture, dated as of September 1, 2002, between Conn Funding II, L.P., as Issuer, and Wells Fargo Bank, National Association (as successor to Wells Fargo Bank Minnesota, National Association), as Trustee (as amended, supplemented or otherwise modified from time to time, the "Base Indenture") and the Amended and Restated Series 2002-A Supplement thereto, dated as of September 10, 2007 (as amended, supplemented or otherwise modified from time to time, the "Series Supplement" and, together with the Base Indenture, the "Indenture"). Capitalized terms used herein and not otherwise defined, shall have the meanings given thereto in the Indenture.

The Transferor has requested the Trustee by written order to exchange or register the transfer of a Note or Notes.

In connection with such request and in respect of each such Note, the Transferor does hereby certify as follows:

Such Note is being acquired for its own account.

Such Note is being transferred pursuant to and in accordance with Rule 144A under the Securities Act, and, accordingly, the Transferor further certifies that the Series 2002-A Notes are being transferred to a Person that the Transferor reasonably believes is purchasing the Series 2002-A Notes for its own account, or for an account with respect to which such Person exercises sole investment discretion, and such Person and such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A.

Exhibit C-1

0 Such Note is being transferred in reliance on and in compliance with an exemption from the registration requirements of the Securities Act, other than Rule 144A under the Securities Act, and in compliance with other applicable state and federal securities laws and, if requested by the Trustee, an opinion of counsel is being furnished simultaneously with the delivery of this Certificate as required under Section 6 of the Series Supplement. This Certificate and the statements contained therein are made for your benefit and the benefit of the Issuer.

[INSERT NAME OF TRANSFEROR]

By:  
Name:  
Title:

Date:

Exhibit C-2

EXHIBIT D

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FORM OF NOTICE OF VOLUNTARY DECREASE

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- 1. Proposed Voluntary Decrease Date: \_\_\_\_\_
- 2. Total amount of requested Voluntary Decrease: \$ \_\_\_\_\_
  - a. Pro rata amount to Three Pillars Funding LLC: \$ \_\_\_\_\_
  - b. Pro rata amount to Park Avenue Receivables Company, LLC and the Committed Purchaser: \$ \_\_\_\_\_
- 3. Remaining Note Principal (after giving effect to the requested Decrease): \$ \_\_\_\_\_

- 4. Certifications:
  - (a) The representations and warranties of Conn Funding II, L.P. (the "Issuer"), Conn Appliances, Inc., as seller, in the Base Indenture dated as of September 1, 2002 (as amended) between the Issuer and Wells Fargo Bank, National Association (f/k/a Wells Fargo Bank Minnesota, National Association), as trustee (the "Trustee"); the Amended and Restated Series 2002-A Supplement, dated as of September 10, 2007, between the Issuer and the Trustee (the "Series Supplement"); and the Amended and Restated Note Purchase Agreement dated as of September 10, 2007 (the "Note Purchase Agreement"), among the Issuer, the Seller, the Conduit Purchasers party thereto, JPMorgan Chase Bank, N.A. and SunTrust Robinson Humphrey, Inc., are true and correct in all material respects on the date hereof (except to the extent they expressly relate to an earlier or later time and then as of such earlier or later time).
  - (b) The conditions to the Voluntary Decrease specified in Sections 3.2 and 5.15 of the Series Supplement have been satisfied and will be satisfied as of the applicable Decrease Date.

Capitalized terms used herein and not otherwise defined, shall have the meanings given thereto in the Series Supplement.

CONN FUNDING II, L.P., as the Issuer

By: Conn Funding II GP, L.L.C.,  
Its general partner

By: \_\_\_\_\_  
Name:  
Title:

Date of Notice: \_\_\_\_\_

SCHEDULE 1

-----

LIST OF PROCEEDINGS

-----

None.

Schedule 1-1

SCHEDULE 2

-----

LIST OF TRADE NAMES

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None.

Schedule 2-1

## AMENDED AND RESTATED NOTE PURCHASE AGREEMENT

among

CONN FUNDING II, L.P.,

as Issuer,

CONN APPLIANCES, INC.,

as Seller,

THREE PILLARS FUNDING LLC,

as a Conduit Purchaser,

PARK AVENUE RECEIVABLES COMPANY, LLC,

as a Conduit Purchaser,

JPMORGAN CHASE BANK, N.A.,  
as Funding Agent and as Committed Purchaser, and

SUNTRUST ROBINSON HUMPHREY, INC.

as the Administrator.

dated as of September 10, 2007

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This AMENDED AND RESTATED NOTE PURCHASE AGREEMENT (this "Note Purchase Agreement") is among CONN FUNDING II, L.P., as issuer (the "Issuer"), CONN APPLIANCES, INC., as seller (the "Seller"), THREE PILLARS FUNDING LLC (f/k/a Three Pillars Funding Corporation) ("Three Pillars"), as a conduit purchaser (a "Conduit Purchaser"), PARK AVENUE RECEIVABLES COMPANY, LLC ("PARCO"), as a conduit purchaser (a "Conduit Purchaser", and together with Three Pillars Funding LLC, the "Conduit Purchasers"), JPMORGAN CHASE BANK, N.A. ("JPMorgan"), as funding agent for PARCO (in such capacity, the "Funding Agent") and as Committed Purchaser, and SUNTRUST ROBINSON HUMPHREY, INC. (f/k/a SunTrust Capital Markets, Inc.), as administrator (the "Administrator").

#### RECITALS

WHEREAS, the Issuer has issued and may continue to issue the variable funding notes pursuant to a Base Indenture, dated as of September 1, 2002 (as amended, supplemented or otherwise modified from time to time, the "Base Indenture"), between the Issuer and Wells Fargo Bank, National Association (f/k/a Wells Fargo Bank Minnesota, National Association), as trustee (in such capacity, together with its successors and assigns in such capacity, the "Trustee"), as supplemented by the Amended and Restated Series Supplement 2002-A, dated as of September 10, 2007, between the Issuer and the Trustee (as amended, supplemented or otherwise modified from time to time, the "Series Supplement", and together with the Base Indenture, the "Indenture"); and

WHEREAS, the Issuer, the Seller (for itself and as successor by merger to CAI, L.P.), Three Pillars Funding LLC and the Administrator are parties to that certain Note Purchase Agreement, dated as of the Closing Date (as amended prior to the date hereof, the "Original Note Purchase Agreement") and such parties and the parties hereto desire to amend and restate the Original Note Purchase Agreement.

WHEREAS, the Conduit Purchasers desire to acquire such variable funding notes and to make advances from time to time hereunder and the Committed Purchaser is committed to acquire certain variable funding notes and to make advances from time to time hereunder.

NOW, THEREFORE, for full and fair consideration, the parties hereto agree that the Original Note Purchase Agreement is hereby amended and restated in its entirety as follows:

#### ARTICLE I.

##### DEFINITIONS

SECTION 1.1 Certain Defined Terms. Capitalized terms used herein without definition shall have the meanings set forth in the Indenture. Additionally, the following terms shall have the following meanings:

"Act" means the Securities Act of 1933, as amended.

"Administrator" has the meaning set forth in the Preamble.

"Affected Party" means each of the Conduit Purchasers, the Committed Purchaser, any Liquidity Bank, any permitted assignee of any Conduit Purchaser or any Liquidity Bank, any Support Provider and any holder of a participation interest in the rights and obligations of any Liquidity Bank and any Credit Bank under any Liquidity Agreement and/or any Credit Agreement, the Administrator, the Funding Agent and any holding company of either Bank.

"Aggregate Purchaser Funded Amount" means, on any date of determination an amount equal to (a) the Initial Purchase Price, plus (b) the aggregate amount of all Increases made prior to such date of determination, minus (c) the aggregate amount of principal payments (including, without limitation, any Decreases) in respect of the Notes made to and received by or on behalf of the Conduit Purchasers and the Committed Purchaser prior to such date.

"Alternate Reference Rate" means, on any date, a fluctuating rate of interest per annum equal to the higher of:

(a) the rate of interest most recently announced by Bank at its principal office in Atlanta, Georgia or New York, New York, as applicable, as its prime rate (it being understood that at any one time there shall exist only one such prime rate so announced), which rate is not necessarily intended to be the lowest rate of interest determined by such Bank in connection with extensions of credit; or

(b) the Federal Funds Rate (as defined below) most recently determined by Bank plus 0.50% per annum.

"Applicable Margin" has the meaning set forth in the Fee Letters, as applicable.

"Bank" means SunTrust Bank, a Georgia banking corporation or JPMorgan, as applicable.

"Bank Rate" means, for any Interest Period, an interest rate per annum equal to either (a) the sum of (i) 3.00% per annum, and (ii) the Eurodollar Rate (Reserve Adjusted) for such Interest Period; provided, however, that if (x) it shall become unlawful for any Liquidity Bank or any Credit Bank to obtain funds in the London interbank eurodollar market in order to make, fund or maintain any Funding Tranche hereunder, or if such funds shall not be reasonably available to any Liquidity Bank or any Credit Bank, or (y) there shall not be time prior to the commencement of an applicable Interest Period to determine a Eurodollar Rate (Reserve Adjusted) in accordance with its terms or the "Bank Rate" shall apply other than at the first day of the Interest Period, then the "Bank Rate" shall be equal to the weighted average of the Alternate Reference Rates in effect for each day during the remainder of such Interest Period or (b) if requested by the Issuer, the weighted average of the Alternate Reference Rates in effect during such Interest Period, plus 3.00%.

"Block Event" means an event or circumstance that, after the giving of notice or lapse of time or both, would give rise to an Event of Default, Pay Out Event or Servicer Default.

"Breakage Amounts" has the meaning specified in Section 2.8.

"Closing" has the meaning specified in Section 3.1.

"Closing Date" has the meaning specified in Section 3.1.

"Commercial Paper Notes" means short-term promissory notes issued by any Conduit Purchaser.

"Commercial Paper Rate" means, for any Interest Period for the related Funding Tranche, a rate per annum equal to:

(a) in the case of a Conduit Purchaser using match funding, the sum of (i) the rate or, if more than one rate, the weighted average of the rates, determined by converting to an interest-bearing equivalent rate per annum the discount rate (or rates) at which the applicable Commercial Paper Notes outstanding during such Interest Period have been or may be sold by any placement agent or commercial paper dealer selected by Administrator or the Funding Agent, as applicable, plus (ii) the commissions and charges charged by such placement agent or commercial paper dealer with respect to such Commercial Paper Notes expressed as a percentage of the face amount thereof and converted to an interest-bearing equivalent rate per annum (the "Match Funding Rate"); or

(b) in the case of a Conduit Purchaser using pool funding, the sum of (i) the rate equivalent to the weighted average cost (as determined by the agent under the applicable securitization facility and which shall include incremental carrying costs incurred with respect to Commercial Paper Notes maturing on dates other than those on which corresponding funds are received by such Conduit Purchaser, other borrowings by such Conduit Purchaser (other than under any Credit Agreement)), plus (ii) the commissions and charges charged by such placement agent or commercial paper dealer with respect to such Commercial Paper Notes expressed as a percentage of the face amount thereof and converted to an interest-bearing equivalent rate per annum, plus (iii) any other costs associated with the issuance of Commercial Paper Notes) of or related to the issuance of Commercial Paper Notes that are allocated, in whole or in part, by such Conduit Purchaser or the agent under the applicable securitization facility to fund or maintain such portion of the aggregate principal amount of such Conduit Purchaser's Note (and which may be also allocated in part to the funding of other assets of such Conduit Purchaser); provided, however, that if the rate (or rates) is a discount rate, then the rate (or if more than one rate, the weighted average of the rates) shall be the rate resulting from converting such discount rate (or rates) to an interest bearing equivalent rate per annum (the "Pool Funding Rate").

"Commitment" means, (i) with respect to Three Pillars, as a Conduit Purchaser, (a) commencing on the Restatement Date and ending on the Tranche C Purchase Expiration Date, \$300,000,000, (b) commencing on the day following the Tranche C Purchase Expiration Date, and ending on the Tranche A Purchase Expiration Date, \$200,000,000 and (c) thereafter, \$133,333,333.33 and (ii) with respect to each of PARCO, as a Conduit Purchaser, and the Committed Purchaser, (a) commencing on the Restatement Date and ending on the Tranche C Purchase Expiration Date, \$150,000,000, (b) commencing on the day following the Tranche C Purchase Expiration Date, and ending on the Tranche A Purchase Expiration Date, \$100,000,000 and (c) thereafter, \$66,666,666.67.

"Committed Purchaser" means, JPMorgan Chase Bank, N.A. and each of its successors and assigns.

"Conduit Purchasers" is defined in the Preamble.

"Covered Taxes" has the meaning specified in Section 8.3.

"Credit Advance" means a drawing under a letter of credit issued pursuant to a Credit Agreement for the account of any Conduit Purchaser, a loan to any Conduit Purchaser under a Credit Agreement or any other advance or disbursement of funds to any Conduit Purchaser or for such Conduit Purchaser's account pursuant to a Credit Agreement or any such letter of credit, in each case to the extent such drawing, loan, advance or disbursement has not been repaid or reimbursed to the applicable Credit Bank in accordance with the related Credit Agreement.

"Credit Agreement" means and includes any program-wide agreement entered into by any Credit Bank providing for the issuance of one or more letters of credit for the account of any Conduit Purchaser, the issuance of one or more surety bonds for which any Conduit Purchaser is obligated to reimburse the applicable Credit Bank for any drawings thereunder, the sale by any Conduit Purchaser to any Credit Bank of receivables or other financial assets purchased by such Conduit Purchaser (or portions thereof) and/or the making of loans and/or other extensions of credit to any Conduit Purchaser in connection with its commercial paper program, together with any cash collateral agreement, letter of credit, surety bond or other agreement or instrument executed and delivered in connection therewith (but excluding the Liquidity Agreement of such Conduit Purchaser, or similar agreement, or any voluntary advance agreement).

"Credit Bank" means and includes each Bank and any other or additional bank or other Person (other than any customer of any Conduit Purchaser or any liquidity provider as such) now or hereafter extending credit or a purchase commitment to or for the account of a Conduit Purchaser or issuing a letter of credit, surety bond or other instrument, in each case to support any obligations arising under or in connection with such Conduit Purchaser's commercial paper program.

"Decrease" has the meaning specified in the Series Supplement.

"Default Rate" has the meaning specified in the definition of Note Rate.

"Dollar" or "\$" means lawful currency of the United States of America.

"Eurodollar Rate (Reserve Adjusted)" means, with respect to any Funding Tranche, the rate per annum equal to the quotient of (i) the offered rate for deposits in Dollars for a one-month period in an amount equal (as nearly as possible) to the principal amount of the Funding Tranche which rate appears on the pages 3750 or 3740, as applicable, of the Dow Jones Market Service as of 11:00 A.M. (London, England) time on the Rate Setting Day; provided, that if at least two rates appear on pages 3750 or 3740, as applicable, of the Dow Jones Market Service on such Rate Setting Day, the rate for such Interest Period shall be the arithmetic mean of such rates; provided further, that if no such offered rates appear on such page, the rate used for such Interest Period will be the arithmetic average (rounded upward, if necessary, to the next higher 1/16th of 1%) of rates offered to Administrator by not less than two major banks in London, England at approximately 10:00 A.M. (Atlanta, Georgia time), two (2) Business Days prior to the first day of such Interest Period for deposits in U.S. dollars in the London interbank market for a one-month period in an amount comparable to the principal amount of the Funding Tranche, divided by (ii) a number equal to 1.00 minus the Reserve Percentage. The rate so determined in accordance herewith shall be rounded upwards to the multiple of 1/100th of 1%

"Federal Bankruptcy Code" means the bankruptcy code of the United States of America codified in Title 11 of the United States Code.

"Federal Funds Rate" means, for any period, the per annum rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (including any such successor, "H.15(519)") for such day opposite the caption "Federal Funds (Effective)." If on any relevant day such rate is not yet published in H.15(519), the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publications, published by the Federal Reserve Bank of New York (including any such successor, the "Composite 3:30 p.m. Quotations") for such day under the caption "Federal Funds Effective Rate." If on any relevant day the appropriate rate for such previous day is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the related Bank of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by such Bank.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

"Fee Letters" means each of the following letter agreements: (i) that certain second amended and restated letter agreement, dated as of the date hereof, between the Issuer and the Administrator setting forth certain fees payable by the Issuer in connection with the purchase of Notes by the Administrator for the benefit of Three Pillars and (ii) that certain letter agreement, dated as of the date hereof, between the Issuer and the Funding Agent setting forth certain fees payable by the Issuer in connection with the purchase of Notes by the Funding Agent for the benefit of PARCO.

"Fees" has the meaning set forth in Section 2.11.

"Final Purchase Expiration Date" means the latest to occur of (i) the Tranche A Purchase Expiration Date, (ii) Tranche B Purchase Expiration Date and (iii) the Tranche C Purchase Expiration Date (as such dates may be extended from time to time pursuant to Section 2.4).

"Fixed Period" means, with respect to a Funding Tranche, a period selected by the Administrator with respect to Three Pillars and the Funding Agent with respect to PARCO, in each case in its sole discretion; provided, that

(i) any Fixed Period with respect to any Funding Tranche not funded by the issuance of Commercial Paper Notes which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day; provided, however, if interest in respect of such Fixed Period is computed by reference to the Eurodollar Rate (Reserve Adjusted), and such Fixed Period would otherwise end on a day which is not a Business Day, and there is no subsequent Business Day in the same calendar month as such day, such Fixed Period shall end on the next preceding Business Day;

(ii) any Fixed Period with respect to any Funding Tranche not funded by the issuance of Commercial Paper Notes will not be for a term of more than 40 days; and

(iii) any Fixed Period in respect of which interest is computed by reference to the Commercial Paper Rate may be terminated at the election of, and upon notice thereof to the Issuer by, the Administrator or the Funding Agent, as applicable, any time, in which case the Funding Tranche allocated to such terminated Fixed Period shall be allocated to a new Fixed Period and shall accrue interest at the Alternate Reference Rate.

"Funding Agent" is defined in the Preamble.

"Funding Tranche" means one or more portions of the Aggregate Purchaser Funded Amount used to fund or maintain the Notes that accrue interest by reference to different interest rates.

"Governmental Actions" means any and all consents, approvals, permits, orders, authorizations, waivers, exceptions, variances, exemptions or licenses of, or registrations, declarations or filings with, any Governmental Authority required under any Governmental Rules.

"Governmental Authority" means the United States of America, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and having jurisdiction over the applicable Person.

"Governmental Rules" means any and all laws, statutes, codes, rules, regulations, ordinances, orders, writs, decrees and injunctions, of any Governmental Authority and any and all legally binding conditions, standards, prohibitions, requirements and judgments of any Governmental Authority.

"Increase" has the meaning specified in the Series Supplement.

"Increase Amount" means the amount requested by the Issuer to be funded by the Conduit Purchasers or the Committed Purchaser (on a pro rata basis based on the Commitment) on an Increase Date.

"Increase Date" means the date on which each Increase occurs.

"Indemnified Party" has the meaning specified in Section 8.1.

"Initial Note Principal" means \$28,080,192.

"Initial Purchase Price" has the meaning specified in Section 2.2.

"Issuer" is defined in the Preamble.

"Issuer Indemnified Amounts" has the meaning specified in subsection 8.1(a).

"JPMorgan" is defined in the Preamble.

"Liquidity Agreement" means and includes (a) the Liquidity Asset Purchase Agreement (regarding Conn Funding II, L.P.), dated as of September 13, 2002, among Three Pillars, as borrower, SunTrust Bank, as liquidity agent for the Liquidity Banks from time to time party thereto, and SunTrust Robinson Humphrey, Inc. (f/k/a SunTrust Equitable Securities Corporation), as administrator for Three Pillars, and the Liquidity Banks from time to time party thereto, (b) the Asset Purchase Agreement (regarding Conn Funding II, L.P.), dated as of the date hereof among PARCO, JPMorgan, as funding agent for the Liquidity Banks from time to time party thereto and the Liquidity Banks from time to time party thereto, and (c) any other agreement hereafter entered into by any Conduit Purchaser providing for the sale by such Conduit Purchaser of an interest in the Notes (or portions thereof), or the making of loans or other extensions of credit to such Conduit Purchaser secured by security interests in the Notes (or portions thereof), to support all or part of such Conduit Purchaser's payment obligations under its Commercial Paper Notes or to provide an alternate means of funding such Conduit Purchaser's investments in accounts receivable or other financial assets, in each case as amended, supplemented or otherwise modified from time to time.

"Liquidity Bank" means and includes the applicable Bank and the various financial institutions as are, or may become, parties to a Liquidity Agreement, as purchasers thereunder.

"Match Funding Rate" has the meaning specified in clause (a) of the definition of "Commercial Paper Rate" herein.

"Monthly Noteholders' Statement" has the meaning specified in paragraph 2.3(b)(i).

"Note Rate" means, with respect to any Interest Period, the weighted average of the rates applicable to all Funding Tranches outstanding during all or part of such Interest Period (determined as of each day in such Interest Period), each such rate being (a) to the extent any Conduit Purchaser is funding such Funding Tranche during such period through the issuance of its Commercial Paper Notes, the Commercial Paper Rate plus the Applicable Margin, and (b) to the extent any Conduit Purchaser is funding such Funding Tranche during such period pursuant to a Liquidity Agreement or, in the case of Three Pillars, the Voluntary Advance Agreement, a rate per annum equal to the Bank Rate plus the Applicable Margin, provided that on any day after the occurrence and continuance of any Servicer Default, Pay Out Event or any other Event of Default, the rate applicable to each such Funding Tranche (the "Default Rate") shall be 3% per annum above the applicable Alternate Reference Rate in effect on such day plus the Applicable Margin; provided, however, that interest for any Funding Tranche shall not be considered paid by any distribution to the extent that all or a portion of such distribution is rescinded or must otherwise be returned for any reason.

"Notes" means the Variable Funding Asset Backed Notes Series 2002-A in the maximum aggregate principal amount of \$450,000,000 to be issued by the Issuer pursuant to the Indenture.

"Notice of Increase" means a written notice of an Increase in the form of Exhibit A hereto.

"Offering Memorandum 2002" means that certain offering memorandum, dated as of September 10, 2002, prepared by the Issuer and the Seller in connection with the issuance of the Series 2002-B Fixed Rate Notes.

"Original Note Purchase Agreement" is defined in the Recitals.

"PARCO" is defined in the Preamble.

"Participant" has the meaning specified in subsection 1.4(b).

"Pool Funding Rate" has the meaning specified in clause (b) of the definition of "Commercial Paper Rate" herein.

"Program Documents" means, with respect to each Conduit Purchaser, the related Liquidity Agreement, any related Credit Agreement, solely with respect to Three Pillars, the Voluntary Advance Agreement, the documents under which Administrator or the Funding Agent, as applicable, performs its obligations and the other documents to be executed and delivered in connection therewith, in each case as amended, supplemented or otherwise modified from time to time.

"Purchase Expiration Date" means any of (i) the Tranche A Purchase Expiration Date, (ii) Tranche B Purchase Expiration Date and (iii) the Tranche C Purchase Expiration Date, as the context requires.

"Rate Setting Day" means, for any Interest Period, two (2) Business Days prior to the commencement of such Interest Period. In the event such day is not a Business Day, then the Rate Setting Day shall be the immediately preceding Business Day.

"Reduction" has the meaning specified in Section 2.5.

"Restatement" has the meaning specified in Section 3.1.

"Restatement Date" has the meaning specified in Section 3.1.

"Seller" is defined in the Preamble (it being understood that any reference to the Seller with respect to the Closing Date shall be deemed a reference to the Seller and its predecessors).

"Support Provider" means and includes any entity now or hereafter extending credit or liquidity support or having a commitment to extend credit or liquidity support to or for the account of, or to make loans to or purchases from, any Conduit Purchaser or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with the commercial paper program of such Conduit Purchaser.

"Three Pillars" is defined in the Preamble.

"Tranche A Purchase Expiration Date" means July 29, 2008 (as such date may be extended from time to time pursuant to Section 2.4).

"Tranche B Purchase Expiration Date" means September 10, 2012 (as such date may be extended from time to time pursuant to Section 2.4).

"Tranche C Purchase Expiration Date" means the earlier to occur of (i) July 29, 2008 and (ii) the closing date of a term securitization transaction where the Issuer is the issuer (as such date may be extended from time to time pursuant to Section 2.4).

"Transaction Documents" means (i) the Base Indenture, (ii) the Series Supplement, (iii) this Note Purchase Agreement, (iv) the Fee Letters, (v) the Liquidity Agreements, (vi) the Servicing Agreement and (vii) the Notes, in each case in effect on the date hereof or as modified in accordance with the terms of the Transaction Documents.

"Trust Assets" means all of the Issuer's right, title and interest in and to all Receivables, Related Security, Contracts, Collections and all proceeds relating to the foregoing and all of the other collateral which is part of the Trust Estate or otherwise pledged to the Trustee for the benefit of the Secured Parties pursuant to the Indenture.

"Voluntary Advance Agreement" means the Voluntary Advance Agreement, dated as of March 11, 1999, among SunTrust Robinson Humphrey, Inc. (f/k/a SunTrust Equitable Securities Corporation), the Administrator and SunTrust Bank, as it may be amended, supplemented or otherwise modified from time to time.

SECTION 1.2 Other Definitional Provisions. (1) All terms defined in this Note Purchase Agreement shall have the meanings defined herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) As used herein and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in Section 1.1, and accounting terms partially defined in Section 1.1 to the extent not defined, shall have the respective meanings given to them under GAAP. To the extent that the definitions of accounting terms herein are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained herein shall control.

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Note Purchase Agreement shall refer to this Note Purchase Agreement as a whole and not to any particular provision of this Note Purchase Agreement; and Section, subsection, Schedule and Exhibit references contained in this Note Purchase Agreement are references to Sections, subsections, the Schedules and Exhibits in or to this Note Purchase Agreement unless otherwise specified.

## ARTICLE II.

### PURCHASE AND SALE

SECTION 2.1 Purchase and Sale of the Notes. On the terms and subject to the conditions set forth in the Original Note Purchase Agreement, and in reliance on the covenants, representations, warranties and agreements therein set forth, the Issuer sold at the Closing to the Administrator, on behalf of Three Pillars (as a Conduit Purchaser) the Notes then outstanding in an aggregate initial outstanding principal amount equal to the Initial Note Principal for the Initial Purchase Price. On the Restatement Date, the Administrator, on behalf of Three Pillars, assigned a portion of the Notes to the Funding Agent, on behalf of PARCO (as a Conduit Purchaser), and the Committed Purchaser.

SECTION 2.2 Initial Purchase Price. The Notes were purchased at Closing at a price (the "Initial Purchase Price") equal to 100% of the Initial Note Principal.

### SECTION 2.3 Increases.

(a) Subject to the terms and conditions of this Note Purchase Agreement and the Series Supplement, from time to time prior to the Final Purchase Expiration Date but not more frequently than twice per month (unless the Administrator and the Funding Agent otherwise consent in their sole discretion) upon receipt by the Administrator and the Funding Agent of a Notice of Increase, the Administrator, on behalf of Three Pillars (as a Conduit Purchaser), and the Funding Agent, on behalf of PARCO (as a Conduit Purchaser) or the Committed Purchaser, as the case may be, shall make Increases as provided in Section 2.3(c); provided, however, that no Conduit Purchaser (or the Committed Purchaser, as the case may be) shall be required to fund any Increase if, after giving effect thereto, its Note Principal would exceed the Maximum Principal Amount; and provided, further, that no Conduit Purchaser (or the Committed Purchaser, as the case may be) shall be required to fund any Increase if, after giving effect thereto, its Note Principal would exceed its Commitment.

(b) Each Increase hereunder shall be subject to the further conditions precedent that:

(i) The Administrator and the Funding Agent will have received copies of each of the monthly noteholders' statement, the form of which is attached as Exhibit B to the Series Supplement (the "Monthly Noteholders' Statement"), in each case, most recently required to have been delivered under the Indenture;

(ii) Each of the representations and warranties of each of the Seller, the Servicer and the Issuer made in the Transaction Documents to which it is a party shall be true and correct in all material respects as of the applicable Increase Date (except to the extent they expressly relate to an earlier or later time);

(iii) The Issuer, the Servicer and the Seller shall be in compliance in all material respects with all of its respective covenants contained in the Transaction Documents;

(iv) No Pay Out Event, Potential Pay Out Event, Default, Event of Default, Servicer Default or Block Event shall have occurred and be continuing;

(v) The Final Purchase Expiration Date shall not have occurred; and

(vi) The Administrator and the Funding Agent shall have received a completed Notice of Increase with respect to such proposed Increase, not later than 12:00 p.m. (New York time) one (1) Business Day prior to the proposed date of such Increase.

(c) Three Pillars (as a Conduit Purchaser) shall make its related pro rata portion of the proceeds of such requested Increase available to the Administrator at its office in Atlanta, Georgia and PARCO (as a Conduit Purchaser) may make its related pro rata portion of the proceeds of such requested Increase available to the Funding Agent at its office in New York, New York, in same day funds on the Increase Date, and if PARCO (as a Conduit Purchaser) does not make available its full pro rata portion of such Increase Amount, the Committed Purchaser shall make any portion constituting a shortfall so available to the Funding Agent. Upon receipt by Administrator and the Funding Agent of such funds, the Administrator and the Funding Agent will make such funds available to Issuer not later than 3:00 p.m. New York City time on the Increase Date by wire transfer of immediately available funds to such account as may from time to time be specified by the Issuer in a notice to the Administrator and the Funding Agent.

(d) All conditions set forth in Section 3.1 of the Series Supplement, to the extent applicable, shall have been satisfied at such time. Each "Increase" with respect to all VFN Series shall be allocated to each respective VFN Series as instructed by the Issuer; provided, that (i) the Issuer shall not (unless necessary in order to comply with the requirements of clause (ii) of this paragraph) disproportionately allocate Increases to the same VFN Series for two or more consecutive Increases and (ii) shall at all times use its reasonable best efforts to allocate Increases to the respective VFN Series so that the aggregate of the "Aggregate Purchaser Funded Amounts" under (and as defined in) each VFN Series is at all times ratably allocated among each such VFN Series according to their respective "Maximum Principal Amount" (as defined in each such VFN Series).

SECTION 2.4 Extension of Purchase Expiration Dates. The Issuer may advise the Administrator and the Funding Agent in writing of its desire to extend any of the Tranche A Expiration Date, Tranche B Expiration Date or the Tranche C Expiration Date; provided such request is made not more than 90 days prior to, and not less than 60 days prior to, the then current related Purchase Expiration Date. The Administrator and the Funding Agent shall notify the Issuer in writing, within 45 days after its receipt of such request by the Issuer, whether the Conduit Purchasers and the Committed Purchaser are agreeable to such extension (it being understood that each Conduit Purchaser may accept or decline such a request in its sole discretion and on such terms as it may elect) and, to the extent the Conduit Purchasers and the Committed Purchaser are agreeable, the Issuer, the Administrator, the Funding Agent, the Committed Purchaser and the Conduit Purchasers shall enter into such documents as the Conduit Purchasers and the Committed Purchaser may deem necessary or appropriate to reflect such extension, and all reasonable costs and expenses incurred by the Conduit Purchasers, the Administrator, the Funding Agent and the Committed Purchaser in connection therewith (including reasonable attorneys' costs) shall be paid by the Issuer; it being understood, that the failure of the Administrator and the Funding Agent to so notify the Issuer as set forth above shall not be deemed to be a consent to such request for extension by any Conduit Purchaser or the Committed Purchaser.

SECTION 2.5 Reduction of Maximum Principal Amount.

(a) On any Payment Date prior to the Rapid Pay Out Commencement Date, upon the written request of the Issuer, the "Maximum Principal Amount" (as defined in each VFN Series) may be permanently reduced (a "Reduction"), on a ratable basis with respect to each VFN Series and with respect to the Notes, by the Issuer; provided that the Issuer shall have given each applicable "Administrator" and the Funding Agent hereunder irrevocable written notice (effective upon receipt) of the amount of such Reduction prior to 10:00 a.m., New York time on a Business Day that is at least thirty (30) days prior to such Reduction; provided, further, that any such Reduction shall be in an amount equal to \$25,000,000 in the aggregate for all VFN Series or integral multiples of \$10,000,000 in excess thereof; and provided, further, that no Reduction may cause the aggregate of the "Maximum Principal Amounts" under all VFN Series to be lower than \$150,000,000. Each Reduction effected pursuant to this Section 2.5 shall automatically and permanently, without any further action on the part of any party, reduce the Commitment of each of (i) Three Pillars, as a Conduit Purchaser, and (ii) PARCO, as a Conduit Purchaser, and the Committed Purchaser on a pro rata basis, in the amount of such Reduction.

(b) The Issuer shall pay to (i) the Administrator on behalf of Three Pillars and (ii) the Funding Agent on behalf of PARCO or the Committed Purchaser any accrued and unpaid fees and expenses with respect to the reduction amount on the date of any such Reduction.

SECTION 2.6 Calculation of Monthly Interest.

(a) On the Business Day prior to each Series Transfer Date, the Administrator (with respect to Three Pillars) and the Funding Agent (with respect to PARCO and the Committed Purchaser), as applicable, shall calculate, for the applicable Interest Period, the aggregate Monthly Interest for each Funding Tranche (such Monthly Interest to be calculated using the Note Rate, if necessary, for the remaining days in such Interest Period). Each of the Administrator and the Funding Agent may, in its sole discretion, determine the Commercial Paper Rate for its related Conduit Purchaser with respect to each Series Transfer Date using the Match Funding Rate or the Pool Funding Rate; provided, however, that to the extent that the related Conduit Purchaser may choose between the Match Funding Rate or the Pool Funding Rate, the Issuer may request the Administrator or the Funding Agent, as applicable, to use either the Match Funding Rate or the Pool Funding Rate in determining the Commercial Paper Rate for its related Conduit Purchaser with respect to such Series Transfer Date (it being understood and agreed that the Administrator or the Funding Agent, as applicable, shall have no obligation to follow any such request by the Issuer).

(b) The Issuer agrees to pay, and the Issuer agrees to instruct the Servicer and the Trustee to pay, all amounts payable by it with respect to the Notes, this Note Purchase Agreement and the Series Supplement to the accounts designated by the Administrator and the Funding Agent. All such amounts shall be paid no later than noon, New York City time, on the day when due as determined in accordance with this Note Purchase Agreement, the Indenture and the other Transaction Documents, in lawful money of the United States in immediately available funds. Amounts received after that time shall be deemed to have been received on the next Business Day and shall bear interest at the Default Rate, which interest shall be payable on demand.

SECTION 2.7 Benefits of Indenture. The Issuer hereby acknowledges and confirms that each representation, warranty, covenant and agreement made pursuant to the Indenture by the Issuer to the Trustee is (unless such representation, warranty, covenant or agreement specifically states otherwise), also made herein, all for the benefit and security of each Conduit Purchaser, the Committed Purchaser, the Funding Agent and the Administrator.

SECTION 2.8 Broken Funding. In the event of (i) the payment of any principal of any Funding Tranche (other than a Funding Tranche on which the interest is computed by reference to the Alternate Reference Rate) other than on the last day of the Fixed Period applicable thereto (including as a result of the occurrence of the Rapid Pay Out Commencement Date or an optional prepayment of a Funding Tranche), or (ii) any failure to borrow or prepay any Funding Tranche (other than a Funding Tranche on which the interest is computed by reference to the Alternate Reference Rate) on the date specified in any notice delivered pursuant hereto, then, in any such event, the Issuer shall compensate the Affected Party for the loss, cost and expense attributable to such event. Such loss, cost or expense to any such Affected Party shall be deemed to include an amount (the "Breakage Amount") determined by such Affected Party (or the Administrator with respect to Three Pillars or the Funding Agent with respect to PARCO or the Committed Purchaser, as applicable) to be the excess, if any, of (i) the amount of interest which would have accrued on the portion of the principal amount of such Funding Tranche prepaid or to be borrowed or prepaid had such event not occurred, at the interest rate that would have been applicable to such Funding Tranche, for the period from the date of such event to the last day of the Fixed Period (or, in the case of a failure to borrow for the period that would have been the related Fixed Period), over (ii) the amount of interest which would be obtainable upon redeployment or reinvestment of an amount of funds equal to such portion of such Funding Tranche for such period. A certificate of any Affected Party incurring any loss, cost or expense as a result of any of the events specified in this Section 2.8 and setting forth any amount or amounts that the Affected Party is entitled to receive pursuant to this Section 2.8 and the reason(s) therefor shall be delivered to the Issuer by the Administrator or the Funding Agent and shall include reasonably detailed calculations and shall be conclusive absent manifest error. The Issuer shall pay to the Administrator or the Funding Agent, as applicable, on behalf of such Affected Party the amount shown as due on any such certificate on the first Payment Date which is not less than three Business Days after receipt thereof.

SECTION 2.9 Illegality. Notwithstanding anything in this Note Purchase Agreement or any other Transaction Document to the contrary, if, after the Closing Date, the adoption of any Law or bank regulatory guideline or any amendment or change in the interpretation of any existing or future Law or bank regulatory guideline by any Official Body charged with the administration, interpretation or application thereof, or the compliance with any directive of any Official Body (in the case of any bank regulatory guideline, whether or not having the force of Law), shall make it unlawful for any Affected Party to acquire or maintain a Funding Tranche by reference to the Eurodollar Rate (Reserve Adjusted) as contemplated by this Note Purchase Agreement or any Program Document, (i) the Administrator or the Funding Agent, as applicable, on behalf of such Affected Party shall, within forty-five (45) days after receiving actual knowledge thereof, deliver a certificate to the Issuer (with a copy to the Administrator or the Funding Agent, as applicable) setting forth the basis for such illegality, which certificate shall be conclusive absent manifest error, and (ii) such Affected Party's portion of any Funding Tranche maintained by reference to the Eurodollar Rate (Reserve Adjusted) then outstanding shall be converted automatically to a Funding Tranche maintained by reference to the Alternate Reference Rate.

SECTION 2.10 Inability to Determine Eurodollar Rate (Reserve Adjusted). If, prior to the first day of any Interest Period relating to any Funding Tranche maintained by reference to the Eurodollar Rate (Reserve Adjusted):

(1) the Administrator or the Funding Agent shall have determined (which determination in the absence of manifest error shall be conclusive and binding upon the Issuer) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate (Reserve Adjusted) for such Interest Period; or

(2) the Administrator or the Funding Agent shall have received notice from an Affected Party that the Eurodollar Rate (Reserve Adjusted) determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Affected Party (as conclusively certified by such Person) of purchasing or maintaining their affected portions of such Funding Tranches during such Interest Period;

then, in either such event, the Administrator or the Funding Agent shall give telecopy or telephonic notice thereof (confirmed in writing) to the Issuer and the Administrator or Funding Agent, as applicable as soon as practicable (but, in any event, within thirty (30) days after such determination or notice, as applicable) thereafter. Until such notice has been withdrawn by the Administrator or the Funding Agent, as applicable, no further Funding Tranches by the related Conduit Purchaser shall be funded or maintained at the Eurodollar Rate (Reserve Adjusted). The Administrator and the Funding Agent, as applicable, agrees to withdraw any such notice as soon as reasonably practicable after such Person is notified of a change in circumstances which makes such notice inapplicable.

SECTION 2.11 Fees. The Issuer shall pay to the Administrator or the Funding Agent, as applicable, for the benefit of the applicable Affected Party as and when due and in accordance with the provisions for payment set forth in Article 5 of the Series Supplement, each of the applicable fees set forth in the Fee Letters (the "Fees").

### ARTICLE III.

#### CLOSING

SECTION 3.1 Closing. The closing (the "Closing") of the purchase and sale of the Notes in connection with the Original Note Purchase Agreement was held at 9:00 a.m., Chicago, Illinois time, on or about September 13, 2002, at the offices of Mayer, Brown, Rowe & Maw LLP, 190 South LaSalle Street, Chicago, Illinois 60603 (the date of the Closing being referred to herein as the "Closing Date"). The closing of the transactions contemplated by this Note Purchase Agreement (the "Restatement") will be held at 9:00 a.m., Chicago, Illinois time, on or about September 10, 2007, at the offices of Mayer Brown LLP, 71 South Wacker Drive, Chicago, Illinois 60606 (such date being referred to herein as the "Restatement Date").

SECTION 3.2 Transactions to be Effected at the Closing. At the Closing (a) the Administrator delivered to the Issuer funds in an amount equal to the sum of the Initial Purchase Price; and (b) the Issuer delivered one Note to the Administrator in satisfaction of the Issuer's obligation to the Administrator hereunder. On the Restatement Date the Issuer shall deliver the then outstanding Notes to the Trustee for cancellation and shall deliver newly issued Notes to the Administrator and the Funding Agent in the form attached to the Series Supplement.

### ARTICLE IV.

#### CONDITIONS PRECEDENT

SECTION 4.1 Conditions Precedent to Initial Purchase of the Notes. In addition to the conditions set forth in Section 3.1 of the Series Supplement, the purchase by the Administrator on behalf of the Conduit Purchaser of the Notes was subject to the satisfaction at the time of the Closing of the following conditions, each of which was satisfied or waived on or prior to the Closing:

(a) The Administrator shall have received on the Closing Date from each of the Seller and the Issuer, a certificate, dated the Closing Date and signed by an executive officer of the Seller and an executive officer of the Issuer, as the case may be, to the effect that, and the Administrator shall be satisfied that, (i) the representations and warranties of the Seller and the Issuer in this Note Purchase Agreement, the Indenture and the other Transaction Documents are true and correct on and as of the Closing Date as if made on and as of such date, (ii) the Issuer and the Seller have complied with all the agreements and satisfied all the conditions on their part to be performed or satisfied in this Note Purchase Agreement, the Indenture and the other Transaction Documents, as applicable, at or prior to the Closing Date, and (iii) there has not occurred any change or any development that is likely to result in a change in the condition, financial or otherwise, or in the earnings, business, operations or prospects of the Issuer or the Seller, and their respective Affiliates, taken as a whole, from that set forth in the Offering Memorandum 2002 that has had or could reasonably be expected to have a Material Adverse Effect.

(b) The Administrator shall have received a certificate, dated the Closing Date, signed by an executive officer of Trustee to the effect that each of the Trust Accounts have been established.

(c) The Administrator shall have received, on the Closing Date, opinions delivered to the Administrator and the Conduit Purchaser (and the other addressees reasonably requested by the Initial Purchaser), in each case, dated the Closing Date, covering such matters as the Administrator shall reasonably request.

(d) The Issuer, the Trustee, the Seller and the other parties to the Transaction Documents shall have executed and delivered the Transaction Documents to which they are parties in the same form and substance as previously presented to and approved by the Administrator.

(e) Prior to the Closing Date, the Issuer and the Seller shall have furnished to the Administrator such further information, certificates and documents as the Administrator may reasonably request.

(f) Prior to the Closing Date, the Administrator shall have received certified copies of resolutions of the Board of Directors of the Issuer, the Servicer and the Seller (or, in each case, of its general partner or sole member, if applicable) authorizing or ratifying the execution, delivery and performance, respectively, of the Transaction Documents to which it is a party, together with a certified copy of its articles or certificate of incorporation or certificate of limited partnership, as applicable, and a copy of its limited partnership agreement or by-laws, as applicable.

(g) Prior to the Closing Date, the Administrator shall have received certified copies of all documents evidencing any necessary corporate action, consents and governmental approvals (if any) with respect to the Transaction Documents.

(h) Prior to the Closing Date, the Administrator shall have received a certificate of the secretary or an assistant secretary of each of the Issuer, the Servicer Letter of Credit Bank and the Seller (or, in each case, of its general partner, if applicable) certifying the names of its officer or officers authorized to sign the Transaction Documents to which it is a party.

(i) Prior to the Closing Date, the Administrator shall have received good standing certificates for the Issuer, the Servicer and the Seller issued as of a recent date acceptable to Administrator by (a) the Secretary of State of the jurisdiction of such Person's incorporation or organization, and (b) the Secretary of State of the jurisdiction where such Person's chief executive office and principal place of business are located.

(j) Prior to the Closing Date, the Administrator shall have received (i) acknowledgment copies of proper financing statements (Form UCC-1), filed on or prior to the Closing Date, naming Issuer as debtor and Trustee (for the benefit of the Secured Parties) as the secured party as may be necessary or, in the opinion of Administrator, desirable under the UCC to perfect Trustee's (for the benefit of the Secured Parties) security interest in the Trust Estate, (ii) acknowledgment copies of proper financing statements, filed on or prior to the Closing Date, naming the Seller (and its predecessors) as seller/debtor, the Issuer as purchaser/secured party and the Trustee as assignee as may be necessary or, in the opinion of Administrator, desirable under the UCC to perfect Trustee's ownership interest in the Receivables and the proceeds thereof, and (iii) executed copies of proper UCC-3 financing statements necessary to release all liens and other Adverse Claims of any Person in the Trust Estate, the Receivables or the Purchased Receivables, as applicable, granted by the Issuer or the Seller or its predecessors.

(k) Prior to the Closing Date, the Administrator shall have received a written search report by a search service acceptable to Administrator listing all effective financing statements that name the Issuer or the Seller and its predecessors as a debtor or assignor and that are filed in the jurisdictions in which filings were made pursuant to subsection 4.1(j) above and in such other jurisdictions that Administrator shall have reasonably requested, together with copies of such financing statements (none of which shall cover any of the Trust Estate), and tax and judgment lien search reports from a Person satisfactory to Administrator showing no evidence of such lien filed against the Issuer or the Seller and its predecessors.

(l) Prior to the Closing Date, the Administrator shall have received all outstanding Fees payable pursuant to the Fee Letter, including all accrued attorneys' fees and expenses.

(m) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any Governmental Authority that would, as of the Closing Date, prevent the issuance or sale of the Notes; and no injunction or order of any Federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Notes.

(n) All Governmental Actions of all Governmental Authorities required with respect to the transactions contemplated by the Transaction Documents and the other documents related thereto shall have been obtained or made.

(o) To the extent required by Three Pillars' commercial paper program, a letter from each rating agency rating Three Pillars' Commercial Paper Notes confirming its rating of such Commercial Paper Notes or that such rating will not be withdrawn or downgraded after giving effect to the Original Note Purchase Agreement and the transactions contemplated thereby.

(p) No Pay Out Event, Potential Pay Out Event, Event of Default, Servicer Default or Block Event has occurred and is continuing.

(q) The representations and warranties of the Issuer, the Servicer and the Seller set forth in the Original Note Purchase Agreement and the other Transaction Documents are true and correct as of the Closing Date.

SECTION 4.2 Conditions Precedent to each Increase. In addition to the conditions set forth in Section 3.1 of the Series Supplement, the obligation of the Conduit Purchasers and the Committed Purchaser to fund any Increase on the related Increase Date is subject to the condition that there exist no Pay Out Event, Potential Pay Out Event, Event of Default, Servicer Default or Block Event which has occurred and is continuing.

SECTION 4.3 Conditions Precedent to the Restatement. In addition to the conditions set forth in Section 3.1 of the Series Supplement, the purchase by the Administrator and the Funding Agent on behalf of the respective Conduit Purchasers of the Notes on the Restatement Date is subject to the satisfaction at the time of the Restatement of the following conditions:

(a) The Administrator and the Funding Agent shall have received on the Restatement Date from each of the Seller and the Issuer, a certificate signed by an executive officer of such Person, dated the Restatement Date, to the effect that (i) the representations and warranties of the Seller and the Issuer in this Note Purchase Agreement, the Indenture and the other Transaction Documents are true and correct on and as of the Restatement Date as if made on and as of such date, (ii) the Issuer and the Seller have complied with all the agreements and satisfied all the conditions on their part to be performed or satisfied in this Note Purchase Agreement, the Indenture and the other Transaction Documents, as applicable, at or prior to the Restatement Date, and (iii) there has not occurred any change or any development that is likely to result in a change in the condition, financial or otherwise, or in the earnings, business, operations or prospects of the Issuer or the Seller, and their respective Affiliates, taken as a whole, from that set forth in the Seller's most recent form 10-K filed with the Securities and Exchange Commission that has had or could reasonably be expected to have a Material Adverse Effect and the Administrator and the Funding Agent shall be satisfied that such conditions are true.

(b) The Funding Agent shall have received, on the Restatement Date, reliance letters with respect to such opinions delivered to the Administrator and Three Pillars prior to the Restatement Date as may be requested by the Funding Agent.

(c) The Administrator and the Funding Agent shall have received on the Restatement Date opinion letters and/or bring-down letters of opinions delivered to the Administrator and Three Pillars prior to the Restatement Date from counsel to the Issuer, the Seller and the Trustee, in each case in form and substance satisfactory to the Administrator and the Funding Agent.

(d) (i) The Issuer, the Trustee, the Seller and the other parties to the Transaction Documents shall have executed and delivered to the Administrator and the Funding Agent this Note Purchase Agreement and each other Transaction Document to be executed as of the Restatement Date and (ii) the Issuer shall have delivered to the Funding Agent all previously executed Transaction Documents and documents related to the Transaction Documents, including all amendments thereto, to which they are parties in the same form and substance as previously delivered to the Administrator.

(e) Prior to the Restatement Date, the Issuer and the Seller shall have furnished to the Administrator and the Funding Agent such further information, certificates and documents as the Administrator or the Funding Agent may reasonably request.

(f) Prior to the Restatement Date, the Administrator and the Funding Agent shall have received certified copies of all documents evidencing any necessary corporate action, consents and governmental approvals (if any) with respect to the Transaction Documents.

(g) Prior to the Restatement Date, the Administrator and the Funding Agent shall have received good standing certificates for the Issuer, the Servicer and the Seller issued as of a recent date acceptable to Administrator and the Funding Agent by (a) the Secretary of State of the jurisdiction of such Person's incorporation or organization, and (b) the Secretary of State of the jurisdiction where such Person's chief executive office and principal place of business are located.

(h) Prior to the Restatement Date, the Funding Agent shall have received, in form and substance to its reasonable satisfaction (i) acknowledgment copies of properly filed financing statements (Form UCC-1), filed on or prior to September 13, 2002, naming Issuer as debtor and Trustee (for the benefit of the Secured Parties) as the secured party perfecting Trustee's (for the benefit of the Secured Parties) security interest in the Trust Estate, (ii) acknowledgment copies of properly filed financing statements, filed on or prior to September 13, 2002, naming the Seller (and its predecessors) as seller/debtor, the Issuer as purchaser/secured party and the Trustee as assignee perfecting Trustee's ownership interest in the Receivables and the proceeds thereof, (iii) acknowledgment copies of properly filed UCC-3 financing statements reflecting releases of all liens and other Adverse Claims of any Person in the Trust Estate, the Receivables or the Purchased Receivables, as applicable, granted by the Issuer or the Seller or its predecessors and (iv) acknowledgment copies of properly filed UCC-3 financing statements reflecting the continuation of the financing statements referenced in clauses (i) and (ii) above.

(i) Prior to the Restatement Date, each of the Administrator and the Funding Agent shall have received all outstanding Fees due and payable to it pursuant to its related Fee Letter, including all accrued attorneys' fees and expenses.

(j) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any Governmental Authority that would, as of the Restatement Date, prevent the issuance or sale of the Notes; and no injunction or order of any Federal, state or foreign court shall have been issued that would, as of the Restatement Date, prevent the issuance or sale of the Notes.

(k) No Pay Out Event, Potential Pay Out Event, Event of Default, Servicer Default or Block Event has occurred and is continuing.

(l) The representations and warranties of the Issuer, the Servicer and the Seller set forth in this Note Purchase Agreement and the other Transaction Documents are true and correct as of the Restatement Date (except to the extent they relate to an earlier date or later time, and then as of such earlier date or later time).

(m) All fees due and payable to each Conduit Purchaser, the Administrator, the Funding Agent and the Committed Purchaser on or prior to the Restatement Date shall have been paid in full.

(n) To the extent required by any Conduit Purchaser's commercial paper program, a letter from each rating agency rating such Conduit Purchaser's Commercial Paper Notes confirming its rating of such Commercial Paper Notes or that such rating will not be withdrawn or downgraded after giving effect to this Note Purchase Agreement and the transactions contemplated hereby.

#### ARTICLE V.

##### REPRESENTATIONS AND WARRANTIES OF THE ISSUER AND THE SELLER

SECTION 5.1 Representations, Warranties and Covenants of the Seller and the Issuer. The Issuer severally represents and warrants and the Seller, jointly and severally with the Issuer, represent and warrant to the Conduit Purchasers, the Funding Agent, the Committed Purchaser and the Administrator, that:

(a) Organization and Good Standing. Each of the Seller and the Issuer has been duly organized and is validly existing and in good standing under the laws of the state of organization, with full power and authority to own its properties and conduct its business as presently conducted. Each of the Issuer and the Seller is duly qualified to do business and is in good standing as a foreign entity (or is exempt from such requirements), and has obtained all necessary licenses and approvals, in each jurisdiction in which failure to so qualify or to obtain such licenses and approvals would be reasonably likely to have a Material Adverse Effect.

(b) Power and Authority; Due Authorization. Each of the Seller and the Issuer has (a) all necessary power, authority and legal right to (i) execute, deliver and perform its obligations under this Note Purchase Agreement and each of the other Transaction Documents to which it is a party and (b) duly authorized, by all necessary action, the execution, delivery and performance of this Note Purchase Agreement and the other Transaction Documents to which it is a party, the transactions contemplated herein and the borrowing, and the granting of security therefor, on the terms and conditions provided in the Indenture.

(c) No Violation. The consummation of the transactions contemplated by this Note Purchase Agreement and the other Transaction Documents and the fulfillment of the terms hereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (A) the organizational documents of the Issuer or the Seller or (B) any indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument to which the Issuer or the Seller is a party or by which the Issuer or the Seller or any of the Issuer's or the Seller's properties is bound, (ii) result in or require the creation or imposition of any Adverse Claim upon its properties pursuant to the terms of any such indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument, other than pursuant to the terms of the Transaction Documents, or (iii) violate any law or any order, rule, or regulation applicable to the Issuer or the Seller or of any court or of any federal, state or foreign regulatory body, administrative agency, or other governmental instrumentality having jurisdiction over, the Issuer or the Seller or any of its respective properties.

(d) Validity and Binding Nature. This Note Purchase Agreement is, and the other Transaction Documents to which the Issuer or the Seller is a party when duly executed and delivered by the Issuer or the Seller and the other parties thereto will be, the legal, valid and binding obligation of the Issuer or the Seller, as applicable, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

(e) Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body required for the due execution, delivery or performance by the Issuer or the Seller of any Transaction Document to which it is a party remains unobtained or unfiled, except for the filing of the UCC financing statements referred to in Section 15.4 of the Base Indenture.

(f) Bulk Sales. No transaction contemplated hereby or by the other Transaction Documents requires compliance with any "bulk sales" act or similar law.

(g) Margin Regulations. Neither the Seller nor the Issuer is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds from the transactions contemplated hereby, directly or indirectly, will be used for a purpose that violates, or would be inconsistent with, Regulations T, U and X promulgated by the Federal Reserve Board from time to time.

(h) Perfection. (a) On the Closing Date and the date of each Increase, the Issuer shall be the owner of all of the Receivables and Related Security and Collections and proceeds with respect thereto, free and clear of all Adverse Claims. On or prior to the Closing Date and the date of each Increase and each recomputation of the Investor Interest, all financing statements and other documents required to be recorded or filed in order to perfect and protect the Trust Estate against all creditors (other than Secured Parties) of, and purchasers (other than Secured Parties) from, the Issuer and each Seller will have been (or will have been within ten (10) days of the Closing Date) duly filed in each filing office necessary for such purpose, and all filing fees and taxes, if any, payable in connection with such filings shall have been (or will have been within ten (10) days of the Closing Date) paid in full;

(ii) the Indenture constitutes a valid grant of a security interest to the Trustee for the benefit of the Conduit Purchasers and the other Secured Parties in all right, title and interest of the Issuer in the Receivables, the Related Security and Collections and proceeds with respect thereto and all other assets of the Trust Estate, now existing or hereafter created or acquired. Accordingly, to the extent the UCC applies with respect to the perfection of such security interest, upon the filing of any financing statements described in Article 8 of the Indenture, and, solely with respect to the Related Security, to the extent required for perfection under the relevant UCC, the delivery of possession of all instruments, if any, included in such Related Security to the Servicer), the Trustee shall have a first priority perfected security interest in such property and the proceeds thereof (to the extent provided in Section 9-315), subject to Permitted Encumbrances and, to the extent the UCC does not apply to the perfection of such security interest, all notices filings and other actions required by all applicable law have been taken to perfect and protect such security interest or lien against and prior to all Adverse Claims with respect to the relevant Receivables, Related Security and Collections and proceeds with respect thereto and all other assets of the Trust Estate. Except as otherwise specifically provided in the Transaction Documents, neither the Issuer nor any Person claiming through or under the Issuer has any claim to or interest in the Collection Account; and

(iii) immediately prior to, and after giving effect to, the initial purchase of the Notes and each Increase hereunder, the Issuer will be Solvent.

(i) Offices. The principal place of business and chief executive office of the Issuer is located at the address referred to in Section 15.4 of the Base Indenture (or at such other locations, notified to the Trustee in jurisdictions where all action required thereby has been taken and completed).

(j) Tax Status. Each of the Issuer and the Seller has filed all tax returns (Federal, State and local) required to be filed by it and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges then due and payable (including for such purposes, the setting aside of appropriate reserves for taxes, assessments and other governmental charges being contested in good faith).

(k) Compliance with Applicable Laws; Licenses, etc.

(i) Each of the Issuer and the Seller is in compliance with the requirements of all applicable laws, rules, regulations, and orders of all governmental authorities, a breach of any of which, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

(ii) Neither of the Issuer nor the Seller has failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain would be reasonably likely to have a Material Adverse Effect.

(l) No Proceedings. Except as described in Schedule I,

(i) there is no order, judgment, decree, injunction, stipulation or consent order of or with any court or other government authority to which the Issuer or the Seller is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, to the knowledge of the Issuer or the Seller, threatened, before or by any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, against the Issuer that, individually or in the aggregate, is reasonably likely to have a Material Adverse Effect; and

(ii) there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the knowledge of the Issuer or the Seller, threatened, before or by any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality (A) asserting the invalidity of this Note Purchase Agreement, the Indenture, the Notes or any other Transaction Document, (B) seeking to prevent the issuance of the Notes pursuant to the Indenture or the consummation of any of the other transactions contemplated by this Indenture or any other Transaction Document or (C) seeking to adversely affect the federal income tax attributes of the Issuer.

(m) Investment Company Act, Etc. None of the Seller or the Issuer is, or after applying the proceeds of this offering will be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(n) Eligible Receivables. Each Receivable included in the Trust Estate on the date of any Monthly Servicer Report shall be an Eligible Receivable on such date. Each Receivable, including Subsequently Purchased Receivables, purchased by the Issuer on any Purchase Date shall be an Eligible Receivable as of such Purchase Date.

(o) Receivables Schedule. The Receivable File is a true and correct schedule of the Receivables included in the Trust Estate.

(p) ERISA. (i) Each of the Seller, the Issuer and its respective ERISA Affiliates is in compliance in all material respects with ERISA unless any failure to so comply could not reasonably be expected to have a Material Adverse Effect and (ii) no Lien exists in favor of the Pension Benefit Guaranty Corporation on any of the Receivables. No ERISA Event has occurred with respect to Title IV Plans of the Issuer. No ERISA Event has occurred with respect to Title IV plans of the Seller's or the Issuer's ERISA Affiliates that have an aggregate Unfunded Pension Liability equal to or greater than \$1,000,000. No ERISA Event has occurred with respect to a Multiemployer Plan (as defined in the Base Indenture) of the Issuer or its ERISA Affiliates.

(q) Accuracy of Information. All information heretofore furnished by, or on behalf of, the Seller or the Issuer to the Trustee or any of the Noteholders in connection with any Transaction Document, or any transaction contemplated thereby, is true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).

(r) No Material Adverse Change. Since the date of the Seller's most recent form 10-K filed with the Securities and Exchange Commission, there has been no material adverse change in the collectibility of the Receivables or the Issuer's (i) financial condition, business, operations or prospects or (ii) ability to perform its obligations under any Transaction Document.

(s) Trade Names and Subsidiaries. Set forth on Schedule II hereto is a complete list of trade names of the Seller for the six year period preceding the Closing Date. The Issuer has no Subsidiaries and does not own or hold, directly or indirectly, any equity interest in any Person.

(t) Notes. The Notes have been duly and validly authorized, and, when executed and authenticated in accordance with the terms of the Indenture, and delivered to and paid for in accordance with this Note Purchase Agreement, will be duly and validly issued and outstanding and will be entitled to the benefits of the Indenture.

(u) Sales by Seller. (a) Each sale of Receivables by the Seller to the Issuer shall have been effected under, and in accordance with the terms of, the Purchase Agreement, including the payment by the Issuer to the Seller of an amount equal to the purchase price therefor as described in the Purchase Agreement, and each such sale shall have been made for "reasonably equivalent value" (as such term is used under Section 548 of the Federal Bankruptcy Code) and not for or on account of "antecedent debt" (as such term is used under Section 547 of the Federal Bankruptcy Code) owed by the Issuer to the Seller.

(v) Use of Proceeds. No proceeds of any Notes will be used by the Issuer to acquire any security in any transaction which is subject to Section 13 or 14 of the Securities Exchange Act of 1934, as amended.

(w) Reaffirmation of Representations and Warranties by the Issuer. On the Closing Date and on each Business Day, the Issuer shall be deemed to have certified that all representations and warranties described in Section 7.1 of the Indenture are true and correct on and as of such day as though made on and as of such day (except to the extent they relate to an earlier date or later time, and then as of such earlier date or later time).

SECTION 5.2 Reaffirmation of Representations and Warranties by the Issuer. On the Closing Date, the Restatement Date, on each Business Day and on each day that an Increase is made hereunder, the Issuer, by accepting the proceeds thereof, shall be deemed to have certified that all representations and warranties described in Section 5.1 hereof and Section 7.1 of the Indenture are true and correct on and as of such day as though made on and as of such day (except to the extent they relate to an earlier date or later time, and then as of such earlier date or later time).

## ARTICLE VI.

### REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE ADMINISTRATOR, THE FUNDING AGENT AND THE CONDUIT PURCHASERS

SECTION 6.1 Securities Laws; Transfer Restrictions. Each of the Administrator, the Funding Agent and each Conduit Purchaser represents and warrants to the Issuer, for itself, as of the date hereof (or as of a subsequent date on which a successor or assign of any Purchaser shall become a party hereto), and agrees that:

(a) it has (i) reviewed the Indenture (including the schedule and exhibits thereto) and all other documents which have been provided by the Issuer to it with respect to the transactions contemplated by the Indenture, (ii) participated in due diligence sessions with the Servicer and (iii) had an opportunity to discuss the Issuer's and the Seller's businesses, management and financial affairs, and the terms and conditions of the proposed purchase with the Issuer and the Servicer and their respective representatives;

(b) it is an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of investing in, and it is able and prepared to bear the economic risk of investing in, the Notes;

(c) it is purchasing the Notes for its own account, or for the account of one or more "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act that meet the criteria described in subsection (b) and for which it is acting with complete investment discretion, for investment purposes only and not with a view to distribution;

(d) it understands that (i) the Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and is being offered only in a transaction not involving any public offering within the meaning of the Securities Act, (ii) the Issuer is not required to so register or qualify the Notes, and (iii) the Notes may be resold, pledged or otherwise transferred only (A) to the Issuer, (B) to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A under the Securities Act, or (C) in a transaction otherwise exempt from the registration requirements of the Securities Act, in each case in accordance with the provisions of the Indenture and any applicable securities laws of any state of the United States or any other jurisdiction;

(e) it understands that upon original issuance thereof, and until such time as the same may no longer be required under the applicable requirements of the Securities Act, the certificate evidencing the Notes (and all securities issued in exchange therefor or substitution thereof) shall bear a legend substantially in the form set forth in the form of Notes included as an exhibit to the Series Supplement;

(f) it understands that the Registrar and Transfer Agent for the Notes will not be required to accept for registration of transfer the Notes acquired by it, except upon presentation of, if applicable, the certificate and, if applicable, the opinion described in the Series Supplement; and

(g) it will obtain from any transferee of the Notes (or any interest therein) substantially the same representations, warranties and agreements contained in this Section 6.1.

## ARTICLE VII.

### COVENANTS

SECTION 7.1 Monthly Noteholders' Statement; Notice of Adverse Effect. (3) The Issuer will cause each Monthly Noteholders' Statement pertaining to the Series Supplement to be delivered to each Conduit Purchaser and the Committed Purchaser, contemporaneously with the delivery thereof to the Trustee.

(b) As soon as possible, and in any event within one (1) day after the occurrence thereof, the Issuer shall (or shall cause the Servicer to) give each Conduit Purchaser and the Committed Purchaser written notice of each Pay Out Event, Potential Pay Out Event, Event of Default, Servicer Default or Block Event.

SECTION 7.2 Further Assurances. The Issuer agrees to take any and all acts and to create any and all further instruments necessary or reasonably requested by the Administrator and the Funding Agent to fully effect the purposes of this Note Purchase Agreement.

SECTION 7.3 Modifications to Transaction Documents. (4) Notwithstanding anything in the Indenture to the contrary, no provision of this Note Purchase Agreement, the Indenture, the Servicing Agreement or the Purchase Agreement may be amended, waived or otherwise modified without (i) the prior written consent of the Issuer and the Required Persons and (ii) if such amendment is material, without satisfying the Rating Agency Condition; provided that the consent of all of the Noteholders shall be required for (i) any amendment, waiver, modification or supplement of any such document described above relating to (i) the definitions of "Eligible Receivables," "Purchase Expiration Date," "Final Purchase Expiration Date," "Tranche A Expiration Date," "Tranche B Expiration Date," "Tranche C Expiration Date," "Required Persons," "Required Reserve Amount," "Coverage Test" and "Maximum Principal Amount" and any defined terms incorporated therein, (ii) the reduction or postponement of the time for payment of any fee or other amount payable to or on behalf of such Noteholders or (iii) this Section 7.3.

(b) The Issuer shall (or shall cause the Servicer to) give the Administrator, the Funding Agent, the Committed Purchaser and the Conduit Purchasers written notice of any proposed amendment, modification or waiver of any provision of the Transaction Documents.

SECTION 7.4 Expenses. Whether or not the Closing takes place, except as otherwise expressly provided herein or in the Fee Letter, all reasonable costs and expenses incurred in connection with this Note Purchase Agreement and the transactions contemplated hereby shall be paid by the Issuer.

SECTION 7.5 Reorganizations and Transfers. The Issuer shall not enter into any transaction described in subsection 8.3(c) of the Indenture unless the Trustee and the Required Persons shall have given their prior written consent thereto.

SECTION 7.6 Financial Covenants. (5) The Seller will not permit the ratio of (i) Consolidated EBITDA plus Consolidated Rent Expense minus Consolidated Capital Expenditures divided by (ii) Consolidated Cash Interest Expense (exclusive of any fees paid in respect of the undrawn face amounts of the Collection Account Letters of Credit) plus Consolidated Rent Expense, as determined as of the last day of each fiscal quarter for the twelve-month period ending on such day, to be less than 2.00 to 1.00.

(b) The Seller will not permit the ratio of (i) the sum of (x) Consolidated Total Debt (exclusive of the undrawn face amounts of the Collection Account Letters of Credit, the undrawn face amounts of the Bank of America Letters of Credit and the undrawn face amounts of the Letters of Credit issued under this Agreement) plus (y) eight times Consolidated Rent Expense divided by (ii) Consolidated EBITDA plus Consolidated Rent Expense, as determined as of the last day of each fiscal quarter for the twelve-month period ending on such day, to be greater than 3.00 to 1.00.

(c) Notwithstanding anything set forth in Section 2.04(e) of the Servicing Agreement, the Seller will not permit, at any time, Consolidated Net Worth to be less than the sum of (i) \$109,541,000 plus (ii) 75% of positive Net Income generated after January 31, 2005 plus (iii) 100% of any capital stock or other ownership or profit interest or any securities convertible into or exchangeable for capital stock or other ownership or profit interest or any warrants, rights or options to acquire the same, issued after January 31, 2005. Any gains attributable to the effects of Statements of Financial Accounting Standards Nos. 125/140 and/or 133, or their successors, and any losses attributable thereto, shall be excluded in determining Consolidated Net Worth for purposes of this Section.

All capitalized terms used in this Section 7.6 (other than "Seller" and "Servicing Agreement") and all defined terms incorporated therein by reference or usage shall have the meanings set forth in that certain Credit Agreement, dated as of October 31, 2005, among the Seller, the lenders party thereto, JPMorgan Chase Bank, National Association, as administrative agent, Bank of America, N.A., as syndication agent and SunTrust Bank, as documentation agent (the "Credit Facility"), solely as such Credit Facility has been amended through the date hereof and without giving effect to any further amendment, restatement, amendment and restatement, modification or supplement thereto (it being understood and agreed that all such terms shall still apply in full force as used in this Note Purchase Agreement notwithstanding any termination, restructuring or other modification of the Credit Facility). For the avoidance of doubt, the parties hereto hereby agree that each covenant set forth in this Section 7.6 shall be tested by the Seller quarterly.

#### ARTICLE VIII.

#### INDEMNIFICATION

SECTION 8.1 Indemnification. The Seller and the Issuer, jointly and severally, agree to indemnify and hold harmless the Administrator, the Funding Agent, the Committed Purchaser, each Conduit Purchaser, each Liquidity Bank, each Credit Bank, each Bank, each of such Banks' Affiliates and each of their respective successors, transferees, participants and assigns and all officers, directors, shareholders, controlling persons, employees and agents of any of the foregoing (each of the foregoing Persons being individually called an "Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively called "Indemnified Amounts") awarded against or incurred by any of them arising out of or relating to any Transaction Document or the transactions contemplated thereby, any commingling of funds (whether or not permitted hereunder), or the use of proceeds therefrom by the Issuer, including (without limitation) in respect of the Initial Purchase Price or any Increases or in respect of any Receivable; excluding, however, (a) Indemnified Amounts to the extent determined by a court of competent jurisdiction to have resulted from gross negligence or willful misconduct on the part of any Indemnified Party or its agent or subcontractor (BUT EXPRESSLY EXCLUDING FROM THIS CLAUSE (a), AND EXPRESSLY INCLUDING IN THE INDEMNITY SET FORTH IN THIS SECTION 8.1, INDEMNIFIED AMOUNTS ATTRIBUTABLE TO THE ORDINARY, SOLE OR CONTRIBUTORY NEGLIGENCE OF SUCH INDEMNIFIED PARTY, IT BEING THE INTENT OF THE PARTIES THAT, TO THE EXTENT PROVIDED IN THIS SECTION 8.1, INDEMNIFIED PARTIES SHALL BE INDEMNIFIED FOR THEIR OWN ORDINARY, SOLE OR CONTRIBUTORY NEGLIGENCE NOT CONSTITUTING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT), and (b) any tax upon or measured by net income (except those described in Section 8.1) on any Indemnified Party.

SECTION 8.2 Increased Costs.

(a) If after the date hereof, the adoption of any law or bank regulatory guideline or any amendment or change in the interpretation of any existing or future law or bank regulatory guideline by any Official Body charged with the administration, interpretation or application thereof, or the compliance with any directive of any Official Body (in the case of any bank regulatory guideline, whether or not having the force of law), other than laws, interpretations, guidelines or directives relating to Taxes:

(i) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, an Affected Party or shall impose on any Affected Party or on the United States market for certificates of deposit or the London interbank market any other condition affecting this Note Purchase Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Notes, the Receivables, any other assets of the Trust Estate or payments of amounts due hereunder or its obligation to advance funds hereunder or under the other Transaction Documents; or

(ii) imposes upon any Affected Party any other expense deemed by such Affected Party to be material (including, without limitation, reasonable attorneys' fees and expenses, and expenses of litigation or preparation therefor in contesting any of the foregoing) with respect to this Note Purchase Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Notes, the Receivables, any other assets of the Trust Estate, or payments of amounts due hereunder or its obligation to advance funds hereunder or otherwise in respect of this Note Purchase Agreement or the other Transaction Documents,

and the result of any of the foregoing is to increase the cost to such Affected Party with respect to this Note Purchase Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Notes, the Receivables, any other assets of the Trust Estate, the obligations hereunder, the funding of any Increases hereunder or under the other Transaction Documents, by an amount reasonably deemed by such Affected Party to be material, then, on the first Payment Date which is not less than three Business Days after demand by such Affected Party through the Administrator or the Funding Agent, as applicable, the Issuer shall pay to such Affected Party such additional amount or amounts as will compensate such Affected Party for such increased cost or reduction. In making demand hereunder, the applicable Affected Party shall submit to the Issuer a certificate as to such increased costs incurred which shall provide in detail the basis for such claim which certificate shall be conclusive and binding for all purposes absent manifest error; provided, however, that no such Affected Party shall be required to disclose any confidential or tax planning information in any such certificate.

(b) If any Affected Party shall have determined that after the Closing Date, the adoption of any applicable law or bank regulatory guideline regarding capital adequacy, or any change therein, or any change in the interpretation thereof by any Official Body, or any directive regarding capital adequacy (in the case of any bank regulatory guideline, whether or not having the force of law) of any such Official Body, has or would have, due to an increase in the amount of capital required to be maintained by such Affected Party, the effect of reducing the rate of return on capital of such Affected Party as a consequence of such Affected Party's obligations hereunder or with respect hereto to a level below that which such Affected Party could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount reasonably deemed by such Affected Party to be material, then from time to time, on the first Payment Date which is not less than ten (10) Business Days after demand by such Affected Party through the Administrator or the Funding Agent, as applicable, the Issuer shall pay to such Affected Party such additional amount or amounts as will compensate such Affected Party for such reduction. In making demand hereunder, the applicable Affected Party shall submit to the Issuer a certificate as to such increased costs incurred which shall provide in detail the basis for such claim which certificate shall be conclusive and binding for all purposes absent manifest error; provided, however, that no such Affected Party shall be required to disclose any confidential or tax planning information in any such certificate.



SECTION 8.3 Indemnity for Taxes. All payments made by the Issuer to the Administrator or the Funding Agent for the benefit of any related Conduit Purchaser or the Committed Purchaser under this Note Purchase Agreement or any other Transaction Document shall be made free and clear of, and without deduction or withholding for or on account of, any present or future stamp or similar taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Official Body, excluding (i) taxes that would not have been imposed if the Affected Party had timely complied with the requirements of subsection 8.3(b) hereof, and (ii) taxes imposed on the net income of the Administrator, the Funding Agent or any other Affected Party, in each case imposed by any jurisdiction under the laws of which the Administrator, the Funding Agent or such Affected Party is organized or any political subdivision or taxing authority thereof or therein (all such nonexcluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings, collectively or individually, "Taxes"). If any such Taxes are required to be withheld from any amounts payable to the Administrator, the Funding Agent or any Affected Party hereunder, the amounts so payable to the Administrator, the Funding Agent or such Affected Party shall be increased to the extent necessary to yield to the Administrator, the Funding Agent or such Affected Party (after payment of all Taxes) all amounts payable hereunder at the rates or in the amounts specified in this Note Purchase Agreement and the other Transaction Documents. The Issuer shall indemnify the Administrator, the Funding Agent and any such Affected Party for the full amount of any such Taxes on the first Payment Date which is not less than ten (10) days after the date of written demand therefor by the Administrator or the Funding Agent, as applicable.

(a) Each Affected Party that is a Non-United States Person shall:

(i) deliver to the Issuer and the Administrator or the Funding Agent, as applicable, two duly completed copies of IRS Form W-8 BEN or Form W-8 ECI, or successor applicable form, as the case may be;

(ii) deliver to the Issuer and the Administrator or the Funding Agent, as applicable, two (2) further copies of any such form or certification on or before the date that any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Issuer; and

(iii) obtain such extensions of time for filing and complete such forms or certifications as may reasonably be requested by the Issuer, the Administrator or the Funding Agent;

unless, in any such case, an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which, regardless of the identity of the Affected Party, renders all such forms inapplicable or which, regardless of the identity of the Affected Party, would prevent such Affected Party from duly completing and delivering any such form with respect to it, and such Affected Party so advises the Issuer and the Administrator or the Funding Agent, as applicable. Each such Affected Party so organized shall certify in the case of an IRS Form W-8 BEN or IRS Form W-8 ECI (or successor applicable form), that it is entitled to receive payments under this Note Purchase Agreement and the other Transaction Documents without deduction or withholding of any United States federal income taxes. Each Affected Party which is a Non-United States Person represents and warrants to the Issuer and the Administrator or the Funding Agent, as applicable, that, as of the date of this Note Purchase Agreement (or the date such Person otherwise becomes an Affected Party, as the case may be), (i) it is entitled to receive all payments hereunder without deduction or withholding for or on account of any United States federal Taxes and (ii) it is permitted to take the actions described in the preceding sentence under the laws and any applicable double taxation treaties of the jurisdiction of its head office or any booking office used in connection with this Note Purchase Agreement. Each Affected Party which is a Non-United States Person further agrees that, to the extent any form claiming complete or partial exemption from withholding and deduction of United States federal Taxes delivered under this clause (b) is found to be incomplete or incorrect in any material respect, such Affected Party shall (to the extent it is permitted to do so under the laws and any double taxation treaties of the United States, the jurisdiction of its organization and the jurisdictions in which its relevant booking offices are located) execute and deliver to each of the Administrator or the Funding Agent, as applicable, and the Issuer a complete and correct replacement form.

(b) Limitations. Each Affected Party agrees to use reasonable efforts to mitigate the imposition of any Taxes referred to in this Section 8.3, including changing the office of such Affected Party from which any Funding Tranche (or portion thereof) funded or maintained by such Affected Party or this Note Purchase Agreement is booked; provided that such reasonable efforts would not be disadvantageous to such Affected Party or result in the imposition of any additional Taxes upon such Affected Party or cause such Affected Party, in its good faith judgment, to violate one or more of its policies in order to avoid such imposition of Taxes.

SECTION 8.4 Other Costs, Expenses and Related Matters.

(a) The Issuer agrees, upon receipt of a written invoice, to pay or cause to be paid, and to save the Affected Parties harmless against liability for the payment of, all reasonable out-of-pocket expenses (including, without limitation, reasonable attorneys', accountants' and other third parties' fees and expenses, any filing fees and expenses incurred by officers or employees of any of the Affected Parties) or intangible, documentary or recording taxes incurred by or on behalf of the Affected Parties (i) in connection with the negotiation, execution, delivery and preparation of this Note Purchase Agreement, the other Transaction Documents and any documents or instruments delivered pursuant hereto and thereto and the transactions contemplated hereby or thereby (including, without limitation, the perfection or protection of the Affected Parties' interest in the Trust Estate) and (ii) (A) relating to any amendments, waivers or consents under this Note Purchase Agreement, any Program Documents and the other Transaction Documents, (B) arising in connection with any of the Affected Parties' enforcement or preservation of rights (including, without limitation, the perfection and protection of the Affected Parties' interest in the Trust Estate), or (C) arising in connection with any audit, dispute, disagreement, litigation or preparation for litigation involving this Note Purchase Agreement or any of the other Transaction Documents.

(b) The Administrator or the Funding Agent will notify the Issuer and the Servicer in writing of any event occurring after the date hereof which will entitle an Indemnified Party or Affected Party to compensation pursuant to this Article VIII. Any notice by the Administrator or the Funding Agent claiming compensation under this Article VIII and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, the Administrator or the Funding Agent, as applicable, or any applicable Indemnified Party or Affected Party may use any reasonable averaging and attributing methods.

(c) If the Issuer is required to pay any additional amount to any Conduit Purchaser pursuant to Section 8.2 or 8.3, then such Conduit Purchaser shall use reasonable efforts (which shall not require such Conduit Purchaser to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden reasonably deemed by it to be significant) to assign its rights and delegate and transfer its obligations hereunder to another of its offices, branches or Affiliates, if such filing or assignment would reduce amounts payable pursuant to Section 8.2 or 8.3, as the case may be, in the future.

#### ARTICLE IX.

#### THE ADMINISTRATOR AND THE FUNDING AGENT

SECTION 9.1 Authorization and Action. Three Pillars, as a Conduit Purchaser, hereby appoints SunTrust Robinson Humphrey, Inc. as its Administrator for purposes of the Transaction Documents and authorizes the Administrator to take such action as agent on its behalf and to exercise such powers as are delegated to the Administrator, by the terms hereof, together with such powers as are reasonably incidental thereto. PARCO, as a Conduit Purchaser, and the Committed Purchaser, hereby appoint JPMorgan Chase Bank, N.A. as its Funding Agent for purposes of the Transaction Documents and authorizes the Funding Agent to take such action as agent on their behalf and to exercise such powers as are delegated to the Funding Agent, by the terms hereof, together with such powers as are reasonably incidental thereto. Three Pillars, as a Conduit Purchaser, hereby authorizes the Administrator, in its sole discretion, to take any actions and exercise any rights or remedies under this Note Purchase Agreement and any permitted related agreements and documents. PARCO, as a Conduit Purchaser, and the Committed Purchaser hereby authorize the Funding Agent, in its sole discretion, to take any actions and exercise any rights or remedies under this Note Purchase Agreement and any permitted related agreements and documents. Except for actions which the Administrator or the Funding Agent is expressly required to take pursuant to this Note Purchase Agreement or the applicable Program Documents, neither the Administrator nor the Funding Agent shall be required to take any action which exposes the Administrator or the Funding Agent to personal liability or which is contrary to applicable law unless the Administrator or the Funding Agent, as applicable, shall receive further assurances to its satisfaction from the related Conduit Purchaser, of the indemnification obligations under Section 9.4 hereof against any and all liability and expense which may be incurred in taking or continuing to take such action. The Administrator agrees to give to Three Pillars prompt notice of each notice and determination given to it by the Issuer, the Servicer or the Trustee, pursuant to the terms of this Note Purchase Agreement or the Indenture. The Funding Agent agrees to give to PARCO and the Committed Purchaser prompt notice of each notice and determination given to it by the Issuer, the Servicer or the Trustee, pursuant to the terms of this Note Purchase Agreement or the Indenture. Subject to Section 9.5 hereof, the appointment and authority of each of the Administrator and the Funding Agent hereunder shall terminate upon the later of (i) the payment to (a) each Conduit Purchaser and the Committed Purchaser of all amounts owing to such Person hereunder and (b) the Administrator and the Funding Agent of all amounts due hereunder and (ii) the Series 2002-A Termination Date.

SECTION 9.2 Administrator's and Funding Agent's Reliance, Etc. Neither the Administrator, the Funding Agent nor any of its respective directors, officers, agents who are natural persons or employees shall be liable for any action taken or omitted to be taken by it or them as Administrator or Funding Agent under or in connection with this Note Purchase Agreement or any related agreement or document, except for its or their own gross negligence or willful misconduct. Without limiting the foregoing, the Administrator and the Funding Agent: (i) may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to the Conduit Purchasers, the Funding Agent or the Committed Purchaser and shall not be responsible to the Conduit Purchasers, the Funding Agent or the Committed Purchaser for any statements, warranties or representations made by any other Person in connection with any Transaction Document; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Transaction Document on the part of any Person or to inspect the property (including the books and records) of any Person; (iv) shall not be responsible to the Conduit Purchasers, the Funding Agent or the Committed Purchaser for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Transaction Document or any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of any Transaction Document by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by telex) believed by it in good faith to be genuine and signed or sent by the proper party or parties.

SECTION 9.3 Administrator, Funding Agent and their Respective Affiliates. Each of the Administrator, the Funding Agent and any of their respective Affiliates may generally engage in any kind of business with the Issuer, the Seller, any Bank, Servicer, any Obligor, any insurer, any of their respective Affiliates and any Person who may do business with or own securities of the Issuer, the Seller, any Bank, Servicer, any Obligor or any of their respective Affiliates, all as if such entities were not the Administrator or the Funding Agent, as applicable, and without any duty to account therefor to the Conduit Purchasers, the Funding Agent and the Committed Purchaser, as applicable.

SECTION 9.4 Purchase Decision. Each of the Conduit Purchasers and the Committed Purchaser acknowledges that it has, independently and without reliance upon the Administrator or the Funding Agent, and based on such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Note Purchase Agreement and to purchase an interest in the Notes. Each of the Conduit Purchasers and the Committed Purchaser also acknowledges that it will, independently and without reliance upon the Administrator or the Funding Agent or any of their respective Affiliates, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Note Purchase Agreement or any related agreement, instrument or other document.

SECTION 9.5 Successor Administrator and Funding Agent.

(a) The Administrator may resign at any time by giving five days' written notice thereof to each of the parties hereto and the Trustee. Upon any such resignation of the Administrator, Three Pillars, as a Conduit Purchaser, shall have the right to appoint a successor Administrator. If no successor Administrator shall have been so appointed and shall have accepted such appointment, within five days after the retiring Administrator's giving of notice of resignation, then the retiring Administrator may, on behalf of Three Pillars, as a Conduit Purchaser, appoint a successor Administrator. Upon the acceptance of any appointment as Administrator hereunder by a successor Administrator, such successor Administrator shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrator, and the retiring Administrator shall be discharged from its duties and obligations under this Note Purchase Agreement and the other Transaction Documents (other than obligations arising or to have been performed prior to such retirement). After any retiring Administrator's resignation hereunder as Administrator, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Administrator under this Note Purchase Agreement and the other Transaction Documents.

(b) The Funding Agent may resign at any time by giving five days' written notice thereof to each of the parties hereto and the Trustee. Upon any such resignation of the Funding Agent, PARCO, as a Conduit Purchaser, and the Committed Purchaser shall have the right to appoint a successor Funding Agent. If no successor Funding Agent shall have been so appointed and shall have accepted such appointment, within five days after the retiring Funding Agent's giving of notice of resignation, then the retiring Funding Agent may, on behalf of the PARCO, as a Conduit Purchaser, and the Committed Purchaser, appoint a successor Funding Agent. Upon the acceptance of any appointment as Funding Agent hereunder by a successor Funding Agent, such successor Funding Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Funding Agent, and the retiring Funding Agent shall be discharged from its duties and obligations under this Note Purchase Agreement and the other Transaction Documents (other than obligations arising or to have been performed prior to such retirement). After any retiring Funding Agent's resignation hereunder as Funding Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Funding Agent under this Note Purchase Agreement and the other Transaction Documents.

ARTICLE X.

MISCELLANEOUS

SECTION 10.1 Amendments. No amendment or waiver of any provision of this Note Purchase Agreement shall in any event be effective unless the same shall be made in accordance with the requirements set forth in Section 7.3, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 10.2 Notices. All communications hereunder, except as herein otherwise specifically provided, shall be in writing and, if to the Conduit Purchasers, shall be mailed, delivered or telegraphed and confirmed to such Persons at the following addresses:

Three Pillars Funding LLC  
c/o AMACAR Group, L.L.C.  
6525 Morrison Boulevard,  
Suite 318  
Charlotte, NC 28211  
Attention: Doris Hearn  
Facsimile: (704) 365-1362

and

Park Avenue Receivables Company, LLC  
10 South Dearborn Street  
Chicago, IL 60670  
Attention: Maureen Marcon  
Facsimile: (312) 732-3600

if to the Administrator, shall be mailed, delivered or telegraphed and confirmed to the Administrator at the following address:

SunTrust Robinson Humphrey, Inc.  
303 Peachtree Street  
Atlanta, Georgia 30308  
Attention: Kecia Howson  
Facsimile: (404) 813-0000

if to the Funding Agent or the Committed Purchaser, shall be mailed, delivered or telegraphed and confirmed to such Person at the following address:

JPMorgan Chase Bank, N.A.  
10 South Dearborn Street  
Chicago, IL 60670  
Attention: Maureen Marcon  
Facsimile: (312) 732-3600

if to the Seller, shall be mailed, delivered or telegraphed and confirmed to the Seller at the following address:

Conn Appliances, Inc.  
3295 College Street  
Beaumont, Texas 77701  
Attention: David Atnip  
Telephone: 409-832-1696 ext. 3270  
Facsimile: 409-839-4609

if to the Issuer, shall be mailed, delivered or telegraphed and confirmed to the Issuer at the following address:

Conn Funding II, L.P.  
3295 College Street  
Beaumont, Texas 77701  
Attention: David Atnip  
Telephone: 409-832-1696 ext. 3270  
Facsimile: 409-839-4609

SECTION 10.3 No Waiver; Remedies. No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 10.4 Binding Effect; Assignability. (6) This Note Purchase Agreement shall be binding on the parties hereto and their respective successors and assigns; provided, however, that the Issuer may not assign any of its rights or delegate any of its duties hereunder or under any of the other Transaction Documents to which it is a party without the prior written consent of the Administrator and the Funding Agent. No provision of this Note Purchase Agreement or any other Transaction Document shall in any manner restrict the ability of any Affected Party to assign, participate, grant security interests in, or otherwise transfer any portion of its interest in the Notes (and its rights to receive any payments in respect thereof, including in connection with any collateral securing payment with respect to such Notes); provided, that any such transfer, participation or assignment shall only be made in compliance with the transfer restrictions set forth in the Indenture; provided, further, that unless otherwise consented to by the Issuer, such transferee, participant or assignee shall have executed and delivered to the Issuer, the Trustee, the Funding Agent and the Administrator, a transfer certificate, the form of which is attached as Exhibit C to the Series Supplement, with such changes as shall be reasonably acceptable to the Issuer. Without limiting the foregoing, any Conduit Purchaser may, in one or a series of transactions, transfer all or any portion of its interest in the Trust Estate and the Notes, and its rights and obligations under the Transaction Documents to any Bank, any Liquidity Bank (or any successor of any thereof by merger, consolidation or otherwise), any Affiliate of any Bank or any Liquidity Bank in connection with a draw under a Liquidity Agreement or a Credit Advance (which may then assign all or any portion thereof so assigned or any interest therein to such party or parties as it may choose).

(b) Any Conduit Purchaser or any assignee permitted pursuant to subsection (a) above may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more Persons (each, a "Participant") participating interests in all or a portion of its rights and obligations under this Note Purchase Agreements; provided, that any such transfer, participation or assignment shall only be made in compliance with the transfer restrictions set forth in the Indenture; provided, further, that the Administrator shall have consented to any such participation by Three Pillars, as a Conduit Purchaser and the Funding Agent shall have consented to any such participation by PARCO, as a Conduit Purchaser, or the Committed Purchaser. Notwithstanding any such sale by such Conduit Purchaser or assignee of participating interests to a Participant, such Conduit Purchaser or assignee rights and obligations under this Note Purchase Agreement shall remain unchanged, such Conduit Purchaser or assignee shall remain solely responsible for the performance thereof, and the other parties hereto shall continue to deal solely and directly with such Conduit Purchaser or assignee in connection with such Conduit Purchaser or assignee's rights and obligations under this Note Purchase Agreement. Each Conduit Purchaser or assignee shall be entitled to the benefits of Article IX hereof; provided, however, that all amounts payable to any such Participant shall be limited to the amounts which would have been payable to such Conduit Purchaser or assignee selling such participating interest had such interest not been sold.

(c) This Note Purchase Agreement shall create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until such time as all amounts payable with respect to the Notes shall have been paid in full.

SECTION 10.5 Confidentiality. Unless otherwise consented to by the Administrator and the Funding Agent, each of the Issuer and the Seller hereby agrees that it will not disclose the contents of any Transaction Document, or any other confidential or proprietary information furnished by the Administrator, the Funding Agent, the Committed Purchaser or any Conduit Purchaser to any Person other than its Affiliates (which Affiliates shall have executed an agreement satisfactory in form and in substance to the Administrator and the Funding Agent to be bound by this Section 10.5) auditors and attorneys or as required by applicable law.

SECTION 10.6 GOVERNING LAW; JURISDICTION. THIS NOTE PURCHASE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW). EACH OF THE PARTIES TO THIS NOTE PURCHASE AGREEMENT HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURT HAVING JURISDICTION TO REVIEW THE JUDGMENTS THEREOF. EACH OF THE PARTIES HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

SECTION 10.7 Waiver of Trial by Jury. To the extent permitted by applicable law, each of the parties hereto irrevocably waives all right of trial by jury in any action, proceeding or counterclaim arising out of or in connection with this Note Purchase Agreement or any matter arising hereunder.

SECTION 10.8 No Proceedings. The Issuer agrees that so long as any indebtedness of any Conduit Purchaser shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any indebtedness of such Conduit Purchaser shall have been outstanding, it shall not file, or join in the filing of, a petition against such Conduit Purchaser under the Federal Bankruptcy Code, or join in the commencement of any bankruptcy, reorganization, arrangement, insolvency, liquidation or other similar proceeding against such Conduit Purchaser.

SECTION 10.9 Execution in Counterparts. This Note Purchase Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

SECTION 10.10 No Recourse. Notwithstanding anything to the contrary contained herein, the obligations of the Conduit Purchasers under this Note Purchase Agreement are solely the corporate obligations of such Conduit Purchaser and, in the case of obligations of any Conduit Purchaser other than its respective Commercial Paper Notes, shall be payable at such time as funds are actually received by, or are available to, such Conduit Purchaser in excess of funds necessary to pay in full all of its respective outstanding Commercial Paper Notes and, to the extent funds are not available to pay such obligations, the claims relating thereto shall not constitute a claim against such Conduit Purchaser but shall continue to accrue. Each party hereto agrees that the payment of any claim (as defined in Section 101 of the Bankruptcy Code) of any such party shall be subordinated to the payment in full of all Commercial Paper Notes.

No recourse under any obligation, covenant or agreement of any Conduit Purchaser contained in this Note Purchase Agreement shall be had against any incorporator, stockholder, officer, director, member, manager, employee or agent of such Conduit Purchaser (solely by virtue of such capacity) by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Note Purchase Agreement is solely a corporate obligation of each Conduit Purchaser, and that no personal liability whatever shall attach to or be incurred by any incorporator, stockholder, officer, director, member, manager, employee or agent of any Conduit Purchaser (solely by virtue of such capacity) or any of them under or by reason of any of the obligations, covenants or agreements of such Conduit Purchaser contained in this Note Purchase Agreement, or implied therefrom, and that any and all personal liability for breaches by such Conduit Purchaser of any of such obligations, covenants or agreements, either at common law or at equity, or by statute, rule or regulation, of every such incorporator, stockholder, officer, director, member, manager, employee or agent is hereby expressly waived as a condition of and in consideration for the execution of this Note Purchase Agreement; provided that the foregoing shall not relieve any such Person from any liability it might otherwise have as a result of fraudulent actions taken or fraudulent omissions made by them.

SECTION 10.11 Survival. All representations, warranties, covenants, guaranties and indemnifications contained in this Note Purchase Agreement (including, without limitation, in Sections 10.8 and 10.10), and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the sale, transfer or repayment of the Notes.

SECTION 10.12 Recourse. The obligations of the Issuer under this Note Purchase Agreement and the Notes are full-recourse obligations of the Issuer.

SECTION 10.13 No Fiduciary Duty. Each of the Issuer and the Seller acknowledges that each of the Administrator and the Funding Agent is acting solely in the capacity of arm's-length contractual counterparties to the Issuer and the Seller with respect to the offering of Notes contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of the Issuer, the Seller or any other Person. Additionally, neither the Administrator nor the Funding Agent is advising the Issuer, the Seller or any other Person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Issuer and the Seller shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and neither the Administrator nor the Funding Agent shall have any responsibility or liability to the Issuer or the Seller with respect thereto. Any review by the Administrator or the Funding Agent of the Issuer, the Seller, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Administrator or the Funding Agent, as applicable, and shall not be on behalf of the Issuer, the Seller or any other party.

[Remainder of page intentionally left blank -- signature pages follow.]

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

CONN FUNDING II, L.P., as Issuer

By: Conn Funding II GP, L.L.C.,  
its general partner

By: \_\_\_\_\_  
Name  
Title

CONN APPLIANCES, INC., as Seller

By: \_\_\_\_\_  
Name  
Title

THREE PILLARS FUNDING LLC,  
as a Conduit Purchaser

By: \_\_\_\_\_  
Name  
Title

PARK AVENUE RECEIVABLES COMPANY LLC, as a  
Conduit Purchaser

By: JPMorgan Chase Bank, N.A.,  
its attorney-in-fact

By: \_\_\_\_\_  
Name  
Title

JPMORGAN CHASE BANK, N.A., as Funding  
Agent

By: \_\_\_\_\_  
Name  
Title

JPMORGAN CHASE BANK, N.A. as Committed  
Purchaser

By: \_\_\_\_\_  
Name  
Title

SUNTRUST ROBINSON HUMPHREY, INC.,  
as Administrator

By: \_\_\_\_\_  
Name  
Title

EXHIBIT A

Form of Notice of Increase

1. Proposed Increase Date: \_\_\_\_\_
2. Amount of requested Increase (lesser of minimum amount of \$\_\_\_\_\_ or the then unfunded portion of Three Pillars Funding LLC's Commitment) (with respect to Three Pillars Funding LLC) \$ \_\_\_\_\_
3. Purchase Price (Three Pillars Funding LLC) \$ \_\_\_\_\_
4. Amount of requested Increase (lesser of minimum amount of \$\_\_\_\_\_ or the then unfunded portion of the Commitment of Park Avenue Receivables Company, LLC and JPMorgan Chase Bank, N.A., as Committed Purchaser) (with respect to Park Avenue Receivables Company, LLC and JPMorgan Chase Bank, N.A., as Committed Purchaser) \$ \_\_\_\_\_
5. Purchase Price (Park Avenue Receivables Company, LLC) \$ \_\_\_\_\_
6. Remaining Maximum Principal Amount (after \$\_\_\_\_\_ giving effect to the aggregate requested Increase)
7. Certifications:
  - (a) The representations and warranties of Conn Funding II, L.P. (the "Issuer"), Conn Appliances, Inc., as seller, in the Base Indenture dated as of September 1, 2002 (as amended) between the Issuer and Wells Fargo Bank, National Association (f/k/a Wells Fargo Bank Minnesota, National Association), as trustee (the "Trustee"); the Amended and Restated Series 2002-A Supplement, dated as of September 10, 2007, between the Issuer and the Trustee; and the Amended and Restated Note Purchase Agreement dated as of September 10, 2007 (the "Note Purchase Agreement"), among the Issuer, the Seller, the Conduit Purchasers party thereto, JPMorgan Chase Bank, N.A. and SunTrust Robinson Humphrey, Inc., are true and correct in all material respects on the date hereof (except to the extent they expressly relate to an earlier or later time and then as of such earlier or later time).
  - (b) The conditions to the Increase specified in Section 2.3 of the Note Purchase Agreement have been satisfied and will be satisfied as of the applicable Increase Date.

The Issuer understands and agrees that no Conduit Purchaser (or the Committed Purchaser, as the case may be) shall be required to fund any Increase if, after giving effect thereto, its Note Principal would exceed its Commitment.

Capitalized terms used herein shall have the meanings set forth in the Note Purchase Agreement.

CONN FUNDING II, L.P., as the Issuer

By: Conn Funding II GP, L.L.C.,  
Its general partner

By: \_\_\_\_\_  
Name  
Title

Date of Notice: \_\_\_\_\_

Exhibit A-2

SCHEDULE I  
LIST OF PROCEEDINGS

None.

Schedule I-1

SCHEDULE II

LIST OF TRADE NAMES

Conn Appliances, Inc.:

"Appliance Parts & Service"

"Conn"

"Conn Appliances"

"Conn Rental"

"Conn Service"

"Conns"

"Conn's"

"Conn's Rental"

"Conn's Service"

Conn Funding II, L.P.:

None.

Schedule II-1