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

FORM 10-Q

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

For the quarterly period ended June 30, 2001

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ---------- to ----------

Commission File Number 000-20202

CREDIT ACCEPTANCE CORPORATION
(Exact name of registrant as specified in its charter)

MICHIGAN	38-1999511
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification)
25505 WEST TWELVE MILE ROAD, SUITE 3000 SOUTHFIELD, MICHIGAN	48034-8339
(Address of principal executive offices)	(zip code)

Registrant's telephone number, including area code: 248-353-2700

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes /X/. No / /.

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date.

The number of shares outstanding of Common Stock, par value $.01, on August 8, 2001 was 41,965,744.

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PART I. - FINANCIAL INFORMATION

ITEM 1. - FINANCIAL STATEMENTS

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

	As of	
	December 31, 2000	June 30, 2001
		(Unaudited)
ASSETS:		
Cash and cash equivalents	$ 20,726	$ 19,767
Investments - held to maturity	751	646
Installment contracts receivable	568,900	676,920
Allowance for credit losses	(4,640)	(3,784)
Installment contracts receivable, net	564,260	673,136
Floor plan receivables	8,106	6,188
Notes receivable	6,985	11,057
Retained interest in securitization	5,001	-
Property and equipment, net	18,418	19,574
Investment in operating leases, net	42,921	47,540
Income taxes receivable	351	-
Other assets	3,515	4,948
Total Assets	$ 671,034	$ 782,856
LIABILITIES AND SHAREHOLDERS' EQUITY:		
LIABILITIES:		
Senior notes	$ 15,948	$ 10,658
Lines of credit	88,096	111,989
Mortgage loan payable to bank	7,590	7,259
Secured financing	45,039	66,497
Income taxes payable	-	2,150
Accounts payable and accrued liabilities	25,464	32,198
Deferred dealer enrollment fees, net	1,469	2,251
Dealer holdbacks, net	214,468	269,585
Deferred income taxes, net	10,734	10,624
Total Liabilities	408,808	513,211
SHAREHOLDERS' EQUITY:		
Common stock	425	419
Paid-in capital	110,226	107,518
Retained earnings	155,953	170,271
Accumulated other comprehensive loss-cumulative translation adjustment	(4,378)	(8,563)
Total Shareholders' Equity	262,226	269,645
Total Liabilities and Shareholders' Equity	$ 671,034	$ 782,856

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED INCOME STATEMENTS
(UNAUDITED)

(Dollars in thousands, except per share data)	Three Months Ended June 30, 2000	Three Months Ended June 30, 2001	Six Months Ended June 30, 2000	Six Months Ended June 30, 2001
REVENUE:				
Finance charges	$ 20,282	$ 22,051	$ 40,299	$ 42,230
Lease revenue	3,361	5,573	4,816	10,640
Other income	7,565	9,686	15,560	19,179
Total revenue	31,208	37,310	60,675	72,049
COSTS AND EXPENSES:				
Operating expenses	12,685	14,984	25,198	29,218
Provision for credit losses	2,576	2,705	5,023	5,720
Provision for claims	716	655	1,492	1,438
Depreciation of leased assets	1,555	3,169	2,373	6,098
Interest	4,167	4,016	8,360	7,821
Total costs and expenses	21,699	25,529	42,446	50,295
Operating income	9,509	11,781	18,229	21,754
Foreign exchange losses	66	39	80	32
Income before provision for income taxes	9,443	11,742	18,149	21,722
Provision for income taxes	3,290	4,013	6,270	7,404
Net income	$ 6,153	$ 7,729	$ 11,879	$ 14,318
Net income per common share:				
Basic	$ 0.14	$ 0.18	$ 0.26	$ 0.34
Diluted	$ 0.14	$ 0.18	$ 0.26	$ 0.34
Weighted average shares outstanding:				
Basic	44,532,373	42,020,176	44,967,741	42,229,955
Diluted	44,863,668	42,752,287	45,269,194	42,713,296

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Dollars in thousands)	Six Months Ended June 30, 2000	Six Months Ended June 30, 2001
Cash Flows From Operating Activities:		
Net Income	$ 11,879	$ 14,318
Adjustments to reconcile cash provided by operating activities -		
Credit for deferred income taxes	(512)	(110)
Depreciation	2,091	2,202
Depreciation of operating lease vehicles	1,847	4,903
Amortization of deferred leasing costs	526	1,195
Gain on clean up call of securitization	-	(1,082)
Amortization of retained interest in securitization	(100)	(96)
Provision for credit losses	5,023	5,720
Dealer stock option plan expense	22	3
Change in operating assets and liabilities -		
Accounts payable and accrued liabilities	2,185	6,734
Income taxes payable	-	2,150
Income taxes receivable	6,490	351
Lease payment receivable	(1,361)	(223)
Unearned insurance premiums, insurance reserves and fees	(420)	218
Deferred dealer enrollment fees, net	466	782
Other assets	1,188	(1,433)
Net cash provided by operating activities	29,324	35,632
Cash Flows From Investing Activities:		
Principal collected on installment contracts receivable	161,658	152,730
Advances to dealers and payments of dealer holdbacks	(164,041)	(203,201)
Operating lease acquisitions	(22,707)	(16,848)
Deferred costs from lease acquisitions	(3,550)	(2,311)
Operating lease liquidations	807	5,855
Net maturities of investments	72	105
Payment for clean up call on securitization	-	(237)
Decrease in floor plan receivables	5,667	1,918
Increase in notes receivable	(1,583)	(4,072)
Purchases of property and equipment	(2,435)	(3,358)
Net cash used in investing activities	(26,112)	(69,419)
Cash Flows From Financing Activities:		
Repayments of mortgage payable	(307)	(331)
Net borrowings under line of credit agreement	64,502	23,893
Repayments of senior notes	(4,895)	(5,290)
Proceeds from secured financing	-	97,068
Repayment of secured financing	(48,319)	(75,610)
Repurchase of common stock	(11,694)	(3,229)
Proceeds from stock options exercised	37	512
Net cash provided by (used in) financing activities	(676)	37,013
Effect of exchange rate changes on cash	(4,828)	(4,185)
Net Decrease In Cash	(2,292)	(959)
Cash and cash equivalents - beginning of period	21,565	20,726
Cash and cash equivalents - end of period	$ 19,273	$ 19,767

CREDIT ACCEPTANCE CORPORATION
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2001
(UNAUDITED)

(Dollars in thousands)

	Total Shareholders' Equity	Comprehensive Income	Common Stock	Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Loss
Balance - December 31, 2000.....	$ 262,226		$ 425	$ 110,226	$ 155,953	$ (4,378)
Comprehensive income:						
Net income.....	14,318	$ 14,318			14,318	
Other comprehensive income:						
Foreign currency translation adjustment.....	(4,185)	(4,185)				(4,185)
Tax on other comprehensive loss.....		1,465				
Other comprehensive loss.....		(2,720)				
Total comprehensive income.....		$ 11,598				
Repurchase and retirement of common stock.....	(3,229)		(6)	(3,223)		
Stock options exercised.....	512			512		
Dealer stock option plan expense.....	3			3		
Balance - June 30, 2001.....	$ 269,645		$ 419	$ 107,518	$ 170,271	$ (8,563)

CREDIT ACCEPTANCE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of actual results achieved for full fiscal years. The consolidated balance sheet at December 31, 2000 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. NET INCOME PER SHARE

Basic net income per share amounts are based on the weighted average number of common shares outstanding. Diluted net income per share amounts are based on the weighted average number of common shares and potentially dilutive securities outstanding. Potentially dilutive securities included in the computation represent shares issuable upon assumed exercise of stock options that would have a dilutive effect.

3. ACCOUNTING STANDARDS

Effective January 1, 2001, the Company adopted the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133" (SFAS No. 133). These standards require that all derivatives be recognized as either assets or liabilities in the consolidated balance sheet and that those instruments be measured at fair value. Gains or losses resulting from changes in the values of those derivatives are accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The Company has not designated any of its derivative instruments as hedges under SFAS No. 133. The after-tax effect of recognizing the fair value of the derivative instruments as of January 1, 2001 was an approximately $9,500 increase to income. As of June 30, 2001, changes in the fair value of derivative instruments resulted in a decrease in net income of approximately $99,000, after-tax.

The Company purchases interest rate cap and floor agreements to manage its interest rate risk on its secured financings. The Company does not hold or issue derivative financial instruments for trading purposes. The derivative agreements generally match the notional amounts of the debt. As of June 30, 2001, the following interest rate floor agreement was outstanding:

NOTIONAL AMOUNT	COMMERCIAL PAPER FLOOR RATE	TERM
$ 17,519,323.....	4.79%	July 1999 through August 2003

As of June 30, 2001, the following interest rate cap agreements were outstanding:

NOTIONAL AMOUNT	COMMERCIAL PAPER CAP RATE	TERM
$ 1,103,113.....	7.5%	July 1998 through October 2001
17,519,323.....	7.5%	July 1999 through August 2003
8,616,437.....	7.5%	December 1999 through June 2003
15,865,956.....	8.5%	August 2000 through August 2004
28,240,484.....	7.0%	March 2001 through December 2005

The Company is exposed to credit risk in the event of nonperformance by the counterparty to its interest rate cap agreements. The Company anticipates that its counterparty will fully perform its obligations under the agreements. The Company manages credit risk by utilizing a financially sound counterparty.

4. BUSINESS SEGMENT INFORMATION

The Company operates in three reportable business segments: CAC North America, CAC United Kingdom and CAC Automotive Leasing. Selected segment information is set forth below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	2001	2000	2001
Total revenue:				
CAC North America.....	$ 23,057	$ 26,726	$ 46,365	$ 50,877
CAC United Kingdom.....	4,979	5,854	9,800	11,961
CAC Automotive Leasing.....	3,172	4,730	4,510	9,211
	$ 31,208	$ 37,310	$ 60,675	$ 72,049
Earnings before interest and taxes:				
CAC North America.....	$ 10,726	$ 13,143	$ 21,816	$ 23,896
CAC United Kingdom.....	2,043	2,684	3,711	5,735
CAC Automotive Leasing.....	841	(69)	982	(88)
	$ 13,610	$ 15,758	$ 26,509	$ 29,543
Reconciliation of total earnings before interest and taxes to consolidated income before provision for income taxes:				
Total income before interest and taxes.....	$ 13,610	$ 15,758	$ 26,509	$ 29,543
Interest expense.....	(4,167)	(4,016)	(8,360)	(7,821)
Consolidated income before provision for income taxes.....	$ 9,443	$ 11,742	$ 18,149	$ 21,722

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THREE AND SIX MONTHS ENDED JUNE 30, 2000 COMPARED TO THREE AND SIX MONTHS ENDED JUNE 30, 2001

TOTAL REVENUE. Total revenue consists of finance charges on June 30, installment contracts, lease revenue earned on operating leases and other income. Other income consists primarily of: i) premiums or fees earned on service contract, credit life and collateral protection insurance programs; ii) revenue from secured line of credit loans offered to certain dealers; iii) dealer enrollment fees; iv) monthly fees from the internet origination system; and v) floor plan financing interest income and other related fees and for the three and six months ended June 30, 2001, other income also included a $1.1 million gain on a clean-up call of a securitization. As a result of the following factors, total revenue increased from $31.2 million and $60.7 million for the three and six months ended June 30, 2000 to $37.3 million and $72.0 million for the same periods in 2001, representing increases of 19.6% and 18.7%, respectively.

Finance charges increased from $20.3 million and $40.3 million for the three and six months ended June 30, 2000 to $22.1 million and $42.2 million for the same periods in 2001, representing increases of 8.7% and 4.8%, respectively. The increases are primarily the result of the increase in the average size of the Company's installment contract portfolio due to increases in contract originations for the three and six months ended June 30, 2001. The Company's consolidated originations increased from $146.9 million and $326.2 million for the three and six months ended June 30, 2000 to $213.5 million and $442.7 million for the same periods in 2001, representing increases of 45.3% and 35.7%, respectively. The increases were primarily the result of: (i) continued acceptance of the Company's internet origination system; (ii) strong production from the Company's field sales force, which was expanded in 2000 and (iii) favorable market conditions. The Company's North American operations originated $97.0 million and $232.3 million in new installment contracts for the three and six months ended June 30, 2000 compared with $171.5 million and $352.8 million for the same periods in 2001, representing increases of 76.8 % and 51.9% for the three and six month periods, respectively. The increases reflect: (i) increases in the average contract size from $8,027 and $8,006 for the three and six months ended June 30, 2000 to $10,310 and $9,596 for the same periods in 2001, (ii) an increase in the number of active dealers from 813 at June 30, 2000 to 905 at June 30, 2001 and (iii) increases in the average number of contracts originated per active dealer from 13.9 and 27.9 for the three and six months ended June 30, 2000 to 17.3 and 33.3 for the same periods in 2001. The Company's United Kingdom operations originated $37.5 million and $67.7 million in new installment contracts for the three and six months ended June 30, 2000 compared with $34.7 million and $70.8 million for the same periods in 2001, representing a decrease of 7.5% and an increase of 4.6% for the three and six month periods, respectively. The decrease for the three month period ended June 30, 2001 reflects: (i) a decrease in the average number of contracts originated per active dealer from 21.2 for the quarter ended June 30, 2000 to 17.3 for the same period in 2001, which is primarily due to the Company discontinuing its relationship with a high volume dealer in the United Kingdom and (ii) a decrease in the average contract size from $13,567 for the quarter ended June 30, 2000 to $12,721 for the same period in 2001. The increase in the six month period ended June 30, 2001 is primarily due to the an increase in the number of active dealers from 128 at June 30, 2000 compared with 148 at June 30, 2001.

The overall increase in finance charges was partially offset by a reduction in the Company's average annualized yield on its installment contract portfolio from 14.0% for the six months ended June 30, 2000 to 13.6% for the same period in 2001. The decrease in the average yield primarily resulted from an increase in the average initial contract term as of June 30, 2001 compared to June 30, 2000. The effect of the increase in initial term was partially offset by a decrease in the percentage of installment contracts that were in non-accrual status from 20.0% as of June 30, 2000 to 17.8% as of June 30, 2001.

Lease revenue represents income primarily from the Company's automotive leasing business unit. Income from operating lease assets is recognized on a straight-line basis over the scheduled lease term. Lease revenue increased from $3.4 million and $4.8 million for the three and six months ended June 30, 2000 to $5.6 million and $10.6 million for the same periods in 2001, representing increases of 65.8% and 120.9%, respectively. These increases were due to the increases in the Company's lease portfolio from $21.8 million and $32.8 million for the three and six months ended June 30, 2000 to $47.6 million and $47.5 million for the same periods in 2001. The Company's strategy is to limit the amount of capital invested in this operation until additional portfolio performance data is obtained. Consistent with this strategy, the Company's lease originations declined from $12.4 million and $26.3 million for the three and six months ended June 30, 2000 compared to $7.2 million and $19.2 million for the same periods in 2001, representing a decrease of $5.2 million and $7.1 million for the three and six months periods, respectively.

Other income increased from $7.6 million and $15.6 million for the three and six months ended June 30, 2000 to $9.7 million and $19.2 million for the same periods in 2001, representing increases of 28.0% and 23.3%, respectively. Theses increases are primarily due to: i) the increase in fees earned on third party service contract products offered by dealers on installment contracts, primarily due to the increase in installment contract originations in the North American segment; ii) the increase in revenue from the Company's secured line of credit loans offered to certain dealers. The Company began extending secured lines of credit to dealers at the end of the first quarter of 2000; and iii) a one time gain of $1.1 million on the clean up call of the July 1998 securitization of advance receivables. The gain represents the difference between the value of dealer advance receivables and the Company's carrying amount of the retained interest in securitization plus the cash disbursement. This increase in other income was partially offset by the decrease in premiums earned primarily due to a decrease in the penetration rate on the Company's service contract and credit life insurance programs.

OPERATING EXPENSES. Operating expenses increased from $12.7 million and $25.2 million for the three and six months ended June 30, 2000 to $15.0 million and $29.2 million for the same periods in 2001, representing increases of 18.1% and 16.0%, respectively. Operating expenses consist of salaries and wages, general and administrative, and sales and marketing expenses. The increases in operating expenses is primarily due to: i) higher salaries and wages, which increased primarily due to: (a) an executive severance agreement expense of approximately $649,000, and (b) an increase in headcount and higher average wage rates; ii) an increase in general and administrative expenses, primarily due to: (a) an increase in information systems expenses relating to the Company's growing use of technology; and (b) an increase in the provision for credit losses on the secured line of credit loans offered to certain dealers due primarily to a significant increase in the average size of the Company's loan portfolio; and iii) higher sales and marketing expenses, primarily due to additional sales commissions on the higher contract origination volumes and increases in the size of the Company's sales force.

PROVISION FOR CREDIT LOSSES. The provision for credit losses consists of three components: i) a provision for losses on advances to dealers that are not expected to be recovered through collections on the related installment contract receivable portfolio; ii) a provision for earned but unpaid revenue on installment contracts which were transferred to non-accrual status during the period; and iii) a provision for estimated losses on the investment in operating leases. The provision for credit losses increased from $2.6 million and $5.0 million for the three and six months ended June 30, 2000 to $2.7 million and $5.7 million for the same periods in 2001, representing increases of 5.0% and 13.9%, respectively. The increases are primarily due to an increase in the provision for estimated losses associated with the Company's investment in operating leases, which resulted primarily from the significant increase in the dollar value of the Company's lease portfolio. To a lesser extent, an increase in the provision was required to reflect increased lease repossession rates and lower forecasted residual values than originally estimated. The Company analyzes its residual value levels based on results from the liquidation of repossessed vehicles and current residual guidebook values.

These increases were partially offset by a decrease in the provision needed for earned but unpaid revenue and decreases in the amount provided for advance losses from 1.4% and 1.3% of installment contract originations for the three and six months ended June 30, 2000 to 0.5% and 0.7% of installment contract originations for the same periods in 2001. The decrease in the provision for earned but unpaid revenue primarily resulted from the decrease in the percent of non-accrual installment contracts receivable. The decrease in the amount provided for advance losses was primarily due to the Company discontinuing its relationship with certain dealers and a reduction in the amount advanced to dealers as a percent of the gross contract amount.

PROVISION FOR CLAIMS. The amount provided for insurance and service contract claims, as a percent of total revenue, decreased from 2.3% and 2.5% during the three and six month periods ended June 30, 2000 to 1.8% and 2.0% during the same periods in 2001. These decreases correspond with the decrease in premiums earned in the first six months of 2001 compared to 2000. The Company has established claims reserves on accumulated estimates of claims reported but unpaid plus estimates of incurred but unreported claims. The Company believes the reserves are adequate to cover future claims associated with its insurance and service contract programs.

DEPRECIATION OF LEASED ASSETS. Depreciation of leased assets is recorded on a straight-line basis by depreciating the cost of the leased vehicles to their residual value over their scheduled lease terms. The depreciation expense recorded on leased assets increased from $1.6 million and $2.4 million for the three and six months ended June 30, 2000 to $3.2 million and $6.1 million for the same periods in 2001. These increases were due to the increases in the Company's lease portfolio from $21.8 million and $32.8 million for the three and six months ended June 30, 2000 to $47.6 million and $47.5 million for the same periods in 2001. Depreciation of leased assets also includes the straight-line amortization of indirect lease costs.

INTEREST EXPENSE. Interest expense, as a percent of total revenue, decreased from 13.4% and 13.8% for the three and six months ended June 30, 2000 to 10.8% and 10.9% for the same periods in 2001. These decreases in interest expense are primarily the result of: i) the decreases in the weighted average interest rate from 10.1% and 10.5% for the three and six months ended June 30, 2000 to 8.4% and 8.8% for the same periods in 2001, which is the result of a decrease in the average interest rate on the Company's variable rate debt, including the lines of credit and secured financing and ii) the impact of fixed borrowing fees and costs on average interest rates when average outstanding borrowings are increasing.

OPERATING INCOME. As a result of the aforementioned factors, operating income increased from $9.5 million and $18.2 million for the three and six months ended June 30, 2000 to $11.8 million and $21.8 for the same period in 2001, representing increases of 23.9% and 19.3%, respectively.

FOREIGN EXCHANGE LOSSES. The Company incurred foreign exchange losses of $66,000 and $80,000 for the three and six months ended June 30, 2000 and foreign exchange losses of $39,000 and $32,000 for the same periods in 2001. The losses result from the effect of exchange rate fluctuations between the U.S. dollar and foreign currencies on unhedged intercompany balances between the Company and its foreign subsidiaries.

PROVISION FOR INCOME TAXES. The provision for income taxes increased from $3.3 million and $6.3 million for the three and six months ended June 30, 2000 to $4.0 million and $7.4 million for the same periods in 2001. These increases are primarily due to an increase in pre-tax income in 2001. For the six months ended June 30, the effective tax rate was 34.5% in 2000 and 34.1% in 2001. The following is a reconciliation of the U.S. federal statutory rate to the Company's effective tax rate:

	Six Months Ended June 30,	
	2000	2001
	(Unaudited)	
U.S. federal statutory rate	35.0%	35.0%
Foreign income taxes	(0.4)	(1.0)
Other	(0.1)	0.1
Provision for income taxes	34.5%	34.1%

ANALYSIS OF ECONOMIC PROFIT OR LOSS

The table below illustrates the calculation of the Company's economic loss for the periods indicated. Economic profit or loss is a measurement of how efficiently the Company utilizes its capital and has been used internally by the Company since January 1, 2000 to evaluate its performance. The Company's goal is to maximize the amount of economic profit per share generated.

(Dollars in thousands, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	2001	2000	2001
	(Unaudited)		(Unaudited)	
Reported income (1)	$ 6,153	$ 7,729	$ 11,879	$ 14,318
Adjustments for non-recurring items (2)	--	(281)	--	(281)
Adjusted income	6,153	7,448	11,879	14,037
Interest expense after tax	2,722	2,639	5,458	5,140
Net operating profit after tax ("NOPAT")	8,875	10,087	17,337	19,177
Average capital (3)	$ 433,595	$ 459,739	$ 430,871	$ 443,038
Return on capital ("ROC")(4)	8.2%	8.8%	8.1%	8.7%
Weighted average cost of capital ("WACC") (5)	10.5%	9.9%	10.7%	10.1%
Spread	(2.3%)	(1.1%)	(2.6%)	(1.4%)
Economic loss (6)	$ (2,524)	$ (1,268)	$ (5,676)	$ (3,069)
Diluted weighted average shares outstanding	44,863,668	42,752,287	45,269,194	42,713,296
Economic loss per share	$ (0.06)	$ (0.03)	$ (0.13)	$ (0.07)

(1) Consolidated income from financial statements included under Item 1 of Part I of this report.

(2) After tax gain of $703,000 on an exercised clean up call for the July 1998 securitization and a $422,000 after tax charge for an executive severance agreement.

(3) Average amount of debt during the period plus the average amount of equity during the period.

(4) NOPAT divided by average capital.

(5) The sum of: i) the after tax cost of debt multiplied by the ratio of average debt to average capital, plus ii) the cost of equity multiplied by the ratio of average equity to average capital. The cost of equity is assumed to be equal to the 30 year Treasury bond rate plus 6% plus two times the Company's interest bearing debt to equity).

(6) Equals the spread (ROC minus WACC) multiplied by average capital.

The Company's economic loss per share improved from ($0.06) and ($0.13) for the three and six months ending June 30, 2000 to ($0.03) and ($0.07) for the same periods in 2001. The improvements were due primarily to a reduction in the weighted average cost of capital and an improvement in the return on capital for the three and six months ended June 30, 2001 compared to the same periods in 2000.

The Company's return on capital as defined above increased from 8.2% and 8.1% for the three and six months ended June 30, 2000 to 8.8% and 8.7% for the same periods in 2001. The improvements in the return on capital are primarily the result of a reduction in the amount advanced to dealers as a percentage of the gross contract amount. The Company's goal is to increase its overall return on capital in future periods and the Company intends to allocate capital to the business units with the highest returns. The reduction in the weighted average cost of capital for the three and six months ended June 30, 2001 compared to the same periods in 2000 was primarily the result of lower average interest rates on the Company's borrowings and an overall reduction in market rates during the periods.

INSTALLMENT CONTRACTS RECEIVABLE

The following table summarizes the composition of installment contracts receivable at the dates indicated (dollars in thousands):

	As of	
	December 31, 2000	June 30, 2001
		(Unaudited)
Gross installment contracts receivable	$ 674,402	$ 807,281
Unearned finance charges	(98,214)	(122,855)
Unearned insurance premiums, insurance reserves and fees	(7,288)	(7,506)
Installment contracts receivable	$ 568,900	$ 676,920

A summary of changes in gross installment contracts receivable is as follows (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	2001	2000	2001
	(Unaudited)		(Unaudited)	
Balance, beginning of period	$ 693,703	$ 741,530	$ 679,247	$ 674,402
Gross amount of installment contracts accepted	134,525	206,239	299,947	423,576
Gross installment contracts acquired pursuant to clean up call	--	2,918	--	2,918
Cash collections on installment contracts receivable	(98,912)	(104,980)	(204,958)	(212,100)
Charge offs	(34,476)	(36,674)	(76,502)	(69,483)
Currency translation	(8,289)	(1,752)	(11,183)	(12,032)
Balance, end of period	$ 686,551	$ 807,281	$ 686,551	$ 807,281

INVESTMENT IN OPERATING LEASES

The composition of net investment in operating leases consisted of the following (dollars in thousands):

	As of	
	December 31, 2000	June 30, 2001
		(Unaudited)
Gross leased vehicles	$ 42,449	$ 50,270
Accumulated depreciation	(5,283)	(8,557)
Gross deferred costs	6,245	7,126
Accumulated amortization of deferred costs	(1,435)	(2,160)
Lease payments receivable	2,968	3,193
Investment in operating leases	44,944	49,872
Less: Allowance for lease vehicles losses	(2,023)	(2,332)
Investment in operating leases, net	$ 42,921	$ 47,540

A summary of changes in the investment in operating leases is as follows (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	2001	2000	2001
	(Unaudited)		(Unaudited)	
Balance, beginning of period	$ 22,038	$ 49,720	$ 9,188	$ 44,944
Gross operating leases originated	12,401	7,230	26,257	19,159
Depreciation and amortization of operating leases	(1,555)	(3,169)	(2,373)	(6,098)
Lease payments due	3,456	5,359	5,065	10,461
Collections on operating leases	(2,249)	(4,730)	(3,637)	(9,245)
Charge offs	(36)	(452)	(67)	(993)
Operating lease liquidations	(591)	(4,187)	(969)	(8,386)
Currency translation	--	101	--	30
Balance, end of period	$ 33,464	$ 49,872	$ 33,464	$ 49,872

DEALER HOLDBACKS

The following table summarizes the composition of dealer holdbacks at the dates indicated (dollars in thousands):

	As of	
	December 31, 2000	June 30, 2001
		(Unaudited)
Dealer Holdbacks	$ 537,679	$ 641,078
Less: advance net of reserves of $6,788 and $8,050 at December 31, 2000 and June 30, 2001, respectively	(323,211)	(371,493)
Dealer holdbacks, net	$ 214,468	$ 269,585

CREDIT LOSS POLICY AND EXPERIENCE

When a participating dealer assigns an installment contract to the Company, the Company generally pays a cash advance to the dealer. The Company maintains a reserve against advances to dealers that are not expected to be recovered through collections on the related installment contract portfolio. For purposes of establishing the reserve, the present value of estimated future collections on installment contracts is compared to the related advance balance. The discount rate used for present value purposes is equal to the rate of return expected upon origination of the advance. The Company's loan servicing system allows the Company to estimate future collections for each dealer pool using historical

loss experience and a dealer-by-dealer static pool analysis. Future reserve requirements will depend in part on the magnitude of the variance between management's estimate of future collections and the actual collections that are realized. The Company charges off dealer advances against the reserve at such time and to the extent that the Company's static pool analysis determines that the advance is completely or partially impaired.

The Company maintains an allowance for credit losses that, in the opinion of management, adequately reserves against losses in the portfolio of receivables. The risk of loss to the Company related to the installment contracts receivable balances relates primarily to the earned but unpaid revenue on installment contracts that were transferred to non-accrual status during the period. Servicing fees, which are booked as finance charges, are recognized under the interest method of accounting until the underlying obligation is 90 days past due on a recency basis. At such time, the Company suspends the accrual of revenue and makes a provision for credit losses equal to the earned but unpaid revenue. In all cases, contracts on which no material payment has been received for nine months are charged off against dealer holdbacks, unearned finance charges and the allowance for credit losses.

The Company maintains an allowance for lease vehicle losses that consists of a repossession reserve and a residual reserve. The repossession reserve is intended to cover losses resulting from: i) earned but unpaid lease payment revenue; and ii) the difference between proceeds from vehicle disposals and the net book value of the leased vehicle. The Company suspends the recognition of revenue at the point the customer becomes three payments past due. The residual reserve is intended to cover losses resulting from vehicle disposals at the end of the lease term. The residual values represent estimates of the asset values at the end of the lease contracts based on industry guidebooks and other information. Realization of the residual values is dependent on the Company's future ability to market the vehicles under then prevailing market conditions.

Ultimate losses may vary from current estimates and the amount of provision, which is a current period expense, may be either greater or less than actual charge offs.

The following tables set forth information relating to charge offs, the allowance for credit losses, the reserve on advances, and the allowance for lease vehicle losses (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	2001	2000	2001
	(Unaudited)		(Unaudited)	
CHARGE OFFS				
Charged against dealer holdbacks	$ 27,652	$ 29,206	$ 61,167	$ 55,039
Charged against unearned finance charges	6,482	7,468	14,415	13,645
Charged against allowance for credit losses	342	--	920	799
Total installment contracts charged off	$ 34,476	$ 36,674	$ 76,502	$ 69,483
Net charge offs against the reserve on advances	$ 578	$ 314	$ 578	$ 1,514
Charge against the allowance for lease vehicle losses	$ 103	$ 1,358	$ 162	$ 2,501

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	2001	2000	2001
	(Unaudited)		(Unaudited)	
ALLOWANCE FOR CREDIT LOSSES				
Balance - beginning of period	$ 4,435	$ 3,797	$ 4,742	$ 4,640
Provision for loan losses	130	-	415	-
Charge offs	(342)	-	(920)	(799)
Currency translation	(39)	(13)	(53)	(57)
Balance - end of period	$ 4,184	$ 3,784	$ 4,184	$ 3,784

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	2001	2000	2001
	(Unaudited)		(Unaudited)	
RESERVE ON ADVANCES				
Balance, beginning of period	$ 6,292	$ 7,252	$ 4,329	$ 6,788
Provision for advance losses	1,927	1,130	3,918	2,910
Charge offs	(578)	(314)	(578)	(1,514)
Currency translation	54	(18)	26	(134)
Balance, end of period	$ 7,695	$ 8,050	$ 7,695	$ 8,050

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	2001	2000	2001
	(Unaudited)		(Unaudited)	
ALLOWANCE FOR LEASE VEHICLE LOSSES				
Balance, beginning of period	$ 203	$ 2,115	$ 91	$ 2,023
Provision for lease vehicle losses	519	1,575	690	2,810
Charge offs	(103)	(1,358)	(162)	(2,501)
Balance, end of period	$ 619	$ 2,332	$ 619	$ 2,332

	As of	
	December 31, 2000	June 30, 2001
CREDIT RATIOS	(Unaudited)	
Allowance for credit losses as a percent of gross installment contracts receivable	0.7%	0.5%
Reserve on advances as a percent of advances	2.1%	2.1%
Allowance for lease vehicle losses as a percent of investments in operating leases	4.7%	4.7%
Gross dealer holdbacks as a percent of gross installment contracts receivable	79.7%	79.4%

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal need for capital is: i) to fund cash advances made to dealers in connection with the acceptance of installment contracts; ii) for the payment of dealer holdbacks to dealers who have repaid their advance balances; and iii) to fund the origination of used vehicle leases. These cash outflows to dealers increased from $186.7 million during the six months ended June 30, 2000 to $220.0 million during the same period in 2001. These amounts have historically been funded from cash collections on installment contracts, cash provided by operating activities and borrowings under the Company's credit agreements. The Company maintains a significant dealer holdback on installment contracts accepted which assists the Company in funding its long-term cash flow requirements. The Company's total balance sheet indebtedness increased from $156.7 million as of December 31, 2000 to $196.4 million as of June 30, 2001.

On June 11, 2001, the Company renewed its credit facility by entering into a $120.0 million credit agreement with a commercial bank syndicate. The facility has a commitment period through June 10, 2002 and is subject to annual extensions for additional one-year periods at the request of the Company and with the consent of each of the banks in the facility. The agreement provides that, at the Company's discretion, interest is payable at either the Eurocurrency rate plus 140 basis points, or at the prime rate. The Eurocurrency borrowings may be fixed for periods of up to six months. The credit agreement has certain restrictive covenants, including limits on the ratio of the Company's debt to tangible net worth, bank and senior note indebtedness to eligible assets, total indebtedness to total assets and fixed charges to earnings before interest, taxes and non-cash expenses. Additionally, the agreement requires that the Company maintain a specified

minimum level of net worth. Borrowings under the credit agreement are secured through a lien on most of the Company's assets on an equal and ratable basis with the Company's senior notes and are limited by a borrowing base formula based upon a percentage of the book value of certain assets. As of June 30, 2001, there was approximately $112.0 million outstanding under this facility. The Company also maintains immaterial line of credit agreements in both the United Kingdom and Canada to fund the day-to-day cash flow requirements of those operations.

In addition to the secured financing completed on March 13, 2001, and described in the Company's Report on Form 10-Q for the period ended March 31, 2001, the Company completed a secured financing of advance receivables with an institutional investor on July 23, 2001. Pursuant to this transaction, the Company contributed dealer advances having a carrying amount of approximately $77.0 million and received approximately $60.2 million in financing, which is net of both the underwriter's fees and the required escrow account. The proceeds received were used to reduce outstanding borrowings under the Company's credit facility. The financing, which is non-recourse to the Company, bears interest at a floating rate equal to the commercial paper rate plus 50.0 basis points with a maximum rate of 7.5%. The Company may receive future proceeds by contributing additional collateral to the transaction for the first six months of the financing. As of August 1, 2001, the secured financing is anticipated to fully amortize within nineteen months. The financing is secured by the contributed dealer advances, the rights to collections on the related installment contracts receivable and certain related assets up to the sum of the contributed dealer advances and the Company's servicing fee. The Company will receive a monthly servicing fee equal to 6% of the collections of the contributed installment contracts receivable. Except for the servicing fee and payments due to dealers, the Company will not receive any portion of collections on the installment contracts receivable until the underlying indebtedness has been repaid in full.

The Company has $10.7 million of principal maturing on its senior notes in the fourth quarter of 2001 which the Company expects to repay from cash generated from operations and amounts available under its $120 million credit agreement.

The Company's short and long-term cash flow requirements are materially dependent on future levels of originations. During the first six-months of 2001, the Company experienced an increase in originations over the same period in 2000. The Company expects this trend to continue in future periods and, to the extent this trend does continue, the Company will experience an increase in its need for capital, which the Company intents to fund this increasing need for capital through secured financings.

In 1999, the Company began acquiring shares of its common stock in connection with a stock repurchase program announced in August 1999. That program authorized the Company to purchase up to 1,000,000 common shares on the open market or pursuant to negotiated transactions at price levels the Company deems attractive. On each of February 7, 2000, June 7, 2000, July 13, 2000 and November 10, 2000, the Company's Board of Directors authorized increases in the Company's stock repurchase program of an additional 1,000,000 shares. As of June 30, 2001, the Company has repurchased approximately 4.5 million shares of the 5.0 million shares authorized to be repurchased under this program at a cost of $23,590,000. The five million shares, which can be repurchased through the open market or in privately negotiated transactions, represent approximately 10.8% of the shares outstanding at the beginning of the program.

Based upon anticipated cash flows, management believes that amounts available under its credit agreement, cash flow from operations and various financing alternatives available will provide sufficient financing for current debt maturities and for future operations. If the various financing alternatives were to become limited or unavailable to the Company, the Company's operations could be materially adversely affected.

FORWARD-LOOKING STATEMENTS

The foregoing discussion and analysis contains a number of forward looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended, with respect to expectations for future periods which are subject to various risks and uncertainties. Actual results may differ materially. These risks and uncertainties are detailed from time to time in reports filed by the Company with the Securities and Exchange Commission, including forms 8-K, 10-Q, and 10-K, and include, among others, competition from traditional financing sources and from non-traditional lenders, unavailability of funding at competitive rates of interest, adverse changes in applicable laws and regulations, adverse changes in economic conditions, adverse changes in the automobile or finance

industries or in the non-prime consumer finance market, the Company's ability to maintain or increase the volume of installment contracts or leases accepted, the Company's potential inability to accurately forecast and estimate future collections and historical collection rates, the Company's potential inability to accurately estimate the residual values of the lease vehicles, an adverse outcome in the ongoing Internal Revenue Service examination of the Company, an increase in the amount or severity of litigation against the Company, the loss of key management personnel, and the Company's ability to complete various financing alternatives.

Other factors not currently anticipated by management may also materially and adversely affect the Company's results of operations. Except as required by applicable law, the Company does not undertake any obligation to publicly release any revisions which may be made to any forward-looking statements to reflect events or circumstances occurring after the date of this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 for a complete discussion of the Company's market risk. There have been no material changes to the market risk information included in the Company's 2000 Annual Report on Form 10-K.

PART II. - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As previously disclosed in the Company's 2000 Annual Report on Form 10-K, during the first quarter of 1998, several putative class action complaints were filed by shareholders against the Company and certain officers of the Company in the United States District Court for the Eastern District of Michigan seeking money damages for alleged violations of the federal securities laws. On August 14, 1998, a Consolidated Class Action Complaint, consolidating the claims asserted in those cases, was filed. The Complaint generally alleged that the Company's financial statements issued during the period August 14, 1995 through October 22, 1997 did not accurately reflect the Company's true financial condition and results of operations because such reported results failed to be in accordance with generally accepted accounting principles and such results contained material accounting irregularities in that they failed to reflect adequate reserves for credit losses. The Complaint further alleged that the Company issued public statements during the alleged class period, which fraudulently created the impression that the Company's accounting practices were proper. On April 23, 1999, the Court granted the Company's and the defendant officers' motion to dismiss the Complaint and entered a final judgment dismissing the action with prejudice. On May 6, 1999, plaintiffs filed a motion for reconsideration of the order dismissing the Complaint or, in the alternative, for leave to file an amended complaint. On July 13, 1999, the Court granted the plaintiffs' motion for reconsideration and granted the plaintiffs leave to file an amended complaint. Plaintiffs filed their First Amended Consolidated Class Action Complaint on August 2, 1999. On September 30, 1999, the Company and the defendant officers filed a motion to dismiss that complaint. On or about November 10, 1999, plaintiffs sought and were granted leave to file a Second Amended Consolidated Class Action Complaint. On March 24, 2000 the Court granted the Company's and the defendant officers' and directors' motion to dismiss the Second Amended Consolidated Class Action Complaint and entered a final judgment dismissing the action with prejudice. On April 7, 2000, plaintiffs filed a notice of appeal. On October 26, 2000, the parties reached an agreement in principle to settle the action. On November 13, 2000, the Court of Appeals remanded the case to the District Court for purposes of the District Court's consideration of the proposed settlement. On May 15, 2001, following presentation of a formal Stipulation of Settlement to the District Court, the District Court entered an order granting preliminary approval of the proposed settlement, directing that notice thereof be mailed to members of the Class, and setting a hearing on final approval of the proposed settlement for August 14, 2001. The District Court subsequently adjourned the hearing on final approval to September 24, 2001. This proposed settlement is not expected to have a material impact on the Company's financial position, liquidity and results of operations, but there can be no assurance to that effect.

The Company is currently a defendant in a class action proceeding which is pending in the Superior Court for the Judicial District of Waterbury Connecticut. Though the case was commenced on July 16, 1999, a class was not certified until May 15, 2001. The class is composed of all Connecticut residents whose vehicles were repossessed by the Company between August 5th, 1993 and October 31, 1998. The plaintiffs allege that the Company failed to provide these consumers with adequate notice of their rights to redeem the vehicle after repossession and are seeking money damages for such failure. The Company has appealed the certification order and will continue to vigorously defend the litigation. However, an adverse ultimate disposition of this litigation could have a material negative impact on the Company's financial position, liquidity and results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held its Annual Meeting of Shareholders on May 10, 2001 at which the shareholders elected five directors. Each of the nominees for director at the meeting was an incumbent and all nominees were elected. The following table sets forth the number of votes for and withheld with respect to each nominee.

Nominee	Votes For	Votes Withheld
Donald A. Foss	38,052,616	282,807
Harry E. Craig	38,323,720	11,703
Thomas A. FitzSimmons	38,049,552	285,871
Sam M. LaFata	38,323,720	11,703
Thomas N. Tryforos	38,324,720	10,703

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

See Index of Exhibits following the signature page.

(b) Reports on Form 8-K

The Company was not required to file a current report on Form 8-K during the quarter ended June 30, 2001 and none were filed during that period.

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 thereunto duly authorized.

CREDIT ACCEPTANCE CORPORATION
(Registrant)

By: /S/MATTHEW F. HILZINGER

MATTHEW F. HILZINGER
Executive Vice President of Finance
August 10, 2001

(Principal Financial Officer and Duly Authorized Officer)

By: /S/LINDA M. CARDINALE

LINDA M. CARDINALE
Vice President - Accounting
August 10, 2001

(Principal Accounting Officer)

INDEX OF EXHIBITS

EXHIBIT NO.	DESCRIPTION
4(a)(10)	Ninth Amendment, dated as of June 7, 2001, to Note Purchase Agreement dated October 1, 1994 between various insurance companies and the Company
4(b)(8)	Seventh Amendment, dated as of June 7, 2001, to Note Purchase Agreement dated August 1, 1996 between various insurance companies and the Company
4(c)(11)	Amended and Restated Credit Agreement, dated as of June 11, 2001, among the Company, certain of the Company's subsidiaries, Comerica Bank, as Administrative Agent and Collateral Agent, and the banks signatory thereto
4(e)(8)	Seventh Amendment, dated as of June 7, 2001, to Note Purchase Agreement dated March 25, 1997 between various insurance companies and the Company
4(f)(16)	Amendment No. 5, dated July 20, 2001, to Note Purchase Agreement dated July 7, 1998 among Kitty Hawk Funding Corporation, CAC Funding Corp., and Bank of America, N.A.
4(f)(17)	Amendment No. 6, dated July 20, 2001, to Note Purchase Agreement dated July 7, 1998 among Kitty Hawk Funding Corporation, CAC Funding Corp., and Bank of America, N.A.
4(f)(18)	Amended and Restated Security Agreement, dated July 20, 2001, among Kitty Hawk Funding Corporation, CAC Funding Corp., the Company and Bank of America, N.A., individually and as Collateral Agent
4(f)(19)	Amended No. 5, dated July 20, 2001, to Contribution Agreement dated July 7, 1998 between the Company and CAC Funding Corp.
4(g)(4)	Second Amended and Restated Security Agreement, dated June 11, 2001 between Comerica Bank, as Collateral Agent and the Company
4(h)(1)	Form of Guaranty of Senior Notes, dated as of June 11, 2001, by certain subsidiaries of the Company in favor of the holders of the Company's Senior Notes (listed on the schedule attached thereto)
10(g)(1)	Employment agreement for Karl E. Sigerist, Managing Director UK, dated April 3, 2001. (Filed as exhibit 10 (g) (1) to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2001 and incorporated herein by reference).
10(g)(2)	Employment agreement for Keith P. McCluskey, Chief Marketing Officer, dated April 19, 2001. (Filed as exhibit 10 (g) (2) to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2001 and incorporated herein by reference).

4(a)(10)

NINTH AMENDMENT TO NOTE PURCHASE AGREEMENT
RE:
CREDIT ACCEPTANCE CORPORATION
SECOND AMENDED AND RESTATED
10.37% SENIOR NOTES DUE NOVEMBER 1, 2001

Dated as of June 7, 2001

To the Noteholders listed on Annex I hereto

Ladies and Gentlemen:

Credit Acceptance Corporation, a Michigan corporation (together with its successors and assigns, the "Company"), hereby agrees with you as follows:

SECTION 1. INTRODUCTORY MATTERS.

1.1 DESCRIPTION OF OUTSTANDING NOTES. The Company currently has outstanding its Second Amended and Restated 10.37% Senior Notes due November 1, 2001 (collectively, the "Notes") which it issued pursuant to the separate Note Purchase Agreements, each dated as of October 1, 1994 (collectively, as amended by the First Amendment to Note Purchase Agreement, dated as of November 15, 1995, the Second Amendment to Note Purchase Agreement, dated as of August 29, 1996, the Third Amendment to Note Purchase Agreement, dated as of December 12, 1997, the Fourth Amendment to Note Purchase Agreement, dated as of July 1, 1998, the Fifth Amendment to Note Purchase Agreement, dated as of April 13, 1999, the Sixth Amendment, dated as of December 1, 1999, the Seventh Amendment, dated as of April 27, 2000, and the Eighth Amendment, dated as of March 8, 2001, the "Agreement"), entered into by the Company with each of the original holders of the Notes listed on Annex 1 thereto, respectively. Terms used herein but not otherwise defined herein shall have the meanings assigned thereto in the Agreement, as amended hereby.

1.2 PURPOSE OF AMENDMENT. The Company and you desire to amend the Agreement as set forth in Section 2 hereof.

SECTION 2. AMENDMENT TO THE AGREEMENT.

Pursuant to Section 10.5 of the Agreement, the Company hereby agrees with you that the Agreement shall be amended by this Ninth Amendment to Note Purchase Agreement (this "Ninth Amendment") in the following respects:

2.1 SECTION 6.6. Subclause (D) of Section 6.6(a)(i) is amended by adding the words ", CAC of Canada Limited and Credit Acceptance Corporation Ireland Limited" immediately after the words "CAC UK" in such subclause (D).

2.2 SECTION 9.1. The definition of "Total Restricted Subsidiary Debt" in Section 9.1 is hereby amended by adding the following at the end thereof (before the "."):

> ; and (iii) Total Restricted Subsidiary Debt does not include the amount of Debt of any Restricted Subsidiary attributable to any liabilities secured by any Lien on assets owned by such Restricted Subsidiary if such Lien is granted in favor of the "Collateral Agent" (as defined in the Intercreditor Agreement) for the benefit of the Banks, the holders of Notes and "Future Debt Holders" (as defined in the Intercreditor Agreement) and subject to the Intercreditor Agreement

SECTION 3. MISCELLANEOUS

3.1 COUNTERPARTS. This Ninth Amendment may be executed in any number of counterparts, each executed counterpart constituting an original, but all together only one Ninth Amendment.

3.2 HEADINGS. The headings of the sections of this Ninth Amendment are for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

3.3 GOVERNING LAW. This Ninth Amendment shall be governed by and construed in accordance with the internal laws of the State of Connecticut.

3.4 EFFECT OF AMENDMENT. Except as expressly provided herein (a) no other terms and provisions of the Agreement shall be modified or changed by this Ninth Amendment and (b) the terms and provisions of the Agreement, as amended by this Ninth Amendment, shall continue in full force and effect. The Company hereby acknowledges and reaffirms all of its obligations and duties under the Agreement, as modified by this Ninth Amendment, and the Notes.

3.5 REFERENCES TO THE AGREEMENT. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution of the Ninth Amendment may refer to the Agreement without making specific reference to this Ninth Amendment but nevertheless all such references shall be deemed to include, to the extent applicable, this Ninth Amendment unless the context shall otherwise require.

3.6 COMPLIANCE. The Company certifies that all necessary actions have been taken by the Company to authorize the execution and delivery of this Ninth Amendment, and immediately before and after giving effect to this Ninth Amendment, no Default or Event of Default exists or would exist after giving effect hereto.

3.7 EFFECTIVENESS OF AMENDMENTS. The amendments to the Agreement contemplated by Section 2 hereof shall (in accordance with Section 10.5(a) of the Agreement) become effective, if at all, at such time as the Company and the Required Holders of the Notes shall have indicated their written consent to such amendments by executing and delivering the applicable counterparts of this Ninth Amendment. It is understood that any holder of Notes may withhold its consent for any reason, including, without limitation, any failure of the Company to satisfy all of the following conditions:

(a) This Ninth Amendment shall have been executed and delivered by the Company and each of the Required Holders of the Notes.

(b) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's Second Amended and Restated 9.49% Senior Notes due July 1, 2001 issued under Note Purchase Agreements dated as of August 1, 1996, containing an amendment to such Note Purchase Agreements identical in substance to the amendment set forth in Section 2 hereof.

(c) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's Second Amended and Restated 9.27% Senior Notes due October 1, 2001 issued under Note Purchase Agreements dated as of March 25, 1997, containing an amendment to such Note Purchase Agreements identical in substance to the amendment set forth in Section 2 hereof.

(d) The Company shall have paid the statement for reasonable fees and disbursements of Bingham Dana LLP, your special counsel, presented to the Company on or prior to the effective date of this Ninth Amendment.

3.8 FULL DISCLOSURE. The Company warrants and represents to you that, as of the effective date hereof, none of the written statements, documents or other written materials furnished by, or on behalf of, the Company to you in connection with the negotiation, execution and delivery of this Ninth Amendment contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein not misleading in light of the circumstances in which they were made. There is no fact of which any of the Company's executive officers has actual knowledge which the Company has not disclosed to you which materially affects adversely or, so far as the Company can now reasonably foresee, will materially affect adversely the business, prospects, profits, Properties or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or the ability of the Company to perform its obligations set forth in the Agreement (after giving effect to this Ninth Amendment) and the Notes.

[Remainder of page intentionally blank. Next page is signature page.]

If this Ninth Amendment is satisfactory to you, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the Company, whereupon this Ninth Amendment shall become binding between us in accordance with its terms.

Very truly yours,

CREDIT ACCEPTANCE CORPORATION

By/S/ Douglas W. Busk

Name: Douglas W. Busk
Title: Chief Financial Officer

[Signature Page to Ninth Amendment to Note Purchase Agreement in respect of 10.37% Senior Notes Due November 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

ALLSTATE LIFE INSURANCE CO.

By: /S/ Ronald A. Mendel

Name: Ronald A. Mendel
Title: Authorized Signatory

By: /S/ Patricia W. Wilson

Name: Patricia W. Wilson
Title: Authorized Signatory

[Signature Page to Ninth Amendment to Note Purchase Agreement in respect of 10.37% Senior Notes Due November 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

WILLIAM BLAIR & COMPANY, LLC

By William Blair & Company, LLC, Attorney-in-Fact

By/S/ James D. McKinney

Name: James D. McKinney
Title: Principal

[Signature Page to Ninth Amendment to Note Purchase Agreement in respect of 10.37% Senior Notes Due November 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY
BY CIGNA INVESTMENTS, INC. (authorized agent)

By/S/ Debra J. Height

Name: Debra J. Height
Title: Managing Director

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY,
ON BEHALF OF ONE OR MORE SEPARATE ACCOUNTS
BY CIGNA INVESTMENTS, INC. (authorized agent)

By/S/ Debra J. Height

Name: Debra J. Height
Title: Managing Director

ACE PROPERTY AND CASUALTY
INSURANCE COMPANY (F.K.A. CIGNA
PROPERTY AND CASUALTY INSURANCE COMPANY)
BY CIGNA INVESTMENTS, INC. (authorized agent)

By/S/ Debra J. Height

Name: Debra J. Height
Title: Managing Director

ACCEPTED:

PHOENIX HOME LIFE MUTUAL
INSURANCE COMPANY
BY: PHOENIX INVESTMENT COUNSEL, INC.

By/S/ Rosemary T. Strekel

Name: Rosemary T. Strekel
Title: Senior Managing Director

[Signature Page to Ninth Amendment to Note Purchase Agreement in respect of 10.37% Senior Notes Due November 1, 2001 of Credit Acceptance Corporation]

ANNEX I
SECOND AMENDED AND RESTATED 10.37% SENIOR NOTES
DUE NOVEMBER 1, 2001

Allstate Life Insurance Company
Connecticut General Life Insurance Company
Ace Property and Casualty Insurance Company (f.k.a CIGNA Property and Casualty Insurance Company)
Phoenix Home Life Mutual Insurance Company
William Blair & Company, LLC

4(b)(8)

SEVENTH AMENDMENT TO NOTE PURCHASE AGREEMENT
RE:
CREDIT ACCEPTANCE CORPORATION
SECOND AMENDED AND RESTATED
9.49% SENIOR NOTES DUE JULY 1, 2001

Dated as of June 7, 2001

To the Noteholders listed on Annex I hereto

Ladies and Gentlemen:

Credit Acceptance Corporation, a Michigan corporation (together with its successors and assigns, the "Company"), hereby agrees with you as follows:

SECTION 1. INTRODUCTORY MATTERS.

1.1 DESCRIPTION OF OUTSTANDING NOTES. The Company currently has outstanding its Second Amended and Restated 9.49% Senior Notes due July 1, 2001 (collectively, the "Notes") which it issued pursuant to the separate Note Purchase Agreements, each dated as of August 1, 1996 (collectively, as amended by the First Amendment to Note Purchase Agreement, dated as of December 12, 1997, the Second Amendment to Note Purchase Agreement, dated as of July 1, 1998, the Third Amendment to Note Purchase Agreement, dated as of April 13, 1999, the Fourth Amendment, dated as of December 1, 1999, the Fifth Amendment, dated as of April 27, 2000, and the Sixth Amendment, dated as of March 8, 2001, the "Agreement"), entered into by the Company with each of the original holders of the Notes listed on Annex 1 thereto, respectively. Terms used herein but not otherwise defined herein shall have the meanings assigned thereto in the Agreement, as amended hereby.

1.2 PURPOSE OF AMENDMENT. The Company and you desire to amend the Agreement as set forth in Section 2 hereof.

SECTION 2. AMENDMENT TO THE AGREEMENT.

Pursuant to Section 10.5 of the Agreement, the Company hereby agrees with you that the Agreement shall be amended by this Seventh Amendment to Note Purchase Agreement (this "Seventh Amendment") in the following respects:

2.1 SECTION 6.6. Subclause (D) of Section 6.6(a)(i) is amended by adding the words ", CAC of Canada Limited and Credit Acceptance Corporation Ireland Limited" immediately after the words "CAC UK" in such subclause (D).

2.2 SECTION 9.1. The definition of "Total Restricted Subsidiary Debt" in Section 9.1 is hereby amended by adding the following at the end thereof (before the "."):

> ; and (iii) Total Restricted Subsidiary Debt does not include the amount of Debt of any Restricted Subsidiary attributable to any liabilities secured by any Lien on assets owned by such Restricted Subsidiary if such Lien is granted in favor of the "Collateral Agent" (as defined in the Intercreditor Agreement) for the benefit of the Banks, the holders of Notes and "Future Debt Holders" (as defined in the Intercreditor Agreement) and subject to the Intercreditor Agreement

SECTION 3. MISCELLANEOUS

3.1 COUNTERPARTS. This Seventh Amendment may be executed in any number of counterparts, each executed counterpart constituting an original, but all together only one Seventh Amendment.

3.2 HEADINGS. The headings of the sections of this Seventh Amendment are for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

3.3 GOVERNING LAW. This Seventh Amendment shall be governed by and construed in accordance with the internal laws of the State of Connecticut.

3.4 EFFECT OF AMENDMENT. Except as expressly provided herein (a) no other terms and provisions of the Agreement shall be modified or changed by this Seventh Amendment and (b) the terms and provisions of the Agreement, as amended by this Seventh Amendment, shall continue in full force and effect. The Company hereby acknowledges and reaffirms all of its obligations and duties under the Agreement, as modified by this Seventh Amendment, and the Notes.

3.5 REFERENCES TO THE AGREEMENT. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution of the Seventh Amendment may refer to the Agreement without making specific reference to this Seventh Amendment but nevertheless all such references shall be deemed to include, to the extent applicable, this Seventh Amendment unless the context shall otherwise require.

3.6 COMPLIANCE. The Company certifies that all necessary actions have been taken by the Company to authorize the execution and delivery of this Seventh Amendment, and immediately before and after giving effect to this Seventh Amendment, no Default or Event of Default exists or would exist after giving effect hereto.

3.7 EFFECTIVENESS OF AMENDMENTS. The amendments to the Agreement contemplated by Section 2 hereof shall (in accordance with Section 10.5(a) of the Agreement) become effective, if at all, at such time as the Company and the Required Holders of the Notes shall have indicated their written consent to such amendments by executing and delivering the applicable counterparts of this Seventh Amendment. It is understood that any holder of Notes may withhold its consent for any reason, including, without limitation, any failure of the Company to satisfy all of the following conditions:

(a) This Seventh Amendment shall have been executed and delivered by the Company and each of the Required Holders of the Notes.

(b) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's Second Amended and Restated 9.27% Senior Notes due October 1, 2001 issued under Note Purchase Agreements dated as of March 25, 1997, containing an amendment to such Note Purchase Agreements identical in substance to the amendment set forth in Section 2 hereof.

(c) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's Second Amended and Restated 10.37% Senior Notes due November 1, 2001 issued under Note Purchase Agreements dated as of October 1, 1994, containing an amendment to such Note Purchase Agreements identical in substance to the amendment set forth in Section 2 hereof.

(d) The Company shall have paid the statement for reasonable fees and disbursements of Bingham Dana LLP, your special counsel, presented to the Company on or prior to the effective date of this Seventh Amendment.

3.8 FULL DISCLOSURE. The Company warrants and represents to you that, as of the effective date hereof, none of the written statements, documents or other written materials furnished by, or on behalf of, the Company to you in connection with the negotiation, execution and delivery of this Seventh Amendment contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein not misleading in light of the circumstances in which they were made. There is no fact of which any of the Company's executive officers has actual knowledge which the Company has not disclosed to you which materially affects adversely or, so far as the Company can now reasonably foresee, will materially affect adversely the business, prospects, profits, Properties or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or the ability of the Company to perform its obligations set forth in the Agreement (after giving effect to this Seventh Amendment) and the Notes.

[Remainder of page intentionally blank. Next page is signature page.]

If this Seventh Amendment is satisfactory to you, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the Company, whereupon this Seventh Amendment shall become binding between us in accordance with its terms.

Very truly yours,

CREDIT ACCEPTANCE CORPORATION

By /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: Chief Financial Officer

[Signature Page to Seventh Amendment to Note Purchase Agreement in respect of 9.49% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

ASSET ALLOCATION & MANAGEMENT COMPANY AS AGENT FOR CENTRAL STATES HEALTH & LIFE COMPANY OF OMAHA

By /S/ Kathy Lange

Name:Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT COMPANY AS AGENT FOR THE CHARLES SCHWAB TRUST COMPANY FBO GUARANTY INCOME LIFE INSURANCE COMPANY

By /S/ Kathy Lange

Name:Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT COMPANY AS AGENT FOR AMERICAN COMMUNITY MUTUAL INSURANCE

By /S/ Kathy Lange

Name:Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT COMPANY AS AGENT FOR CENTRAL RE CORP. & PHOENIX

By /S/ Kathy Lange

Name:Kathy Lange
Title:

[Signature Page to Seventh Amendment to Note Purchase Agreement in respect of 9.49% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR OLD GUARD
MUTUAL INSURANCE COMPANY

By /S/ Kathy Lange

Name:Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR CSA
FRATERNAL LIFE

By /S/ Kathy Lange

Name:Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR KANAWHA
INSURANCE COMPANY

By /S/ Kathy Lange

Name:Kathy Lange
Title:

[Signature Page to Seventh Amendment to Note Purchase Agreement in respect of 9.49% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY
BY CIGNA INVESTMENTS, INC. (authorized agent)

By /S/ Debra J. Height

Name: Debra J. Height
Title: Managing Director

[Signature Page to Seventh Amendment to Note Purchase Agreement in respect of 9.49% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

PAN AMERICAN LIFE INSURANCE
COMPANY

By/S/ Luis Ingles Jr.

Name: Luis Ingles Jr.
Title: Senior Vice President

[Signature Page to Seventh Amendment to Note Purchase Agreement in respect of 9.49% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

PHOENIX HOME LIFE MUTUAL
INSURANCE COMPANY
BY: PHOENIX INVESTMENT COUNSEL, INC.

By/S/ Rosemary T. Strekel

Name: Rosemary T. Strekel
Title: Senior Managing Director

[Signature Page to Seventh Amendment to Note Purchase Agreement in respect of 9.49% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

OZARK NATIONAL LIFE INSURANCE COMPANY

By/S/ S. Alan Weber

Name: S. Alan Weber
Title: Executive V.P. & Treasurer

[Signature Page to Seventh Amendment to Note Purchase Agreement in respect of 9.49% Senior Notes Due July 1, 2001 of Credit Acceptance Corporation]

ANNEX I

SECOND AMENDED AND RESTATED 9.49% SENIOR NOTES DUE JULY 1, 2001

Central States Health & Life Company of Omaha
The Charles Schwab Trust Company fbo Guaranty Income Life Insurance Company
American Community Mutual Insurance
Central Re Corp. & Phoenix
CSA Fraternal Life
Kanawha Insurance Company
Old Guard Mutual Insurance Company
Connecticut General Life Insurance Company
Pan American Life Insurance Company
Phoenix Home Life Mutual Insurance Company
Ozark National Life Insurance Company

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EXECUTION COPY
6/11/01

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AMENDED AND RESTATED

CREDIT ACCEPTANCE CORPORATION

CREDIT AGREEMENT

DATED AS OF JUNE 11, 2001

COMERICA BANK, AS ADMINISTRATIVE AGENT
AND COLLATERAL AGENT

BANC OF AMERICA SECURITIES, LLC AS SOLE LEAD ARRANGER
AND SOLE BOOK MANAGER

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AMENDED AND RESTATED
CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT ("Agreement") is made as of the 11th day of June, 2001, by and among the Banks signatory hereto (individually, "Bank", and collectively "Banks"), Comerica Bank, as administrative agent and collateral agent for the Banks (in such capacity, "Agent"), Credit Acceptance Corporation, a Michigan corporation ("Company") and Credit Acceptance Corporation UK Limited, a corporation organized under the laws of England ("CAC UK"), CAC of Canada Limited, a corporation organized under the laws of Canada ("CAC Canada") and Credit Acceptance Corporation Ireland Limited, a corporation organized under the laws of the Republic of Ireland ("CAC Ireland").

RECITALS:

A. Company has requested that the Banks amend, renew and/or extend to it and to the Permitted Borrowers (as defined below), credit in the aggregate amount (taking into account the Revolving Credit Optional Increase, as defined below) of up to One Hundred Fifty Million Dollars ($150,000,000) consisting of (i) the Revolving Credit (as defined below) previously extended to Company and the Permitted Borrowers pursuant to that certain Third Amended and Restated Credit Acceptance Corporation Credit Agreement dated as of June 15, 1999 (as amended, the "Prior Credit Agreement") by and among Company, the Permitted Borrowers, the Banks signatory thereto and Comerica Bank, individually and in its capacity as Agent, (ii) letters of credit and (iii) the Term Loan (as defined below) all on the terms and conditions set forth herein.

B. The Banks are prepared to extend such credit as aforesaid by amendment and renewal (but not in novation) of the Prior Credit Agreement, but only on the terms and conditions set forth in this Agreement.

NOW THEREFORE, COMPANY, PERMITTED BORROWERS, AGENT AND THE BANKS AGREE:

1. DEFINITIONS

For the purposes of this Agreement the following terms will have the following meanings:

"Account Party(ies)" shall mean, with respect to any Letter of Credit, the account party or parties (which shall be Company and/or any Permitted Borrower) as named in an application to the Agent for the issuance of such Letter of Credit.

"Administrative Agency Agreement" is referred to in the definition of Titling Subsidiary Agreements.

"Advance(s)" shall mean, as the context may indicate, a borrowing requested by Company or by a Permitted Borrower, and made by Banks under Section 2.1 or 4.1 of this Agreement, as the case may be, or requested by the Company or by a Permitted Borrower and made by the Swing Line Bank under Section 2.5 hereof (including without limitation any readvance, refunding or conversion of such borrowing pursuant to Section 2.3, 2.5(c) or 4.4 hereof) and any advance in respect of a Letter of Credit under Section 3.6 hereof (including without limitation the unreimbursed amount of any draws under Letters of Credit), and shall include, as applicable, a Eurocurrency-based Advance, a Quoted Rate Advance, a Prime-based Advance and a Swing Line Advance.

"Advances to Dealers" shall mean, as of any applicable date of determination, the Dollar Amount of advances in respect of Installment Contracts, as such amount would appear in the footnotes to the financial statements of the Company and its Subsidiaries prepared in accordance with GAAP (and if such amount is not shown net of such reserves, then net of any reserves established by the Company as an allowance for credit losses related to such advances not expected to be recovered), provided that Advances to Dealers shall not include (a) any such advances (and the related Installment Contracts) transferred or encumbered pursuant to a Permitted Securitization (whether or not attributable to the Company under GAAP), unless and until such advances (and the related Installment Contracts) are reassigned to the Company or a Subsidiary of the Company or such encumbrances are discharged or (b) Charged-Off Advances, to the extent that such Charged-Off Advances exceed the portion of the Company's allowance for credit losses related to reserves against such advances not expected to be recovered, as such allowance would appear in the footnotes to the financial statements of the Company and its Subsidiaries prepared in accordance with GAAP at such time. For purposes of this definition, "Charged-Off Advances" shall mean those Advances to Dealers which the Company or any of its Subsidiaries has determined, based on the application of a static pool analysis or otherwise, are completely or partially impaired, to the extent of such impairment.

"Affiliate" shall mean, at any time, a Person (other than a Subsidiary) (a) that directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, the Company; (b) that beneficially owns or holds five percent (5%) or more of any class of the voting stock of the Company; (c) five percent (5%) or more of the voting stock (or in the case of a Person that is not a corporation, five percent (5%) or more of the equity interest) of which is beneficially owned or held by the Company or a Subsidiary; or (d) that is an officer or director (or a member of the immediate family of an officer or director) of the Company or any Subsidiary; in each case, at such time. As used in this definition, "Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agent" shall mean Comerica Bank, a Michigan banking corporation, or any successor appointed in accordance with Section 12.4 hereof.

"Agent's Correspondent" shall mean:

(a) for Advances in Sterling, Barclays Bank plc., London, Great Britain;

(b) for Advances in C$, Bank of Nova Scotia, Toronto, or such other bank or banks as Agent may from time to time designate by written notice to Company, the Permitted Borrowers and the Lenders;

(c) for Advances in Irish Punts, Chase Bank, Frankfurt; and

(d) for Advances in Eurodollars, Agent's Grand Cayman Branch (or for the account of said branch office, at Agent's main office in Detroit, Michigan, United States);

or at such other bank or banks as Agent may from time to time designate by written notice to Company, the Permitted Borrowers and the Banks.

"Agent's Fees" shall mean those fees and expenses required to be paid by Company to Agent under Section 12.8 hereof.

"Aggregate Commitment" shall mean the Revolving Credit Maximum Amount, as in effect from time to time.

"Aggregate Sublimit" shall mean, as of any applicable date of determination, that amount equal to thirty percent (30%) of Company's Consolidated Tangible Net Worth, determined as of the end of each fiscal quarter based upon the financial statements required to be delivered under Section 7.3(b) or 7.3(c) hereof, as the case may be, or (subject to the terms hereof) determined on a monthly basis at the request of the Company based on monthly financial statements to be delivered pursuant to Section 2.14(b) hereof, (and giving effect to any changes in net worth shown in the applicable financial statements on the required date of delivery thereof).

"Allowances for Credit Losses" shall mean those allowances or reserves established by Company or its Subsidiaries in arriving at installment contracts receivable, net or Leased Vehicles, as the case may be, on its Consolidated balance sheets, as specifically identified in such financial statements or as disclosed in the footnotes thereto; provided that Allowances for Credit Losses shall not include allowances or reserves attributable to retail installment contracts or leases which are not at such time "Installment Contracts" or "Leases," as the case may be, due to the proviso in the definition of such terms in this Agreement.

"Alternate Base Rate" shall mean, for any day, an interest rate per annum equal to the Federal Funds Effective Rate in effect on such day, plus one percent (1%).

"Alternative Currency" shall mean British Pounds Sterling ("Sterling"), Canadian Dollars ("C$"), Irish Punts ("Irish Punts"), and, subject to the prior written approval of Agent and each of the Banks and to the terms and conditions of this Agreement, such other freely convertible foreign currencies including (subject to the terms hereof) the "Euro", as requested by the Company or a

Permitted Borrower and acceptable to Agent and the Banks, in their reasonable discretion. Any reference to a National Currency Unit of a Participating Member State in this definition of "Alternative Currency" shall be deemed to also include a reference to the Euro Unit.

"Applicable Fee Percentage" shall mean, as of any date of determination thereof, the applicable percentage used to calculate certain of the fees due and payable hereunder, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 1.1.

"Applicable Interest Rate" shall mean the Eurocurrency-based Rate, the Prime-based Rate or, with respect to Swing Line Advances, the Quoted Rate, as selected by Company or a Permitted Borrower from time to time subject to the terms and conditions of this Agreement.

"Applicable Margin" shall mean, as of any date of determination thereof, the applicable interest rate margin, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 1.1.

"Assignment Agreement" shall have the meaning ascribed to such term in Section 13.8(c) hereof.

"Back-End Dealer Agreement(s)" shall mean Dealer Agreements referred to in clause (i) of the definition of Dealer Agreements.

"Banks" shall mean the Banks signatory hereto (including the New Banks) and any assignee which becomes a Bank pursuant to Section 13.8(c) hereof.

"Borrowing Base Certificate" shall mean a Borrowing Base Certificate, substantially in the form of Exhibit O (and determining the amount of Advances to Dealers and Leased Vehicles as of the most recent quarter end, in the case of regular borrowing base certificates delivered under Section 7.3(d) hereof, and as of the most recent month-end, in the case of all other Borrowing Base Certificates submitted hereunder), with appropriate insertions and executed by an authorized Officer of the Company and accompanied, when submitted in connection with a Permitted Securitization or a sale of accounts under Section 8.9 hereof, by a breakdown of the contemplated net securitization or sale proceeds to be received (or actually received, as the case may be) from such transaction, and reasonable supporting calculations.

"Borrowing Base Limitation" shall mean, as of any date of determination, an amount equal to the sum of (i) sixty-five percent (65%) of Advances to Dealers and (ii) sixty-five percent (65%) of Leased Vehicles, minus (iii) the Hedging Reserve and minus (iv) the aggregate principal amount outstanding from time to time of any Debt (other than the Indebtedness) secured by any of the Collateral.

"Business Day" shall mean any day on which commercial banks are open for domestic and international business (including dealings in foreign exchange) in Detroit, London (except with

respect to any Prime-based Advances), and New York and if funds are to be paid or made available in any Alternative Currency, on such day in the place where such funds are to be paid or made available and, if the applicable Business Day relates to the borrowing or payment of a Eurocurrency-based Advance denominated in Euros, on which banks and foreign exchange markets are open for business in the city where disbursements of or payments on such Advance are to be made which is a Trans-European Business Day.

"CAC Canada" is defined in the Preamble.

"CAC Ireland" is defined in the Preamble.

"CAC Leasing" shall mean CAC Leasing, Inc., a Michigan corporation and a wholly-owned Subsidiary of Company.

"CAC Life" shall mean Credit Acceptance Corporation Life Insurance Company, an Arizona corporation and a wholly-owned Subsidiary of Company.

"CAC UK" is defined in the Preamble.

"Canadian BA Rate" shall mean, with respect to the relevant Advance of C$ to CAC Canada, the rate per annum quoted by Agent's Correspondent as the Agent's bid rate for C$ bankers' acceptances having a comparable face value as the amount of such Advance and a tenor identical to the applicable Eurocurrency-Interest Period as of 10:00 a.m. (Toronto time) on the first day of such Interest Period.

"Canadian BA Period" shall mean, for Advances of C$ to CAC Canada, an Interest Period of 30 days, 60 days, 90 days or with the consent of the Agent 180 days.

"Canadian Prime Rate" shall mean, for any day, the per annum rate of interest in effect for such day as announced from time to time by the Agent's Canadian Affiliate in Toronto, Ontario as its "prime rate." (The "prime rate" is a rate set by such Canadian Affiliate based upon various factors including such Canadian Affiliate's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate.) Any change in the prime rate by such Canadian Affiliate shall take effect at the opening of business on such day.

"Canadian Prime-based Rate" shall mean, for any day, that rate of interest which is equal to the sum of the Applicable Margin plus the greater of (i) the Canadian Prime Rate and (ii) an interest rate per annum equal to the Canadian BA Rate in effect on such day, plus one percent (1%).

"Capital Assets" shall mean all assets of a Person other than intangible assets (so classified in accordance with GAAP), inventories, accounts receivable and Investments in and securities of any other Person.

"Cleanup Call(s)" shall mean:

(a) in the case of an optional cleanup call, a cleanup call to be exercised at the option of the Company, the Titling Subsidiary or a Special Purpose Subsidiary under the terms of the applicable Permitted Securitization (provided that, both before and after giving effect thereto, no Default or Event of Default has occurred and is continuing when such option is exercised), in an amount not in excess of (i) Fifteen Percent (15%) of the initial amount received by the Company, the Titling Subsidiary or a Special Purpose Subsidiary pursuant to such Permitted Securitization (before fees and other deductions), it being understood that, for purposes of the calculation under clause (a)(i) of this definition, each tranche of a multi-tranche Permitted Securitization shall be considered a separate Permitted Securitization or (ii) in the case of any Securitization Transaction structured on a revolving basis, fifteen percent (15%) of the maximum aggregate availability at any time to Company, the Titling Subsidiary or a Special Purpose Subsidiary, each such optional cleanup call to be accompanied (x) by the repurchase of or release of encumbrances on Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles), as the case may be, previously transferred or encumbered pursuant to such Permitted Securitization in an amount equal to at least the amount of such cleanup call, or (y) if such Leased Vehicles or Leases are held by the Titling Subsidiary, by the reallocation of such Leases and Leased Vehicles from the applicable Specified Interest to the Non-Specified Interest in an amount equal to at least the amount of such clean-up call; and

(b) in the case of a mandatory cleanup call, a mandatory cleanup call to be exercised at the option of the investors under the terms of the applicable Permitted Securitization, in an amount not in excess of (i) Two and One-Half Percent (2 1/2%) of the aggregate amount received by the Company, the Titling Subsidiary or a Special Purpose Subsidiary pursuant to the Permitted Securitization to which such mandatory cleanup call relates (before fees and other deductions), it being understood that, for purposes of the calculation under clause (b)(i) of this definition, all tranches of a multi-tranche Permitted Securitization shall be considered one Permitted Securitization or (ii) in the case of any Securitization Transaction structured on a revolving basis, Two and One-Half Percent (2 1/2%) of the maximum aggregate availability at any time to Company, the Titling Subsidiary or a Special Purpose Subsidiary, each such mandatory Cleanup Call to be accompanied (x) by the repurchase of or release of encumbrances on Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles), as the case may be, previously transferred or encumbered pursuant to such Permitted Securitization in an amount equal to at least the lesser of (A) the amount of such cleanup call or (B) the book value at the time of such cleanup call of the Advances to Dealers, Leased Vehicles, Installment Contracts or Leases previously transferred or encumbered pursuant to such Permitted Securitization, or (y) if such Leased Vehicles or Leases are held by the Titling Subsidiary, by the reallocation of such Leases and Leased Vehicles from the applicable Specified Interest to the Non-Specified Interest in an amount equal to at least the lesser of (A) the amount of such clean-up call or

(B) the book value at the time of such cleanup call of the Leased Vehicles and Leases currently held in such Specified Interest.

"Closing Fee" shall mean the closing fee payable by Company to Agent, for distribution to the Banks, in the amounts previously agreed to between Agent and each of the Banks.

"Collateral" shall mean (a) all right, title and interest of each of the Company and each of its Significant Domestic Subsidiaries in, to and under its accounts, inventory, machinery, equipment, contract rights, chattel paper, general intangibles, including without limitation Advances to Dealers, Leased Vehicles, Dealer Agreements (and any amounts advanced to or liens granted by Dealers thereunder), Installment Contracts, Leases and related financial property (such Dealer Agreements, Advances to Dealers and the Installment Contracts, Leases, accounts, contract rights, chattel paper and general intangibles relating to such Dealer Agreements, Advances to Dealers and Leased Vehicles, being subject to the rights, if any, of Dealers under Dealer Agreements), Intercompany Notes and computer records and software relating thereto, whether now owned or hereafter acquired by such Person, (b) with respect to Indebtedness of the Permitted Borrowers and subject to Sections 7.20 and 7.22 hereof, all right, title and interest of CAC UK, the English Special Purpose Subsidiary, CAC Canada and CAC Ireland, as the case may be in, to and under its accounts, inventory, contract rights, chattel paper, general intangibles, including without limitation Advances to Dealers, Leased Vehicles, Dealer Agreements (and any amounts advanced to or liens granted by Dealers thereunder), Installment Contracts, Leases and related financial assets (such Dealer Agreements, Advances to Dealers, and the Installment Contracts, Leases, accounts, contract rights, chattel paper and general intangibles relating thereto) being subject to the rights, if any, of Dealers under Dealer Agreements (and, computer records and software relating thereto, whether now owned or hereafter acquired), (c) the entire Non-Specified Interest at any time held by the Company or any Subsidiary, (d) one hundred percent (100%) of the share capital of each Significant Domestic Subsidiary of the Company (whether direct or indirect), (e) not less than sixty-five percent (65%) of the share capital of CAC UK (until the initial transfer of assets pursuant to UK Restructuring), and, subject to Section 7.20 hereof, CAC Canada, CAC Ireland and each other Foreign Subsidiary which is owned directly by the Company or a Domestic Subsidiary and which is a Significant Subsidiary, (f) following the initial transfer of assets pursuant to the UK Restructuring, not less than sixty-five percent (65%) of the aggregate partnership interests of the Scottish Partnership, and (g) all proceeds and products of the foregoing.

"Collateral Documents" shall mean (i) that certain Second Amended and Restated Security Agreement dated as of June 11, 2001 and executed and delivered by Company in favor of the Agent, as Collateral Agent pursuant to the Intercreditor Agreement (as amended, the "Security Agreement"), and encumbering the property described therein, (ii) that certain Deed of Charge (the "English Share Charge") dated as of December 17, 1998 and executed and delivered by Company in favor of the Agent, as Collateral Agent pursuant to the Intercreditor Agreement, and encumbering the property described therein (unless and until such share charge has been released upon the initial transfer of assets pursuant to the UK Restructuring according to the terms of Section 7.22 hereof) and, upon the initial transfer of assets pursuant to the UK Restructuring, an assignation to be executed and delivered by Company in favor of the Agent, as Collateral Agent pursuant to the Intercreditor

Agreement, and encumbering the Collateral described in clause (f) of the definition of Collateral, (iii) debentures to be executed and delivered by CAC UK and by the English Special Purpose Subsidiary in favor of the Agent, for and on behalf of the Banks (and not as Collateral Agent pursuant to the Intercreditor Agreement) and encumbering the applicable property described in clause (b) of the definition of Collateral, (iv) those certain lien, charge or other security documents to be executed and delivered hereunder by CAC Canada and CAC Ireland in favor of the Agent, for and on behalf of the Banks and not as Collateral Agent pursuant to the Intercreditor Agreement and encumbering the applicable Collateral described in clause (b) of the definition of Collateral, and (v) all other security documents (including, without limitation, financing statements, stock powers, acknowledgments, registrations, joinders and the like) executed by the Company or any of its Subsidiaries and delivered to the Agent, as Collateral Agent (as aforesaid), as of the date thereof or, from time to time, subsequent thereto in connection with such security documents, this Agreement or the other Loan Documents, as such security documents may be in each case amended or further amended (subject to the Intercreditor Agreement) from time to time.

"Company" is defined in the Preamble.

"Company Guaranty" shall mean that certain amended and restated guaranty of all of the Indebtedness outstanding from the Permitted Borrowers hereunder, executed and delivered by the Company to the Agent, on behalf of the Banks, as of the date hereof, substantially in the form of the Company Guaranty executed and delivered in connection with the Prior Credit Agreement, as such guaranty may be amended from time to time.

"Consolidated" or "Consolidating" shall, when used with reference to any financial information pertaining to (or when used as a part of any defined term or statement pertaining to the financial condition of) Company and its Subsidiaries, mean the accounts of Company and its Subsidiaries determined on a consolidated or consolidating basis, as the case may be, all determined as to principles of consolidation and, except as otherwise specifically required by the definition of such term or by such statements, as to such accounts, in accordance with GAAP applied on a consistent basis and consistent with the financial statements as at and for the fiscal year ended December 31, 2000.

"Consolidated Fixed Charges" shall mean, for any period, the sum of (a) Consolidated Interest Expense for such period, plus (b) Operating Rentals payable by the Company and its Subsidiaries in respect of such period under Operating Leases, plus (c) the aggregate amount of all dividends on any preferred stock of the Company declared during such period, determined after eliminating intercompany transactions among the Company and its Subsidiaries.

"Consolidated Funded Debt" shall mean, as of any applicable date of determination, all Debt of the Company and its Subsidiaries determined on a Consolidated basis according to GAAP (but including the Debt of any Special Purpose Subsidiary, whether or not includible under

GAAP), plus without duplication all letters of credit, guarantees and other Guarantee Obligations of the Company and its Subsidiaries (but including any Special Purpose Subsidiary, whether or not includible under GAAP) in respect of liabilities which would constitute Debt, determined on a Consolidated basis according to GAAP.

"Consolidated Income Available for Fixed Charges" shall mean, for any period, the sum of (a) Consolidated Net Income, plus (b) the aggregate amount of income taxes, depreciation, amortization (including the amortization of any excess servicing asset) and Consolidated Fixed Charges (to the extent, and only to the extent, that such aggregate amount was reflected in the computation of Consolidated Net Income for such period), determined on a Consolidated basis for such Persons in accordance with GAAP.

"Consolidated Interest Expense" shall mean, for any period, the amount of interest charged or chargeable to the Consolidated Statement of Operations of Company and its Subsidiaries in respect of such period, as determined in accordance with GAAP.

"Consolidated Net Assets" shall mean, as of any applicable date of determination, the sum of (i) 100% of all cash and the value (at book) of all Permitted Investments; (ii) 75% of the aggregate amount of Advances to Dealers; (iii) 70% of the aggregate amount of Leased Vehicles; (iv) 60% of the aggregate amount of Floor Plan Receivables, net of the applicable reserve; and (v) 60% of Notes Receivable, net of the applicable reserve, determined on a Consolidated basis for the Company and its Subsidiaries according to GAAP, but including the amount of any such assets held by a Special Purpose Subsidiary, whether or not includible under GAAP.

"Consolidated Net Income" shall mean, for any period, net earnings (or loss) after income taxes of Company and its Subsidiaries, determined on a Consolidated basis for such Persons, as defined according to GAAP, but excluding:

(a) net earnings (or loss) of any Subsidiary accrued prior to the date it became a Subsidiary;

(b) any gain or loss (net of tax effects applicable thereto) resulting from the sale, conversion or other disposition of Capital Assets other than in the ordinary course of business;

(c) any extraordinary or non-recurring gains or losses (including, without limitation, any gain on sale generated by a Permitted Securitization, except to the extent the Company has received a cash benefit therefrom in the applicable reporting period); and any interest income generated by a Permitted Securitization, except to the extent the Company has received a cash benefit therefrom in the applicable reporting period;

(d) any gain arising from any reappraisal or write-up of assets;

(e) any portion of the net earnings of any Subsidiary that for any reason is unavailable for payment of dividends to the Company or any other Subsidiary, provided that the net earnings of CAC Life that are unavailable (due to regulatory requirements

applicable to CAC Life) for the payment of dividends to the Company may be included in the determination of Consolidated Net Income, to the extent that such unavailable net earnings do not exceed five percent (5%) of Consolidated Net Income (determined without giving effect to this proviso), and provided, further that so long as the net earnings of CAC Life shall be included in Consolidated Net Income pursuant to the preceding proviso, CAC Life shall not have outstanding any debt, regardless of whether any other Subsidiary may be permitted to have debt outstanding at such time by reason of a waiver of or an amendment to this Agreement;

(f) any gain or loss (net of tax effects applicable thereto) during such period resulting from the receipt of any proceeds of any insurance policy;

(g) except as set forth herein, any earnings of any Person acquired by Company or any Subsidiary through the purchase, merger or consolidation or otherwise, or earnings of any Person substantially all of the assets of which have been acquired by Company or any Subsidiary, for any period prior to the date of acquisition;

(h) net earnings of any Person (other than a Subsidiary) in which Company or any Subsidiary shall have an ownership interest unless such net earnings shall actually have been received by the Company or such Subsidiary in the form of cash distributions; and

(i) any restoration during such period to income of any contingency reserve, except to the extent that provision for such reserve

(i) was made during such period out of income accrued during such period,

(ii) was made in connection with the Company's program of financing Installment Contracts or Leases

(A) to provide for warranty claims for which the Company may be responsible, or

(B) to cover credit losses in connection with Advances to Dealers, Installment Contracts, Leased Vehicles or Leases, or

(iii) is required by applicable law with respect to reserve for claims related to the operation of CAC Life,

provided that the aggregate restoration to income during any period from reserves described in clause (ii) and clause (iii) above shall not exceed ten percent (10%) of Consolidated Net Income for such period, prior to giving effect to such restoration.

"Consolidated Tangible Net Worth" shall mean the total preferred shareholders' investment and common shareholders' investment (common stock, paid in capital and retained earnings) as computed under GAAP, less assets properly classified as intangible assets according to GAAP, but excluding from the determination thereof, without duplication, any excess servicing asset resulting from the transfer, pursuant to a Permitted Securitization, of Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles) and less capitalized financing fees.

"Consolidated Total Liabilities" shall mean, as of any applicable date of determination, the Consolidated total liabilities of the Company and its Subsidiaries according to GAAP but (including the liabilities of any Special Purpose Subsidiary whether or not includible under GAAP), plus without duplication all contingent obligations, including without limitation all Guarantee Obligations not otherwise reflected therein, minus Net Dealer Holdbacks and Net Leased Vehicle Dealer Holdbacks and minus deferred income of the Company and its Subsidiaries, determined on a Consolidated basis according to GAAP, except as aforesaid.

"Covenant Compliance Report" shall mean the report to be furnished by the Company to the Agent, in substantially the form attached to this Agreement as Exhibit H and certified by the chief financial officer of the Company pursuant to Section 7.3(c) hereof, as to whether the Company and its Subsidiaries are in compliance with the financial covenants contained in Sections 7.4 through 7.7, inclusive, of this Agreement for the applicable fiscal quarter (or year-end) of the Company, as the case may be, in which report the Company shall set forth its calculations and the resultant ratios or financial tests determined thereunder, and certifying that no Default or Event of Default has occurred and is continuing.

"Current Dollar Equivalent" shall mean, as of any applicable date of determination, with respect to any Advance or Letter of Credit in an Alternative Currency, the amount of Dollars which is equivalent to the then outstanding principal amount of such Advance or Letter of Credit at the most favorable spot exchange rate determined by the Agent to be available to it for the sale of Dollars for such Alternative Currency for delivery at approximately 11:00 A.M. (Detroit time) two (2) Business Days after such date. Alternative Currency equivalents of Advances or Letters of Credit in Dollars (to the extent used herein) shall be determined by Agent in a manner consistent herewith.

"Dealer(s)" shall mean a Person engaged in the business of the retail sale or lease of new or used motor vehicles, including both businesses exclusively selling or leasing used motor vehicles and businesses principally selling or leasing new motor vehicles, but having a used vehicle department, including any such Person which constitutes an Affiliate of Company.

"Dealer Agreement(s)" shall mean the sales and/or servicing agreements between the Company or its Subsidiaries and a participating Dealer which sets forth the terms and conditions under which the Company or its Subsidiaries (i) accepts, as nominee for such Dealer, the assignment of Installment Contracts or Leases for purposes of administration, servicing and collection and under which the Company or its Subsidiary may make advances to such Dealers included in Advances to Dealers or Leased Vehicles and (ii) accepts outright assignments of Installments Contracts or Leases

from Dealers or funds Installments Contracts or Leases originated by such Dealer in the name of Company or any of its Subsidiaries, in each case as such agreements may be in effect from time to time.

"Debt" shall mean, with respect to any Person, without duplication, (a) its liabilities for borrowed money (whether or not evidenced by a security), (b) any liabilities secured by any Lien existing on property owned by such Person (whether or not such liabilities have been assumed), (c) its liabilities consisting of Capital Lease Obligations, (d) the present value of all payments due under any arrangement for retention of title or any conditional sale agreement (other than a Capital Lease) discounted at the implicit rate, if known, with respect thereto or, if unknown, at eight and eighty-seven one-hundredths percent (8.87%) per annum, and (e) its guaranties of any liabilities of another Person constituting liabilities of a type set forth above; provided however that dealer holdbacks shall not be considered Debt of the Company or its Subsidiaries; and provided further that, solely for purposes of Section 8.5 hereof, "Debt" shall also include reimbursement obligations (contingent or otherwise) in respect of letters of credit, obligations in respect of bankers acceptances, and payment obligations, if any, under interest rate protection agreements (including without limitation interest rate swaps and similar agreements) and currency swaps and hedges and similar agreements.

"Debt Rating" shall mean the debt rating, if any, of Company's long-term non-credit enhanced senior debt obtained by the Company, from time to time, from an applicable credit rating agency of recognized national standing in the United States of America.

"Default" shall mean any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

"Dollar Amount" shall mean (a) with respect to Dollars or an amount denominated in Dollars, such amount and (b) with respect to an amount of any other Alternative Currency or an amount denominated in such Alternative Currency, the amount of Dollars that may be purchased with such amount of Alternative Currency in the interbank foreign exchange market, at the most favorable spot rate of exchange (including all related costs of conversion) applicable to the relevant transaction determined by the Agent to be available to it at or about 11:00 a.m. Detroit time (i) on the date on which such calculation would be necessary for the delivery of Dollars on the applicable date contemplated in this Agreement or (ii) for interest rate setting purposes only, on the date which is two Business Days prior to the commencement of an Interest Period (or such other number of days as shall be reasonably deemed necessary by Agent, for purposes of this Agreement). Alternative Currency amounts of Advances or Letters of Credit made, issued, carried or expressed in Dollars (to the extent used herein) shall be determined by Agent in a manner consistent herewith.

"Dollars" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Advance" shall mean any Advance other than a Eurocurrency-based Advance or any other Advance denominated in an Alternative Currency.

"Domestic Guaranty" shall mean that certain guaranty of all Indebtedness outstanding from the Company and the Permitted Borrowers hereunder, executed and delivered (or to be executed and

delivered) by each of the Significant Domestic Subsidiaries (whether by execution thereof, or by execution of the Joinder Agreement attached as "Exhibit A" to the form of such Guaranty), to the Agent, on behalf of the Banks, in the form annexed hereto as Exhibit J-1, as amended from time to time.

"Domestic Subsidiaries" shall mean those Subsidiaries of the Company incorporated under the laws of the United States of America, or any state thereof.

"Effective Date" shall mean the date on which the conditions precedent to the effectiveness of this Agreement set forth in Sections 5.1 through 5.9 shall have been satisfied, amended or waived.

"EMU" shall mean Economic and Monetary Union as contemplated in the Treaty on European Union.

"EMU Legislation" shall mean legislative measures of the European Council (including European Council regulations) for the introduction of, changeover to or operation of a single or unified European currency (whether known as the euro or otherwise), being in part the implementation of the third stage of EMU.

"English Share Charge" is referred to in the definition of Collateral Documents.

"English Special Purpose Subsidiary" shall mean CAC UK Funding Ltd., a Special Purpose Subsidiary established by the Company, as part of the UK Restructuring, under the laws of England.

"Equity Offering" shall mean the issuance and sale for cash, on or after the Effective Date by Company or any of its Subsidiaries of additional capital stock or other equity interests, other than upon the exercise of employee and dealer stock options pursuant to stock option plans maintained or offered by the Company or its Subsidiaries in the ordinary course of business and not in anticipation of any sale of capital stock or equity interests to the general public, and other than the creation or disposition of any interest in the Titling Subsidiary.

"Equity Offering Adjustment" shall mean that amount to be added to the minimum Consolidated Tangible Net Worth required to be maintained under Section 7.7 hereof consisting of an amount equal to one hundred percent (100%) of each Equity Offering conducted by the Company or any of its subsidiaries, net of related costs of issuance payable to third parties, on and after the Effective Date, on a cumulative basis.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, or any successor act or code, and the regulations in effect from time to time thereunder.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) which is under common control with the Company within the meaning of Section 4001 of ERISA or is part of a group which includes the Company and would be treated as a single employer under Section 414 of the Internal Revenue Code, and any Domestic Subsidiary.

"Euro" or "Euro Unit" shall mean the currency unit of the euro as defined in the EMU Legislation.

"Eurocurrency-based Advance" shall mean any Advance (including a Swing Line Advance) which bears interest at the Eurocurrency-based Rate.

"Eurocurrency-based Rate" shall mean a per annum interest rate which is equal to the sum of (a) the Applicable Margin (subject, if applicable, to adjustment under Section 11.11 hereof), plus

(b)(i) in the case of any Eurocurrency-based Advance other than an Advance of C$ to CAC Canada described in clause (b)(ii) below, the quotient of:

(A) the per annum interest rate at which deposits in the relevant eurocurrency are offered to Agent's Eurocurrency Lending Office by other prime banks in the relevant eurocurrency market in an amount comparable to the relevant Eurocurrency-based Advance and for a period equal to the relevant Eurocurrency-Interest Period at approximately 11:00 a.m. Detroit time two (2) Business Days (or, in the case of a Eurocurrency-based Advance in Euros, on such other date as is customary in the relevant offshore interbank market) prior to the first day of such Eurocurrency-Interest Period, divided by

(B) a percentage equal to 100% minus the maximum rate on such date at which Agent is required to maintain reserves on `eurocurrency liabilities' as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as Agent is required to maintain reserves against a category of liabilities which includes eurocurrency deposits or includes a category of assets which includes eurocurrency loans, the rate at which such reserves are required to be maintained on such category,

such sum to be rounded upward, if necessary, to the nearest whole multiple of 1/16th of 1%; or

(b)(ii) in the case of any Advances of C$ to CAC Canada, the greater of the Eurocurrency-based Rate determined in the manner set forth in clause (A) above and the Canadian BA Rate.

"Eurocurrency-Interest Period" shall mean, (a) for Swing Line Advances carried at the Eurocurrency-based Rate, an interest period of seven days, one month (or any lesser number of days agreed to in advance by Company or a Permitted Borrower, Agent and the Swing Line Bank), (b) for Eurocurrency-based Advances of C$ to CAC Canada, a Canadian BA Rate Period and (c) for all other Eurocurrency-based Advances, an interest period of one, two, three or six months (or any lesser or greater number of days agreed to in advance by Agent and the Banks), in each case as selected by

Company or such Permitted Borrower, as applicable, for a Eurocurrency-based Advance pursuant to Section 2.3, 2.5, or 4.4 hereof, as the case may be.

"Eurocurrency Lending Office" shall mean, (a) with respect to the Agent, Agent's office located at its Grand Caymans Branch or such other branch of Agent, domestic or foreign, as it may hereafter designate as its Eurocurrency Lending Office by notice to Company, the Permitted Borrowers and the Banks and (b) as to each of the Banks, its office, branch or affiliate located at its address set forth on the signature pages hereof (or identified thereon as its Eurocurrency Lending Office), or at such other office, branch or affiliate of such Bank as it may hereafter designate as its Eurocurrency Lending Office by notice to Company and Agent.

"Event of Default" shall mean any of the events specified in Section 9.1 hereof.

"Existing Advance(s)" shall mean Advances made under the Prior Credit Agreement (as defined therein) which are outstanding on the Effective Date.

"Existing Letter of Credit" shall mean a letter of credit issued under the Prior Credit Agreement which is outstanding on the effective date hereof.

"Federal Funds Effective Rate" shall mean, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal funds brokers of recognized standing selected by it.

"Fees" shall mean the Agent's Fees, the Revolving Credit Facility Fee, the Utilization Fee and the Letter of Credit Fees.

"Fixed Charge Coverage Ratio" shall mean, as of any applicable date of determination, the ratio of (a) Consolidated Income Available for Fixed Charges for the period of four (4) consecutive fiscal quarters of the Company most recently ended at such time to (b) Consolidated Fixed Charges for such period.

"Floor Plan Receivables" shall mean, as of any applicable date of determination, the aggregate amount outstanding from Dealers pursuant to financing extended to such Dealers by Company or any of its Subsidiaries for used motor vehicle inventories, such financing to be secured by the related motor vehicle inventories and any future cash collections owed by Company or its Subsidiaries to the Dealer under the applicable Dealer Agreement in respect of outstanding Advances to Dealers (and the related Installment Contracts) or Leased Vehicles (and the related Leases)

"Foreign Guaranty" shall mean that certain guaranty of all Indebtedness outstanding from the Permitted Borrowers hereunder, executed and delivered (or to be executed and delivered) by each of the Significant Foreign Subsidiaries, (whether by execution thereof, or by execution of the Joinder

Agreement attached as Exhibit "A" to such Guaranty) to the Agent, on behalf of the Banks in the form annexed hereto as Exhibit J-2, as amended from time to time.

"Foreign Subsidiaries" shall mean all of the Company's Subsidiaries other than its Domestic Subsidiaries.

"Funding Conditions" shall mean those conditions required to be satisfied prior to or concurrently with the funding of any Future Debt, as follows:

(a) Within a period of one hundred eighty (180) days prior to the date any such Debt is incurred, Company shall have provided to the Agent and the Banks a Consolidated plan and financial projections meeting the requirements therefor as set forth in Section 7.3(i) of this Agreement.

(b) Not less than fifteen (15) Business Days prior to the proposed date any such Debt is to be incurred, Company shall have provided written notice to the Agent and each of the Banks of its intent to issue such Debt (accompanied by a summary, in reasonable detail, of the material terms of such Debt, including without limitation, the maximum principal amount, amortization and payment schedule, maturity, interest rate and financial and other covenants, captioned "notice of intent to incur Future Debt" and stating that approval is deemed to be given if an objection is not made within fifteen (15) Business Days of receipt of such notice) and the Majority Banks have approved the issuance of such Debt. Solely for purposes of the definition of Funding Conditions (and Future Debt), any Bank which fails, within fifteen (15) Business Days of receipt of such notice, to object in writing to the Company's proposed incurrence of such Future Debt shall be deemed to have approved the incurrence of such Debt under this clause (b).

(c) Both immediately before and immediately after such additional Debt is incurred, no Default or Event of Default (whether or not related to such additional Debt, and taking into account the incurring of such additional Debt) has occurred and is continuing.

(d) If such additional Debt shall be issued pursuant to loan documents containing covenants which are more restrictive than the covenants contained in this Agreement, Company shall, upon the written request of the Majority Banks, enter into amendments to this Agreement to extend the benefit of such covenants to the Banks.

(e) If such additional Debt is to be secured, each of the holders of such Debt shall become a party to the Intercreditor Agreement and shall execute and deliver such additional or related Loan Documents, as reasonably requested by the Agent.

"Future Debt" shall mean any Debt incurred by the Company subsequent to the Effective Date; provided that, at the time any such Debt is incurred, the Funding Conditions have been satisfied.

"Future Debt Documents" shall mean the promissory note(s), guaranty(ies), agreement(s) or other documents, instruments and certificates executed and delivered, subject to the terms of this Agreement, to evidence or secure (or otherwise relating to) Future Debt, as the same may be amended from time to time and any and all other documents executed in exchange therefor or replacement or renewal thereof.

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect on the date hereof, consistently applied.

"Gross Dealer Holdbacks" shall mean the aggregate amount, as of any applicable date of determination, of dealer holdbacks under Dealer Agreements relating to Installment Contracts utilized in arriving at Dealer holdbacks, net on the Consolidated balance sheet of the Company and its Subsidiaries, as disclosed in the footnotes thereto; provided that Gross Dealer Holdbacks shall not include the amount of dealer holdbacks attributable to retail installment contracts which are not at such time "Installment Contracts" due to the proviso in the definition of such term in this Agreement.

"Guarantee Obligation(s)" shall mean as to any Person (the "guaranteeing person") any obligation of the guaranteeing person in respect of any obligation of another Person (including, without limitation, any bank under any letter of credit), the creation of which was evidenced or induced by a reimbursement agreement, counter-indemnity, endorsement or similar obligation issued by the guaranteeing person, in either case guaranteeing or in effect guaranteeing any Debt, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. To the extent not otherwise determinable, the amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation (as outstanding on the applicable date of determination) in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such

Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by Company in good faith.

"Guaranties" shall mean the Company Guaranty, the Domestic Guaranty and the Foreign Guaranty.

"Guarantor(s)" shall mean each Significant Subsidiary which is required by the Banks to guarantee the obligations of the Company and/or the Permitted Borrowers hereunder and under the other Loan Documents.

"Hazardous Material" shall mean and include any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Hazardous Material Laws.

"Hazardous Material Law(s)" shall mean all laws, codes, ordinances, rules, regulations, orders, decrees and directives issued by any federal, state, local, foreign or other governmental or quasi-governmental authority or body (or any agency, instrumentality or political subdivision thereof) pertaining to Hazardous Material on or about the Material Property or any portion thereof including, without limitation, those relating to soil, surface, subsurface ground water conditions and the condition of the ambient air; any so-called "superfund" or "superlien" law; and any other federal, state, foreign or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect. For the purposes of this definition "Material Property" shall mean any property, whether personal or real, owned, leased or otherwise used by the Company or any of the Subsidiaries which is material to the operations of the Company and the Subsidiaries, taken as a whole.

"Hedging Agreement(s)" shall mean any Interest Rate Protection Agreements and any foreign currency exchange agreements (including without limitation foreign currency hedges and swaps) or other foreign exchange transactions, or any combination of such transactions or agreements or any option with respect to any such transactions or agreements entered into by Company and/or any of its Subsidiaries to manage existing or anticipated foreign exchange risk and not for speculative purposes.

"Hedging Reserve" shall mean a reserve under the Borrowing Base Limitation equal to the lesser of (i) One Million Dollars ($1,000,000) and (ii) the aggregate amount of Net Hedging Obligations outstanding from time to time (determined in the manner set forth herein) maintained by the Company for the benefit of those Banks or their Affiliates which provide Hedging Agreements to the Company, any Domestic Subsidiary or a Permitted Borrower under or in connection with this Agreement, and allocated to such Banks or their Affiliates in the amounts so determined and reported by the Company in its quarterly Borrowing Base Certificates or any updated Borrowing Base Certificates from time to time submitted by the Company hereunder; provided that the adequacy of the amounts established by the Company for the applicable exposure under a Hedging Agreement shall be subject to review and approval by the Majority Banks, from time to time at the request of such Banks.

"Hereof", "hereto", "hereunder" and similar terms shall refer to this Agreement in its entirety and not to any particular paragraph or provision of this Agreement.

"Indebtedness" shall mean all indebtedness and liabilities, whether direct or indirect, absolute or contingent, owing by Company or any of the Permitted Borrowers to the Banks (or any of them) or to the Agent, in any manner and at any time, under this Agreement or the other Loan Documents, whether evidenced by the Notes, the Guaranties, Letter of Credit Agreements or otherwise, due or hereafter to become due, now owing or that may hereafter be incurred by the Company, any of the Permitted Borrowers or any Account Party to, or acquired by, the Banks or by Agent, and all Net Hedging Obligations in respect of Hedging Agreements entered into between Company, any Domestic Subsidiary and/or a Permitted Borrower and a Bank or an Affiliate of a Bank and any judgments that may hereafter be rendered on such indebtedness or any part thereof, with interest according to the rates and terms specified, or as provided by law, and any and all consolidations, amendments, renewals, replacements or extensions of any of the foregoing.

"Installment Contract(s)" shall mean retail installment contracts for the sale of new or used motor vehicles assigned outright by Dealers to Company or a Subsidiary of Company or written by Dealers in the name of the Company or a Subsidiary of the Company (and funded by Company or such Subsidiary) or assigned by Dealers to Company or a Subsidiary of Company, as nominee for the Dealer, for administration, servicing, and collection, in each case pursuant to an applicable Dealer Agreement; provided, however, that to the extent the Company or any Subsidiary transfers or encumbers its interest in any Installment Contracts (or any Advances to Dealers related thereto) pursuant to a Permitted Securitization, such Installment Contracts shall, from and after the date of such transfer or encumbrance, cease to be considered Installment Contracts under this Agreement (reducing the amount of Advances to Dealers by the outstanding amount of such advances, if any, attributable to such Installment Contracts) unless and until such installment contracts are reassigned to the Company or a Subsidiary of the Company or such encumbrances are discharged.

"Intercompany Loans" shall mean any loan or advance in the nature of a loan by the Company to any Subsidiary or by any Subsidiary to any other Subsidiary or to the Company.

"Intercompany Loans, Advances and Investments" shall mean any Intercompany Loan and any other advance or Investment by the Company to or in a Subsidiary or by any Subsidiary to or in the Company or any other Subsidiary.

"Intercompany Note(s)" shall mean the promissory notes substantially in the form of Exhibit N, attached hereto, issued or to be issued by the Company or any Subsidiary to evidence an Intercompany Loan, and pledged to the Agent (in its capacity as Collateral Agent under the Intercreditor Agreement and/or as Agent hereunder.)

"Intercreditor Agreement" shall mean that certain Intercreditor Agreement executed and delivered as of December 15, 1998 by and among the Banks, the holders of the Senior Debt and the Agent, as Collateral Agent thereunder, and acknowledged and accepted by the Company and the

Permitted Borrowers, as amended by First Amendment dated as of March 30, 2001, and as further amended from time to time.

"Interest Period" shall mean

(a) with respect to a Eurocurrency-based Advance, a Eurocurrency-Interest Period commencing on the day a Eurocurrency-based Advance is made, or on the effective date of an election of the Eurocurrency-based Rate made under Section 2.3 or hereof, as the case may be, and

(b) with respect to a Swing Line Advance, a period of one (1) to thirty (30) days agreed to in advance by Company and the Swing Line Bank as selected by Company pursuant to Section 2.5(c),

provided that (i) any Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day, except that as to a Eurocurrency-Interest Period, if the next succeeding Business Day falls in another calendar month, such Eurocurrency-Interest Period shall end on the next preceding Business Day, and (ii) when a Eurocurrency-Interest Period begins on a day which has no numerically corresponding day in the calendar month during which such Eurocurrency-Interest Period is to end, it shall end on the last Business Day of such calendar month, and (iii) no Interest Period shall extend beyond the maturity date set forth in the Note to which such Interest Period is to apply.

"Interest Rate Protection Agreement(s)" shall mean any interest rate, swap, cap, floor, collar, forward rate agreement or other rate protection transaction, or any combination of such transactions or agreements or any option with respect to any such transactions or agreements now existing or hereafter entered into by Company or any of its Subsidiaries to manage existing or anticipated interest rate risk and not for speculative purposes.

"Internal Revenue Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

"Investment" shall mean, in respect of any Person, any loan, advance, extension of credit, Guarantee Obligation or contribution of capital or any investment in, or purchase or other acquisition of, stocks, notes, debentures or other securities of such Person.

"Issuing Office" shall mean Agent's office located at One Detroit Center, 500 Woodward Avenue, Detroit, Michigan 48275 or such other office as Agent shall designate as its Issuing Office.

"Joinder Agreement (Guaranty)" shall mean a joinder agreement in the form attached as "Exhibit A" to the form of the Domestic Guaranty and to the form of the Foreign Guaranty, to be executed and delivered by any Person required to be a Guarantor pursuant to Section 7.19 of this Agreement.

"Lead Arranger" shall mean Banc of America Securities, LLC, or such successor lead arranger and sole book manager as appointed by the Company under Section 12.15 hereof.

"Leased Vehicles" shall mean, as of any applicable date of determination, the Dollar Amount of advances in respect of Leases, as such amount would appear in the footnotes to the financial statements of the Company and its Subsidiaries prepared in accordance with GAAP or, if specifically identified, elsewhere in such financial statements, net of depreciation on the motor vehicles which are covered by Leases with respect to which such Leased Vehicles are attributable (and if such amount is not shown net of such reserves, then net of any reserves established by the Company as an Allowance for Credit Losses related to such advances not expected to be recovered), provided that Leased Vehicles shall not include (a) the amount of any such advances attributable to any Leases transferred or encumbered or reallocated from the Non-Specified Interest to a Specified Interest pursuant to a Permitted Securitization (whether or not attributable to the Company under GAAP) unless and until such advances (and the related Leases) are either reassigned to the Company or a Subsidiary of the Company (other than the Titling Subsidiary) or such encumbrances are discharged, or such advances (and the related Leases and vehicles) are reallocated from the applicable Specified Interest to the Non-Specified Interest or (B) CHARGED-OFF ADVANCES, TO THE EXTENT THAT SUCH CHARGED-OFF ADVANCES (I) EXCEED THE PORTION OF THE COMPANY'S ALLOWANCE FOR CREDIT LOSSES RELATED TO RESERVES AGAINST SUCH ADVANCES NOT EXPECTED TO BE RECOVERED, AS SUCH ALLOWANCE WOULD APPEAR IN THE FOOTNOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES PREPARED IN ACCORDANCE WITH GAAP AT SUCH TIME OR IF SPECIFICALLY IDENTIFIED, ELSEWHERE IN SUCH FINANCIAL STATEMENTS AND (II) HAVE NOT ALREADY BEEN ELIMINATED IN THE DETERMINATION OF LEASED VEHICLES. FOR PURPOSES OF THIS DEFINITION, "CHARGED-OFF ADVANCES" SHALL MEAN THOSE LEASED VEHICLES WHICH THE COMPANY OR ANY OF ITS SUBSIDIARIES HAS DETERMINED, BASED ON THE APPLICATION OF A STATIC POOL OR COMPARABLE ANALYSIS OR OTHERWISE, ARE COMPLETELY OR PARTIALLY IMPAIRED, TO THE EXTENT OF SUCH IMPAIRMENT.

"LEASE(S)" SHALL MEAN THE RETAIL AGREEMENTS FOR THE LEASE OF MOTOR VEHICLES ASSIGNED OUTRIGHT BY DEALERS TO COMPANY OR A SUBSIDIARY OF COMPANY OR WRITTEN BY A DEALER IN THE NAME OF THE COMPANY OR A SUBSIDIARY OF COMPANY (AND FUNDED BY COMPANY OR SUCH SUBSIDIARY) OR ASSIGNED BY DEALERS TO COMPANY OR A SUBSIDIARY OF COMPANY, AS NOMINEE FOR THE DEALER, FOR ADMINISTRATION, SERVICING AND COLLECTION, IN EACH CASE PURSUANT TO AN APPLICABLE DEALER AGREEMENT; provided, however, that to the extent the Company or any Subsidiary transfers or encumbers its interest in any Leases or reallocates such Leases from the Non-Specified Interest to a Specified Interest pursuant to a Permitted Securitization, such Leases shall, from and after the date of such transfer or encumbrance or such reallocation, cease to be considered Leases under this Agreement (reducing the amount of Leased Vehicles by the outstanding amount of Leased Vehicles attributable to such Leases) unless and until such Leases are reassigned to Company or a Subsidiary of the Company (other than the Titling Subsidiary) or such encumbrances have been discharged or such Leases are reallocated from the applicable Specified Interest to the Non-Specified Interest.

"Lenders" shall mean the Banks, the Noteholders and the Future Debt Holders (as defined in the Intercreditor Agreement).

"Letter of Credit Agreement" shall mean, in respect of each Letter of Credit, the application and related documentation satisfactory to the Agent of an Account Party or Account Parties requesting Agent to issue such Letter of Credit, as amended from time to time.

"Letter of Credit Fees" shall mean the fees payable to Agent for the accounts of the Banks in connection with Letters of Credit pursuant to Section 3.4 hereof.

"Letter of Credit Maximum Amount" shall mean as of any date of determination the lesser of: (a) Fifteen Million Dollars ($15,000,000); or (b) the Revolving Credit Maximum Amount as of such date, minus the aggregate principal amount of Advances outstanding as of such date under the Revolving Credit Notes and the Swing Line Notes.

"Letter of Credit Obligation(s)" shall mean the obligation of an Account Party or Account Parties under this Agreement and each Letter of Credit Agreement to reimburse the Agent for each payment made by the Agent under the Letter of Credit issued pursuant to such Letter of Credit Agreement, together with all other sums, fees, charges and amounts which may be owing to the Agent under such Letter of Credit Agreement.

"Letter of Credit Payment" shall mean any amount paid or required to be paid by the Agent in its capacity hereunder as issuer of a Letter of Credit as a result of a draft or other demand for payment under any Letter of Credit.

"Letter(s) of Credit" shall mean any standby or documentary letters of credit issued by Agent at the request of or for the account of an Account Party or Account Parties pursuant to Article 3 hereof, including without limitation any Existing Letters of Credit.

"Lien" shall mean any pledge, assignment, hypothecation, mortgage, security interest, deposit arrangement, option, trust receipt, conditional sale or title retaining contract, sale and leaseback transaction, or any other type of lien, charge or encumbrance, whether based on common law, statute or contract; provided that the term "Lien" shall not include any negative pledge clauses in agreements relating to the borrowing of money or the obligation of Company or any of its Subsidiaries (a) to remit monies held by it in connection with dealer holdbacks (including, without limitation, with respect to Leases or Installment Contracts), claims or refunds under insurance policies or claims or refunds under service contracts or (b) to make deposits in trust or otherwise as required under re-insurance agreements and pursuant to state regulatory requirements, unless the Company or any of its Subsidiaries, as the case may be, has encumbered its interest in such monies or deposits or in other property of the Company to secure such obligations.

"Loan Documents" shall mean, collectively, this Agreement, the Notes, the Guaranties, the Letter of Credit Agreements, the Collateral Documents and any other documents, instruments or agreements executed pursuant to or in connection with any such document, or this Agreement, as such documents may be amended, renewed, replaced or extended from time to time.

"Luxembourg Subsidiary" shall mean a wholly-owned direct or indirect Subsidiary of the Company organized under the laws of Luxembourg.

"Majority Banks" shall mean at any time Banks holding 66-2/3% of the aggregate principal amount of the Indebtedness then outstanding under the Notes (provided that, for purposes of determining Majority Banks hereunder, Indebtedness outstanding under the Swing Line Notes shall be allocated among the Banks based on their respective Percentages of the Revolving Credit), or, if no Indebtedness is then outstanding, Banks holding 66-2/3% of the Percentages.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business or financial condition of the Company and its Subsidiaries, taken as a whole, (b) the ability of each of the Company and its Subsidiaries to perform their material obligations under this Agreement, the Notes (if issued) or any other Loan Document to which any of them is a party, as the case may be, or (c) the validity or enforceability of any material provision of this Agreement, any of the Notes (if issued) or any of the other Loan Documents (as determined by Agent and the Majority Banks) or the rights or remedies of the Agent or the Banks hereunder or thereunder.

"Moody's" shall mean Moody's Investors Service, Inc., and its successors.

"Multiemployer Plan" shall mean any Pension Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"National Currency Unit" shall mean a fraction or multiple of one Euro Unit expressed in units of the former national currency of a Participating Member State.

"Net Dealer Holdbacks" shall mean, as of any applicable date of determination, (a) Gross Dealer Holdbacks minus (b) Advances to Dealers.

"Net Hedging Obligation(s)" shall mean, in respect of any one or more Hedging Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Agreements, (a) for any date on or after the date such Hedging Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedging Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Agreements, which may include any Bank or Affiliate of such Bank.

"Net Leased Vehicle Dealer Holdbacks" shall mean, as of any date of determination thereof, with respect to Dealer Agreements relating to Leases, amounts due to Dealers at such time from collections of Leased Vehicles by the Company or any Subsidiary (other than with respect to Leases which have been transferred or encumbered or reallocated from the Non-Specified Interest to a Specified Interest PURSUANT TO A PERMITTED SECURITIZATION AND (X) HAVE NOT BEEN REASSIGNED TO THE COMPANY OR A SUBSIDIARY OF THE COMPANY OR THE ENCUMBRANCES ON WHICH HAVE NOT BEEN

DISCHARGED or (y) have not been reallocated from the applicable Specified Interest to the Non-Specified Interest) pursuant to the applicable Dealer Agreements.

"New Bank" is defined in clause (b) of Section 2.18.

"New Bank Addendum" shall mean an addendum, substantially in the form of Exhibit M hereto, to be executed and delivered by each Bank becoming a party to this Agreement pursuant to Section 2.18 hereof.

"Non-Specified Assets" is defined in the Titling Subsidiary Agreements.

"Non-Specified Interest" is defined in the Titling Subsidiary Agreements.

"Notes" shall mean the Term Notes, the Revolving Credit Notes or the Swing Line Notes, or any or all of the Term Notes, the Revolving Credit Notes, and the Swing Line Notes as the context indicates, and in the absence of such indication, all such notes.

"Notes Receivable" shall mean, as of any applicable date of determination, the aggregate amount outstanding under promissory notes issued by Dealers to Company or its Subsidiaries to evidence working capital loans by Company or any of its Subsidiaries to Dealers.

"Operating Lease" shall mean any lease other than a Capital Lease.

"Operating Rental" shall mean all rental payments that the Company or any of its Subsidiaries, as lessee, is required to make under the terms of any Operating Lease.

"Outright Dealer Agreement(s)" shall mean Dealer Agreements referred to in clause (ii) of the definition of Dealer Agreements.

"Participating Member State" shall mean such country so described in any EMU Legislation.

"PBGC" shall mean the Pension Benefit Guaranty Corporation under ERISA, or any successor corporation.

"Pension Plan(s)" shall mean all employee pension benefit plans of Company, any ERISA Affiliate or any Permitted Borrower, as defined in Section 3(2) of ERISA.

"Percentage" shall mean, with respect to any Bank, its percentage share, as set forth on Exhibit D hereto, of the Letters of Credit, the Term Loan, and/or the Revolving Credit, as the context indicates, as such Exhibit may be revised from time to time by Agent in accordance with Section 13.8(d) hereof.

"Permitted Acquisition" shall mean any acquisition by the Company or any of its Subsidiaries (other than the Titling Subsidiary or any Special Purpose Subsidiary), including any such acquisition

conducted as a Permitted Merger, of assets, businesses or business interests or shares of stock or other ownership interests of or in any other Person conducted in accordance with the following requirements:

(a) not less than twenty (20) nor more than ninety (90) days prior to the commencement of each such proposed acquisition, the Company provides written notice thereof to Agent (with drafts of all material documents pertaining to such proposed acquisition to be furnished to Agent within not less than twenty (20) days prior to such proposed acquisition);

(b) on the date of any such acquisition, all necessary or appropriate governmental, quasi-governmental, agency, regulatory or similar approvals of applicable jurisdictions (or the respective agencies, instrumentalities or political subdivisions, as applicable, of such jurisdictions) and all necessary or appropriate non-governmental and other third-party approvals which, in each case, are material to such acquisition have been obtained and are in effect, and the Company and its Subsidiaries are in full compliance therewith, and all necessary or appropriate declarations, registrations or other filings with any court, governmental or regulatory authority, securities exchange or any other person have been made;

(c) the aggregate value of all of such acquisitions, including the value of any proposed new acquisition, conducted while this Agreement remains in effect as Permitted Acquisitions (but excluding any acquisition conducted with the specific written approval of the Majority Banks, and not as a Permitted Acquisition hereunder) computed on the basis of total acquisition consideration paid or incurred, or to be paid or incurred, by the Company or its Subsidiaries with respect thereto, including, in the case of an acquisition of assets, all indebtedness which is assumed or to which such assets are subject and, in the case of the acquisition of stock or other ownership interests, all indebtedness to which such stock or other ownership interests, are subject, shall not exceed Ten Million Dollars ($10,000,000) (or the Alternative Currency equivalent thereof, if applicable), determined as of the date of such acquisition;

(d) within thirty (30) days after any such acquisition has been completed the Company shall deliver to the Agent executed copies of all material documents pertaining to such acquisition, and the Company, its Subsidiaries and any of the corporate entities involved in such acquisition shall execute or cause to be executed, and provide or cause to be provided to Agent, for the Banks, such documents and instruments (including without limitation, the Guaranties as required by Section 7.19 hereof, and opinions of counsel, amendments, acknowledgments, consents and evidence of approvals or filings) as reasonably requested by Agent, if any; and

(e) both immediately before and after such acquisition, no Default or Event of Default (whether or not related to such acquisition), has occurred and is continuing.

"Permitted Borrower Addendum" shall mean an addendum substantially in the form attached hereto as Exhibit P, to be executed and delivered by each Permitted Borrower which becomes a party to this Agreement after the Effective Date, as such Exhibit may be amended from time to time.

"Permitted Borrower(s)" shall mean CAC UK, CAC Canada, CAC Ireland and any other Foreign Subsidiary which is a 100% Subsidiary and which, after the Effective Date and with the prior written consent of each of the Banks, becomes a party to this Agreement pursuant to Section 2.1(a) hereof.

"Permitted CAC UK Debt" shall mean additional Debt of CAC UK issued as part of any short term, working capital or overdraft loan facility denominated in an Alternative Currency in an aggregate amount at any time outstanding (determined on the date any such Debt is incurred) not to exceed the greater of (a) twelve and one-half percent (12.5%) of Consolidated Tangible Net Worth or (b) the equivalent of Ten Million Dollars ($10,000,000) in such Alternative Currency, less the aggregate amount at any time outstanding of overdraft lines of credit or similar credit facilities in the name of CAC UK permitted under Section 8.5(e) hereof; provided that such Debt (i) is unsecured, except to extent of any Lien granted by CAC UK which is permitted under Section 8.6(d) hereof, (ii) is not guaranteed or otherwise supported by Company or any of its other Subsidiaries, and (iii) both immediately before and immediately after such additional Debt is incurred, no Default or Event of Default (whether or not related to such additional Debt, and taking into account the incurring of such additional Debt) has occurred and is continuing.

"Permitted Currencies" shall mean Dollars or any Alternative Currency.

"Permitted Guaranties" shall mean (i) any Guarantee Obligation provided by the Company, for the benefit of a Subsidiary, covering the Debt or other obligation or liability permitted to be incurred or entered into by such Subsidiary, and any other Guarantee Obligation of the Company in the ordinary course of business, (ii) any guaranties provided by a Significant Subsidiary of the Company of the Debt outstanding to the Noteholders or the Future Debt Holders, provided that concurrently with the giving of any such guaranty, such Subsidiary shall enter into a Guaranty on substantially similar terms and providing an equal and ratable benefit to the Banks or (iii) any agreement or other undertaking by the Company, as servicer or administrative agent of the Installment Contracts or Leases covered by a Permitted Securitization or as administrative agent for the Titling Subsidiary under the Titling Subsidiary Agreements, (A) to advance funds equal to the interest component of obligations issued as part of a Permitted Securitization and payable from collections on such Installment Contracts or Leases or (B) to advance funds, upon the expiration or termination of a Lease held by the Titling Subsidiary or a Lease included in a Permitted Securitization, in the amount the Company and its Subsidiaries expect to receive upon the sale or other disposition of the vehicle subject to such Lease or (C) to advance funds equal to any portion of the "constant yield payment" (as defined in the Administrative Agency Agreement or the applicable Securitization Documents) due in any particular period which was not received with respect to a Lease held by the Titling Subsidiary or a securitized Lease, such payments in the case of each of subclauses (A), (B) and (C) of this clause (iii), to be repayable to Company on a priority basis from

such collections, sales or other dispositions, provided that the aggregate amount of such advances under subclause (A), (B), and (C) of this clause (iii) at any time outstanding shall not exceed $1,500,000 or (D) to transfer funds to the Titling Subsidiary to reacquire Leases (and the related leased vehicles) as may be required from time to time under the Administrative Agency Agreement, but only to the extent such Leases (and leased vehicles) are allocated to a Specified Interest immediately prior to the making of the related transfer and (iv) other Guarantee Obligations of the Subsidiaries in an aggregate amount not to exceed, at any time outstanding, $1,000,000.

"Permitted Investments" shall mean:

(a) Investments in direct obligations of, or obligations guarantied by, the United States of America or any agency of the United States of America the obligations of which agency carry the full faith and credit of the United States of America, provided that such obligations (other than Investments by CAC Life in such obligations made to match liabilities incurred in the ordinary course of business) mature within one (1) year from the date of acquisition thereof;

(b) Investments in any obligation of any state or municipality thereof that at the time of acquisition thereof have an assigned rating of "A" or higher by S&P (or an equivalent or higher rating by another credit rating agency of recognized national standing in the United States of America), provided that such obligations (other than Investments by CAC Life in such obligations made to match liabilities incurred in the ordinary course of business) mature within one (1) year from the date of acquisition thereof;

(c) Investments in negotiable certificates of deposit issued by commercial banks organized under the laws of the United States of America or any state thereof, having capital, surplus and undivided profits aggregating at least Fifty Million Dollars ($50,000,000) and the long-term unsecured debt obligations of which are rated "A" or higher by S&P (or an equivalent or higher rating by another credit rating agency of recognized national standing in the United States of America), provided that such certificates of deposit (other than Investments by CAC Life in such certificates of deposit made to match liabilities incurred in the ordinary course of business) mature within one (1) year from the date of acquisition thereof;

(d) Investments in corporate debt obligations of corporations organized under the laws of the United States of America or any state thereof that at the time of acquisition thereof have an assigned rating of "A" or higher by S&P (or an equivalent or higher rating by another credit rating agency of recognized national standing in the United States of America); and

(e) Investments in preferred stock of corporations organized under the laws of the United States of America or any state thereof that have an assigned rating of "A" or

higher by S&P (or an equivalent or higher rating by another credit rating agency of recognized national standing in the United States of America); and

(f) Investments by any foreign subsidiary in obligations similar in nature, term and credit quality to those enumerated in paragraphs (a) through (e) above, except that the applicable jurisdiction of formation or operation shall be substituted for the United States of America in each case.

"Permitted Liens" shall mean, with respect to any Person:

(a) any Liens granted under or established by this Agreement or the other Loan Documents;

(b) Liens for taxes not yet due and payable or which are being contested in good faith by appropriate proceedings diligently pursued, provided that such provision for the payment of all such taxes known to such Person has been made on the books of such Person as may be required by GAAP;

(c) mechanics', materialmen's, banker's, carriers', warehousemen's and similar Liens arising in the ordinary course of business and securing obligations of such Person that are not overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such liens and encumbrances shall have been duly suspended; and (ii) such provision for the payment of such liens and encumbrances has been made on the books of such Person as may be required by GAAP;

(d) Liens arising in connection with worker's compensation, unemployment insurance, old age pensions (subject to the applicable provisions of this Agreement) and social security benefits which are not overdue or are being contested in good faith by appropriate proceedings diligently pursued, provided that in the case of any such contest (i) any proceedings commenced for the enforcement of such Liens shall have been duly suspended; and (ii) such provision for the payment of such Liens has been made on the books of such Person as may be required by GAAP;

(e) (i) Liens incurred in the ordinary course of business to secure the performance of statutory obligations arising in connection with progress payments or advance payments due under contracts with the United States or any foreign government or any agency thereof entered into in the ordinary course of business and (ii) liens incurred or deposits made in the ordinary course of business to secure the performance of statutory obligations, bids, leases, fee and expense arrangements with trustees and fiscal agents and other similar obligations (exclusive of obligations incurred in connection with the borrowing of money, any lease-purchase arrangements or the payment of the deferred purchase price of property),

provided that full provision for the payment of all such obligations set forth in clauses (i) and (ii) has been made on the books of such Person as may be required by GAAP;

(f) Liens in the nature of any minor imperfections of title, including but not limited to easements, covenants, rights-of-way or other similar restrictions, which, either individually or in the aggregate, could not reasonably be expected to materially adversely affect the present or future use of the property to which they relate, or to have a material adverse effect on the sale or lease of such property, or (iii) render title thereto unmarketable;

(g) Liens (i) arising from judicial attachments and judgments, (ii) securing appeal bonds or supersedeas bonds, and (iii) arising in connection with court proceedings (including, without limitation, surety bonds and letters of credit or any other instrument serving a similar purpose), provided that (1) the execution or other enforcement of such Liens is effectively stayed, (2) the claims secured thereby are being contested in good faith and by appropriate proceedings, (3) adequate book reserves in accordance with GAAP shall have been established and maintained and shall exist with respect thereto, (4) such Liens do not in the aggregate detract from the value of such property and (5) the title of the Company or a Subsidiary, as the case may be, to, and its right to use, such property, is not materially adversely affected thereby; and

(h) those Liens of the Company or its Subsidiaries identified in Schedule 8.6 hereto.

"Permitted Merger(s)" shall mean any merger of (i) any Subsidiary (including, without limitation, a Permitted Borrower or Guarantor, excluding any Special Purpose Subsidiary) or any Person which is being acquired pursuant to a Permitted Acquisition into Company or any Permitted Borrower or (ii) the merger of any Subsidiary or any Person which is being acquired pursuant to a Permitted Acquisition (other than a Permitted Borrower or Guarantor) into any other Subsidiary (excluding any Special Purpose Subsidiary) or any Person which is being acquired pursuant to a Permitted Acquisition, which, in each case, satisfies and/or is conducted in accordance with the following requirements:

(a) not less than twenty (20) nor more than ninety (90) days prior to the commencement of such proposed merger, Company provides written notice thereof to Agent (with drafts of all material documents pertaining to such proposed merger to be furnished to Agent not less than twenty (20) days prior to such proposed merger);

(b) immediately following and as the direct result of any such merger, the surviving or successor entity has succeeded by operation of applicable law (as confirmed by an opinion(s) of counsel in form and substance satisfactory to the Majority Banks, if requested by Agent or the Majority Banks) to all of the obligations of the non-

surviving entity under this Agreement and the other Loan Documents, and to all of the property rights of such non-surviving entity subject to the applicable Loan Documents;

(c) concurrently with such proposed merger, the surviving entity involved in such merger shall execute or cause to be executed, and provide or cause to be provided to Agent, for the Banks, such documents and instruments (including without limitation opinions of counsel, amendments, acknowledgments and consents), if any, as reasonably requested by the Majority Banks; and

(d) both immediately before and immediately after such merger, no Default or Event of Default (whether or not related to such merger), has occurred and is continuing.

"Permitted Prepayment" shall mean any prepayment of the Senior Debt or Future Debt (x) which is funded solely with the proceeds of (i) new cash equity in the form of nonconvertible common shares, (ii) Subordinated Debt, or (iii) substitute Debt which satisfies the following conditions:

(a) such Debt shall have a term extending at least beyond the Revolving Credit Maturity Date then in effect, with an amortization schedule not greater than level amortization to maturity (but with no principal payments required for a period of at least 24 months) and with no call option or other provision for mandatory early repayment except for acceleration on default or following a Change in Control;

(b) such Debt shall be unsecured, or, subject to the Intercreditor Agreement, secured;

(c) both immediately before and immediately after such additional Debt is incurred, no Default or Event of Default (whether or not related to such additional Debt, and taking into account the incurring of such additional Debt) has occurred and is continuing; and

(d) if such additional Debt shall be issued pursuant to loan documents containing covenants which are more restrictive than the covenants contained in this Agreement, Company shall, upon the written request of the Majority Banks, enter into amendments to this Agreement to extend the benefit of such covenants to the Banks,

in each case, issued concurrently with such prepayment or (y) which has been approved by the Majority Banks. Solely for purposes of the definition of Permitted Prepayment, any Bank which fails, within fifteen (15) Business Days of receipt of written notice from the Company of its intent to make such prepayment (identifying the Debt to be prepaid, and the amount of any such prepayment, captioned "notice of prepayment" and stating that approval is deemed to be given if an objection is not made within fifteen (15) Business Days of receipt of such notice), to object in writing to the Company's proposed prepayment shall be deemed to have approved such prepayment.

"Permitted Repurchase" shall mean any purchases by the Company of its capital stock during the period commencing on the Effective Date and ending on the Revolving Credit Maturity Date then in effect, in an aggregate amount for all such purchases not to exceed $40,000,000; provided that at the time of any such purchase no Default or Event of Default has occurred and is continuing or would occur after giving effect thereto.

"PERMITTED SECURITIZATION(S)" SHALL MEAN EACH TRANSFER OR ENCUMBRANCE (EACH A "DISPOSITION") OF SPECIFIC ADVANCES TO DEALERS OR LEASED VEHICLES FUNDED UNDER BACK-END DEALER AGREEMENTS (AND ANY INTEREST IN OR LIEN ON THE INSTALLMENT CONTRACTS, LEASES, MOTOR VEHICLES OR OTHER RIGHTS RELATING THERETO) OR OF SPECIFIC INSTALLMENT CONTRACTS OR LEASES (AND ANY INTEREST IN OR LIEN ON MOTOR VEHICLES OR OTHER RIGHTS RELATING THERETO) ARISING UNDER OUTRIGHT DEALER AGREEMENTS and each transfer or encumbrance (also, a "disposition") of a Specified Interest (and the reallocation of Leased Vehicles, Leases and related financial assets from the Non-Specified Interest to such Specified Interest in connection therewith), IN EACH CASE BY THE COMPANY OR ONE OR MORE OF ITS SUBSIDIARIES TO A SPECIAL PURPOSE SUBSIDIARY CONDUCTED IN ACCORDANCE WITH THE FOLLOWING REQUIREMENTS:

(A) EACH DISPOSITION SHALL IDENTIFY WITH REASONABLE CERTAINTY THE SPECIFIC ADVANCES TO DEALERS, LEASED VEHICLES, INSTALLMENT CONTRACTS OR LEASES COVERED BY SUCH DISPOSITION; AND SUCH ADVANCES TO DEALERS OR LEASED VEHICLES (AND THE INSTALLMENT CONTRACTS, LEASES, MOTOR VEHICLES OR OTHER RIGHTS RELATING THERETO) AND THE INSTALLMENT CONTRACTS AND LEASES SHALL HAVE PERFORMANCE AND OTHER CHARACTERISTICS SO THAT THE QUALITY OF SUCH ADVANCES TO DEALERS, LEASES VEHICLES, INSTALLMENT CONTRACTS OR LEASES, AS THE CASE MAY BE, IS COMPARABLE TO, BUT NOT MATERIALLY BETTER THAN, THE OVERALL QUALITY OF THE COMPANY'S ADVANCES TO DEALERS, LEASED VEHICLES, INSTALLMENT CONTRACTS OR LEASES, AS APPLICABLE, AS DETERMINED IN GOOD FAITH BY THE COMPANY IN ITS REASONABLE DISCRETION;

(B) BOTH BEFORE AND AFTER GIVING EFFECT TO SUCH DISPOSITION (AND TAKING INTO ACCOUNT ANY REDUCTION IN THE INDEBTEDNESS WITH THE PROCEEDS OF SUCH DISPOSITION AS REQUIRED HEREUNDER), THE COMPANY SHALL BE IN COMPLIANCE WITH THE BORROWING BASE LIMITATION, AS CONFIRMED BY A BORROWING BASE CERTIFICATE (AND ANY SUPPORTING INFORMATION REASONABLY REQUIRED BY THE AGENT) SUBMITTED BY THE COMPANY NOT LESS THAN FIVE (5) BUSINESS DAYS PRIOR TO THE DATE OF CONSUMMATION THEREOF, AND DATED AS OF THE PROPOSED DATE OF SUCH DISPOSITION (BASED ON PROJECTED INFORMATION) AND BY AN UPDATED BORROWING BASE CERTIFICATE TO BE PROVIDED WITHIN 10 BUSINESS DAYS FOLLOWING THE DATE OF SUCH DISPOSITION (BASED ON ACTUAL INFORMATION);

(c) Each such disposition shall be without recourse (except to the extent of normal and customary representations and warranties given as of the date of each such disposition, and not as continuing representations and warranties) and otherwise on

normal and customary terms and conditions for comparable asset-based securitization transactions, which may include Cleanup Call provisions;

(d) Concurrently with each such disposition, the aforesaid net proceeds shall be applied to reduce the principal balance outstanding under the Revolving Credit (to the extent then outstanding, and including the aggregate amount of drawings made under any Letter of Credit for which the Agent has not received full payment) by the amount of such net proceeds, subject to the right to reborrow in accordance with this Agreement; provided, however, that to the extent that, on the date any reduction of the principal balance outstanding under the Revolving Credit shall be required under this clause (d), the Indebtedness under the Revolving Credit is being carried, in whole or in part, at the Euro Currency-based Rate and no Default or Event of Default has occurred and is continuing, the Company may, after prepaying that portion of the Indebtedness then carried at the Prime-based Rate, deposit the amount of such required principal reductions in a cash collateral account to be held by the Agent, for and on behalf of the Banks (which shall be an interest-bearing account), on such terms and conditions as are reasonably acceptable to Agent and the Majority Banks and, subject to the terms and conditions of such cash collateral account, sums on deposit therein shall be applied (until exhausted) to reduce the principal balance of the revolving credit on the last day of each Interest Period attributable to the applicable Eurocurrency-based Advances of the Revolving Credit;

(e) Each such Securitization Transaction shall be structured on the basis of the issuance of non-recourse Debt or other similar securities by the Special Purpose Subsidiary;

(f) Before conducting a Permitted Securitization, Agent shall have received, to the extent the applicable Senior Debt Documents require amendment or consent in order to effect such Permitted Securitization, copies of amendments to or consents under the Senior Debt Documents executed and delivered by the Company and the requisite holders of the Senior Debt reflecting such amendments or consents; and

(g) Both immediately before and after such disposition, no Default or Event of Default (whether or not related to such disposition) has occurred and is continuing.

In connection with each Permitted Securitization conducted hereunder, not less than five (5) Business Days prior to the date of consummation thereof, the Company shall provide to the Agent and each of the Banks (i) a schedule in the form attached hereto as Exhibit Q identifying the specific Installment Contracts or Leases or the Advances to Dealers or Leased Vehicles (and providing collection information regarding the related Installment Contracts or Leases) proposed to be covered by such transaction (with evidence supporting its determination under subparagraph (a) of this definition, including without limitation a "static pool analysis" comparable to the static pool analysis required to be delivered under Section

7.3(c) hereof with respect to such Installment Contracts or Leases) and (ii) proposed drafts of the material Securitization Documents covering the applicable securitization (and the term sheet or commitment relating thereto) and within ten (10) Business Days following the consummation thereof, the Company shall have provided to Agent and each Bank copies of the material Securitization Documents, as executed, including an updated schedule, substantially in the form of the schedule delivered under clause (i) above, identifying the financial assets actually covered by such transaction (and, if such financial assets are materially different, as reasonably determined by the Company, from those shown in the schedule delivered under clause (i), above, collection information and evidence supporting its determination under subparagraph (a) of this definition, including a comparable "static pool analysis," as aforesaid, with respect to such financial assets).

"Permitted Transfer(s)" shall mean (i) any sale, assignment, transfer or other disposition of inventory or worn-out or obsolete machinery, equipment or other such personal property in the ordinary course of business, (ii) any transfer of property by a Subsidiary to the Company or by the Company or any Subsidiary to a Domestic Subsidiary (excluding the Titling Company or any Special Purpose Subsidiary) provided that in each case, immediately before and after such transfer, no Default or Event of Default shall have occurred and be continuing, (iii) any transfer of property by the Company or a Domestic Subsidiary to a Significant Foreign Subsidiary, subject to compliance (both before and after giving effect to such transfer) with the applicable limitations contained in Section 8.8(d) hereof, provided that in each case, immediately before and after such transfer, no Default or Event of Default shall have occurred and be continuing; and (iv) any transfer of the capital stock of a Special Purpose Subsidiary to the Company or to any other Subsidiary which is not a Special Purpose Subsidiary.

"Person" shall mean an individual, corporation, partnership, limited liability company, trust, incorporated or unincorporated organization, joint venture, joint stock company, or a government or any agency or political subdivision thereof or other entity of any kind.

"Prime Rate" shall mean the per annum interest rate established by Agent as its prime rate for its borrowers as such rate may vary from time to time, which rate is not necessarily the lowest rate on loans made by Agent at any such time.

"Prime-based Advance" shall mean an Advance (including a Swing Line Advance) which bears interest at the Prime-based Rate.

"Prime-based Rate" shall mean (i) with respect to any Advances in Dollars, the U.S. Prime-based Rate and (ii) with respect to Swing Line Advances in Canadian Dollars to CAC Canada, the Canadian Prime-based Rate.

"Prior Credit Agreement" is defined in Recital A to this Agreement.

"Prohibited Transaction" shall mean any transaction involving a Pension Plan which constitutes a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

"Quoted Rate" shall mean the rate of interest per annum offered by the Swing Line Bank in its sole discretion with respect to a Swing Line Advance.

"Quoted Rate Advance" means any Swing Line Advance which bears interest at the Quoted Rate.

"Refunded Swing Line Advance" is defined in Section 2.5(e) hereof.

"Reportable Event" shall mean a "reportable event" within the meaning of Section 4043 of ERISA and the regulations promulgated thereunder, which is material to the Company and its Subsidiaries, taken as a whole.

"Request for Advance" shall mean a Request for Advance of the Revolving Credit issued by Company or by a Permitted Borrower and countersigned by the Company under Section 2.3 of this Agreement in the form annexed hereto as Exhibit A.

"Revolving Credit" shall mean the revolving credit loan to be advanced to the Company or a Permitted Borrower by the Banks pursuant to Section 2 hereof, in an amount not to exceed the Revolving Credit Maximum Amount.

"Revolving Credit Facility Fee" shall mean the facility fee payable to Agent for distribution to the Banks pursuant to Section 2.13, hereof.

"Revolving Credit Maturity Date" shall mean the earlier to occur of (i) June 10, 2002, as such date may be extended from time to time pursuant to Section 2.16 hereof, and (ii) the date on which the Revolving Credit Maximum Amount shall be terminated pursuant to Section 2.15 or 9.2 hereof.

"Revolving Credit Maximum Amount" shall mean One Hundred Twenty Million Dollars ($120,000,000), subject to any increases in the Revolving Credit Maximum Amount pursuant to Section 2.18 of this Agreement, by an amount not to exceed the Revolving Credit Optional Increase, and subject to any reductions or termination of the Revolving Credit Maximum Amount under Sections 2.15 or 9.2 of this Agreement.

"REVOLVING CREDIT NOTES" SHALL MEAN THE NOTES DESCRIBED IN SECTION 2.1, HEREOF, MADE OR TO BE MADE BY COMPANY OR A PERMITTED BORROWER TO EACH OF THE BANKS IN THE FORM ANNEXED TO THIS AGREEMENT AS EXHIBIT C-1 OR C-2, AS THE CASE MAY BE, AS SUCH NOTES MAY BE AMENDED, RENEWED, REPLACED OR EXTENDED FROM TIME TO TIME.

"Revolving Credit Optional Increase" shall mean an amount up to Thirty Million Dollars ($30,000,000), minus the portions thereof applied from time to time under Section 2.18 hereof to increase the Revolving Credit Maximum Amount.

"SCOTTISH PARTNERSHIP" SHALL MEAN A PARTNERSHIP ESTABLISHED BY THE COMPANY UNDER THE LAWS OF SCOTLAND PURSUANT TO THE UK RESTRUCTURING WHOSE PARTNERS CONSIST OF THE COMPANY AND CAC NEVADA OR ANOTHER DOMESTIC SUBSIDIARY.

"SECURITIZATION DOCUMENTS" SHALL MEAN ANY NOTE PURCHASE AGREEMENT (AND ANY NOTES ISSUED THEREUNDER), TRANSFER OR SECURITY DOCUMENT, MASTER TRUST OR OTHER TRUST AGREEMENT, SERVICING AGREEMENT, INDENTURE, POOLING AGREEMENT, CONTRIBUTION OR SALE AGREEMENT OR OTHER DOCUMENT, INSTRUMENTS AND CERTIFICATES EXECUTED AND DELIVERED, SUBJECT TO THE TERMS OF THIS AGREEMENT, TO EVIDENCE OR SECURE (OR OTHERWISE RELATING TO) A PERMITTED SECURITIZATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME (SUBJECT TO THE TERMS HEREOF) AND ANY AND ALL OTHER DOCUMENTS EXECUTED IN CONNECTION THEREWITH OR REPLACEMENT OR RENEWAL THEREOF.

"SECURITIZATION TRANSACTION" SHALL MEAN A TRANSFER OF, OR GRANT OF A LIEN ON, ADVANCES TO DEALERS, LEASED VEHICLES, INSTALLMENT CONTRACTS, LEASES, ACCOUNTS RECEIVABLE AND/OR OTHER FINANCIAL ASSETS BY THE COMPANY OR ANY SUBSIDIARY TO A SPECIAL PURPOSE SUBSIDIARY OR OTHER SPECIAL PURPOSE OR LIMITED PURPOSE ENTITY or the reallocation of Leases and Leased Vehicles (and related financial assets) by the Company or any Subsidiary from the Non-Specified Interest to a Specified Interest and the transfer of a Specified Interest to a Special Purpose Subsidiary or other special purpose or limited purpose entity and the issuance (whether by such Special Purpose Subsidiary or other special purpose or limited purpose entity or any other Person) of Debt or of any securities secured directly or indirectly by interests in, or of trust certificates, Specified Interests or other securities directly or indirectly evidencing interests in, such Advances to Dealers, Leased Vehicles, Installment Contracts, Leases, accounts receivable and/or other financial assets.

"Security Agreement" shall mean that certain Second Amended and Restated Security Agreement dated as of June 11, 2001 executed and delivered by Company in favor of the Agent, in its capacity as Collateral Agent under the Intercreditor Agreement, encumbering the Collateral specified in clauses (a), (c) and (d) of the definition of Collateral, as amended from time to time.

"Senior Debt" shall mean the debt issued by the Company pursuant to the Senior Debt Documents in the aggregate original principal amount of Two Hundred One Million Seven Hundred Fifty Thousand Dollars ($201,750,000).

"Senior Debt Documents" shall mean (i) the several Credit Acceptance Corporation Note Purchase Agreements dated as of October 1, 1994 ($60,000,000 Senior Notes due November 1, 2001), as amended to the date hereof and (ii) the several Credit Acceptance Corporation Note Purchase Agreements dated as of August 1, 1996 ($70,000,000 Senior Notes due July 1, 2001), as amended to the dated hereof, and (iii) the several Credit Acceptance Corporation Note Purchase Agreements dated as of March 25, 1997 ($71,750,000 Senior Notes due October 1, 2001), as amended to the date hereof; and, in each case, the senior notes issued thereunder, together with any and all other documents, instruments and certificates executed and delivered pursuant thereto, as the same may be amended (subject to the terms hereof) from time to time and any and all other documents executed in exchange therefor or replacement or renewal thereof.

"Shares", "share capital", "capital stock", "stock" and words of similar import shall mean and refer to the equity capital interest under applicable law of any Person in a corporation, howsoever such interest is created or arises, whether such capital consists of common stock, preferred stock or preference shares, or other stock, and whether such capital is evidenced by a certificate, share register entry or otherwise.

"Significant Subsidiary(ies)" shall mean, as of any date of determination, any Subsidiary (i) which is a Permitted Borrower or (ii) which is designated by the Company (in writing to Agent) as a Significant Subsidiary or (iii) which has total assets (but excluding in the calculation of total assets, for any Subsidiary, any assets which constitute Intercompany Loans, Advances and Investments by such Subsidiary to Company outstanding from time to time and any assets which are acquired or arise pursuant to a Permitted Securitization, including any equity interest in a Special Purpose Subsidiary) in excess of one percent (1%) of Company's Consolidated Tangible Net Worth (or five percent (5%) in the case of CAC Reinsurance, Ltd.), determined as of the end of each fiscal quarter based upon the financial statements required to be delivered under Section 7.3(b) or 7.3(c) hereof, as the case may be (and giving effect to any changes in net worth shown in such financial statements on the required date of delivery thereof); provided, however, that none of the Titling Subsidiary, any Special Purpose Subsidiary, the Scottish Partnership or the Luxembourg Subsidiary shall be a Significant Subsidiary, whether or not it satisfies the aforesaid net worth test.

"Significant Domestic Subsidiaries" shall mean those Domestic Subsidiaries identified as such on Schedule 6.6 hereto, and any Domestic Subsidiaries which become Significant Subsidiaries subsequent to the date hereof.

"Significant Foreign Subsidiaries" shall mean those Foreign Subsidiaries identified as such on Schedule 6.6 hereto, and any Foreign Subsidiaries which become Significant Subsidiaries subsequent to the date hereof.

"Single Employer Plan" shall mean any Pension Plan which does not constitute a Multiemployer Plan.

"Special Purpose Subsidiary" shall mean any wholly-owned direct or indirect subsidiary of the Company established for the sole purpose of conducting one or more Permitted Securitizations and otherwise established and operated in accordance with customary industry practices, including the English Special Purpose Subsidiary.

"Specified Assets" is defined in the Titling Subsidiary Agreements.

"Specified Interest" is defined in the Titling Subsidiary Agreements.

"Subordinated Debt" shall mean any unsecured Debt subordinated to the prior payment and discharge in full of the Indebtedness, on written terms and conditions approved by and acceptable to each of the Banks, in their sole discretion, and issued pursuant to documentation which is less

restrictive (as determined by Agent and the Banks in their reasonable discretion) than the covenants contained in this Agreement.

"Subsidiary(ies)" shall mean any other corporation, association, joint stock company, business trust, limited liability company, partnership (whether general or limited) or any other business entity of which more than fifty percent (50%) of the outstanding voting stock, share capital, membership or other interests, as the case may be, is owned either directly or indirectly by any Person or one or more of its Subsidiaries, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by any Person and/or its Subsidiaries. Unless otherwise specified to the contrary herein or the context otherwise requires, Subsidiary(ies) shall include the Titling Subsidiary and shall refer to each Person which is a Subsidiary of the Company and "100% Subsidiary(ies) shall mean any Subsidiary whose stock or partnership, membership or other equity interests (other than directors' or qualifying shares or other interests to the extent required under applicable law) are owned directly or indirectly entirely by the Company and/or any of the Permitted Borrowers.

"Supermajority of the Banks" shall mean eighty percent (80%) of the Banks, determined on the basis of the applicable Percentages, in the same manner as the determination of Majority Banks hereunder.

"Swing Line" shall mean the revolving credit loan to be advanced to the Company or a Permitted Borrower by the Swing Line Bank pursuant to Section 2.5 hereof, in an aggregate amount (subject to the terms hereof) not to exceed, at any one time outstanding, the Swing Line Maximum Amount.

"Swing Line Advance" shall mean an Advance made by Swing Line Bank to Company or a Permitted Borrower pursuant to Section 2.5 hereof.

"Swing Line Bank" shall mean Comerica Bank, in its capacity as lender under Section 2.5 of this Agreement, and its successors and assigns.

"Swing Line Maximum Amount" shall mean Fifteen Million Dollars ($15,000,000).

"Swing Line Notes" shall mean the swing line notes described in Section 2.5 hereof, made by Company or a Permitted Borrower to Swing Line Bank in the form annexed hereto as Exhibit E-1 or E-2, as the case may be, as such Notes may be amended or supplemented from time to time, and any notes issued in substitution, replacement or renewal thereof from time to time.

"S&P" shall mean Standard & Poor's Ratings Group, and its successors.

"Trans-European Business Day" shall mean a day when the Trans-European Settlement System is open for business.

"Trans-European Settlement System" shall mean the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor.

"Treaty on European Union" shall mean the Treaty of Rome of March 25, 1957, as amended by the Single European Act 1986 and the Maastricht Treaty (which was signed at Maastricht on February 7, 1992 and came into force on November 1, 1993), as amended from time to time.

"Term Loan" shall mean the term loan funded by the Banks at the election of the Company, by conversion, pursuant to Section 4.1 hereof.

"Term Loan Conversion Date" is defined in Section 4.1.

"Term Loan Maturity Date" shall mean the one-year anniversary of the Term Loan Conversion Date.

"Term Loan Rate Request" shall mean the Term Loan Rate Request issued by the Company and the Permitted Borrowers under this Agreement in the form attached to this Agreement as Exhibit K.

"Term Notes" shall mean the Term Notes described in Section 4.1 made or to be made by the Company to each of the Banks in the form attached to this Agreement as Exhibit B, as such Notes may be amended, renewed, replaced or extended from time to time.

"Titling Subsidiary" shall mean Auto Lease Services LLC, a Delaware limited liability company controlled by the Company and a direct Subsidiary of the Company.

"Titling Subsidiary Agreements" shall mean that certain Limited Liability Company Agreement of the Titling Subsidiary, dated and effective as of March 1, 2001 (and the related Certificate of Formation, as therein defined), and that certain Administrative Agency Agreement, dated and effective as of March 1, 2001 among the Company and the Titling Subsidiary, each as amended (subject to the terms hereof) from time to time.

"Unearned Finance Charges" shall mean, as of any applicable date of determination, the unearned finance charges utilized in deriving Installment Contract receivables, net on the Consolidated balance sheet of the Company and its Subsidiaries, as disclosed in the footnotes thereto; provided that Unearned Finance Charges shall not include unearned finance charges attributable to retail installment contracts which are not at such time "Installment Contracts", due to the proviso in the definition of such term in this Agreement.

"UK Restructuring" shall mean (i) the creation by the Company of the Scottish Partnership, the Luxembourg Subsidiary and the English Special Purpose Subsidiary, (ii) the Company's capitalization of the Scottish Partnership with CAC UK stock, (iii) Intercompany Loans from time to time from the Company to the Scottish Partnership in an amount substantially equivalent to the fair market value of assets being transferred to the English Special Purpose Subsidiary at such time by

CAC UK, provided that such Intercompany Loans are substantially contemporaneously repaid pursuant to clauses (ix) and (x) of this definition, (iv) the contribution of a nominal amount of capital to the Luxembourg Subsidiary, (v) the contributions to capital by the Scottish Partnership to the English Special Purpose Subsidiary out of the proceeds of the Company's contemporaneous loan to the Scottish Partnership under clause (iii) of this definition, (vi) Intercompany Loans from time to time by the Scottish Partnership to the Luxembourg Subsidiary out of the proceeds of the Company's contemporaneous loan to the Scottish Partnership under clause (iii) of this definition, (vii) Intercompany Loans from time to time by the Luxembourg Subsidiary to the English Special Purpose Subsidiary substantially equal to the contemporaneous loans made to the Luxembourg Subsidiary by the Scottish Partnership, (viii) transfers from time to time of Advances to Dealers (and its rights in the related Installment Contracts or Leases) by CAC UK to the English Special Purpose Subsidiary for cash consideration in an amount substantially equivalent to the fair market value of the assets being transferred to the English Special Purpose Subsidiary at such time by CAC UK, (ix) dividends from CAC UK to Scottish partnership in an amount substantially equal to the cash received by CAC UK in exchange for the assets transferred at such time to the English Special Purpose Subsidiary, and (x) repayments from time to time of the Intercompany Loans (referred to in clause (iii) of this definition) by the Scottish Partnership to the Company.

"U.S. Prime-based Rate" shall mean, for any day, that rate of interest which is equal to the sum of the Applicable Margin plus the greater of (i) the U.S. Prime Rate, and (ii) the Alternate Base Rate.

"U.S. Prime Rate" shall mean the per annum rate of interest announced by the Agent, at its main office from time to time as its "prime rate" (it being acknowledged that such announced rate may not necessarily be the lowest rate charged by the Agent to any of its customers), which U.S. Prime Rate shall change simultaneously with any change in such announced rate.

"Utilization" shall mean (a) on or before the Revolving Credit Maturity Date, the aggregate amount outstanding under the Revolving Credit including all Letter of Credit Obligations and all Swing Line Advances, determined in the manner set forth under Sections 2.13 or 3.4, as the case may be, and (b) after the Revolving Credit Maturity Date, in the event the Company elects to convert the aggregate principal amount outstanding under the Revolving Credit to a Term Loan, the aggregate amount outstanding under the Term Loan.

"Utilization Fee" shall mean the fees payable to Agent for distribution to the Banks pursuant to Section 2.13 hereof.

1.2 EURO.

(A) REDENOMINATION OF EUROCURRENCY-BASED ADVANCES AND OTHER ADVANCES INTO EURO UNITS.

(I) FROM AND AFTER JANUARY 1, 1999, EACH OBLIGATION UNDER THIS AGREEMENT OF A PARTY HERETO WHICH (A) WAS ORIGINALLY DENOMINATED IN THE

FORMER NATIONAL CURRENCY OF A PARTICIPATING MEMBER STATE, OR (B) WOULD OTHERWISE HAVE BEEN DENOMINATED IN SUCH FORMER NATIONAL CURRENCY PRIOR TO SUCH DATE SHALL BE DENOMINATED IN, OR REDENOMINATED INTO, AS APPLICABLE, THE EURO UNIT IN ACCORDANCE WITH EMU LEGISLATION AND APPLICABLE STATE LAW, PROVIDED THAT, IF AND TO THE EXTENT THAT ANY EMU LEGISLATION PROVIDES THAT AMOUNTS DENOMINATED IN THE EURO UNIT OR THE NATIONAL CURRENCY UNIT OF A PARTICIPATING MEMBER STATE, THAT ARE PAYABLE BY CREDITING AN ACCOUNT OF THE CREDITOR WITHIN THAT COUNTRY, MAY BE MADE IN EITHER EURO OR NATIONAL CURRENCY UNITS, EACH PARTY TO THIS AGREEMENT SHALL BE ENTITLED TO PAY OR REPAY ANY SUCH AMOUNTS IN EITHER THE EURO UNIT OR SUCH NATIONAL CURRENCY UNIT.

(II) ANY EUROCURRENCY-BASED ADVANCES DENOMINATED IN A NATIONAL CURRENCY UNIT OF A PARTICIPATING MEMBER STATE WHICH WERE MADE PRIOR TO JANUARY 1, 1999 BUT WHICH HAVE INTEREST PERIODS ENDING AFTER JANUARY 1, 1999 SHALL, FOR PURPOSES OF THIS AGREEMENT, REMAIN DENOMINATED IN SUCH NATIONAL CURRENCY UNIT PROVIDED THAT SUCH ADVANCES MAY BE REPAID EITHER IN THE EURO OR IN SUCH NATIONAL CURRENCY UNIT AFTER JANUARY 1, 1999; PROVIDED, FURTHER, THAT FROM AND AFTER JANUARY 1, 2002 ALL SUCH AMOUNTS SHALL BE DEEMED TO BE IN EURO UNITS.

(III) SUBJECT TO ANY EMU LEGISLATION, REFERENCES IN THIS AGREEMENT TO A MINIMUM AMOUNT (OR AN INTEGRAL MULTIPLE THEREOF) IN A NATIONAL CURRENCY UNIT TO BE PAID TO OR BY A PARTY HERETO SHALL BE DEEMED TO BE A REFERENCE TO SUCH REASONABLY COMPARABLE AND CONVENIENT AMOUNT (OR AN INTEGRAL MULTIPLE THEREOF) IN THE EURO UNIT AS THE AGENT MAY FROM TIME TO TIME SPECIFY.

(B) PAYMENTS.

(I) ALL PAYMENTS BY ANY OF THE COMPANY OR A PERMITTED BORROWER OR ANY BANK OF AMOUNTS DENOMINATED IN THE EURO OR A NATIONAL CURRENCY UNIT OF A PARTICIPATING MEMBER STATE, SHALL BE MADE IN IMMEDIATELY AVAILABLE, FREELY TRANSFERABLE, CLEARED FUNDS TO THE ACCOUNT OF THE AGENT IN THE PRINCIPAL FINANCIAL CENTER IN SUCH PARTICIPATING MEMBER STATE, AS FROM TIME TO TIME DESIGNATED BY THE AGENT FOR SUCH PURPOSE.

(II) ALL AMOUNTS PAYABLE BY THE AGENT TO ANY PARTY UNDER THIS AGREEMENT IN THE NATIONAL CURRENCY UNIT OF A PARTICIPATING MEMBER STATE SHALL INSTEAD BE PAID IN THE EURO UNIT.

(III) THE AGENT SHALL NOT BE LIABLE TO ANY PARTY TO THIS AGREEMENT IN ANY WAY WHATSOEVER FOR ANY DELAY, OR THE CONSEQUENCES OF ANY DELAY, IN THE CREDITING TO ANY ACCOUNT OF ANY AMOUNT DENOMINATED IN THE EURO OR A NATIONAL CURRENCY UNIT OF A PARTICIPATING MEMBER STATE.

(IV) ALL REFERENCES HEREIN TO THE LONDON INTERBANK OR OTHER NATIONAL MARKET WITH RESPECT TO ANY NATIONAL CURRENCY UNIT OF A PARTICIPATING MEMBER STATE SHALL BE DEEMED A REFERENCE TO THE APPLICABLE MARKETS AND LOCATIONS REFERRED TO IN THE DEFINITION OF "BUSINESS DAY" IN SECTION 1.1.

(C) IF THE BASIS OF ACCRUAL OF INTEREST OR FEES EXPRESSED IN THIS AGREEMENT WITH RESPECT TO THE CURRENCY OF ANY STATE THAT BECOMES A PARTICIPATING MEMBER STATE SHALL BE INCONSISTENT WITH ANY CONVENTION OR PRACTICE IN THE LONDON INTERBANK MARKET FOR THE BASIS OF ACCRUAL OF INTEREST OR FEES IN RESPECT OF EUROS, SUCH CONVENTION OR PRACTICE SHALL REPLACE SUCH EXPRESSED BASIS EFFECTIVE AS OF AND FROM THE DATE ON WHICH SUCH STATE BECOMES A PARTICIPATING MEMBER STATE; PROVIDED, THAT IF ANY ADVANCE IN THE CURRENCY OF SUCH STATE IS OUTSTANDING IMMEDIATELY PRIOR TO SUCH DATE, SUCH REPLACEMENT SHALL TAKE EFFECT, WITH RESPECT TO SUCH ADVANCE, AT THE END OF THE THEN CURRENT INTEREST PERIOD.

(D) INCREASED COSTS. THE COMPANY AND THE PERMITTED BORROWERS SHALL, FROM TIME TO TIME UPON DEMAND OF ANY BANK (WITH A COPY TO THE AGENT), PAY TO SUCH BANK THE AMOUNT OF ANY COST OR INCREASED COST INCURRED BY, OR OF ANY REDUCTION IN ANY AMOUNT PAYABLE TO OR IN THE EFFECTIVE RETURN ON ITS CAPITAL TO, OR OF INTEREST OR OTHER RETURN FOREGONE BY, SUCH BANK OR ANY HOLDING COMPANY OF SUCH BANK AS A RESULT OF THE INTRODUCTION OF, CHANGEOVER TO OR OPERATION OF THE EURO IN A PARTICIPATING MEMBER STATE, OTHER THAN ANY SUCH COST OR REDUCTION OR AMOUNT FOREGONE REFLECTED IN ANY INTEREST RATE HEREUNDER.

(E) UNAVAILABILITY OF EURO. IF THE AGENT AT ANY TIME DETERMINES THAT: (I) THE EURO HAS CEASED TO BE UTILIZED AS THE BASIC ACCOUNTING UNIT OF THE EUROPEAN COMMUNITY; (II) FOR REASONS AFFECTING THE MARKET IN EUROS GENERALLY, EUROS ARE NOT FREELY TRADED BETWEEN BANKS INTERNATIONALLY; OR (III) IT IS ILLEGAL, IMPOSSIBLE OR IMPRACTICABLE FOR PAYMENTS TO BE MADE HEREUNDER IN EURO, THEN THE AGENT MAY, IN ITS DISCRETION DECLARE (SUCH DECLARATION TO BE BINDING ON ALL THE PARTIES HERETO) THAT ANY PAYMENT MADE OR TO BE MADE THEREAFTER WHICH, BUT FOR THIS PROVISION, WOULD HAVE BEEN PAYABLE IN THE EURO SHALL BE MADE IN A COMPONENT CURRENCY OF THE EURO OR DOLLARS (AS SELECTED BY THE AGENT (THE "SELECTED CURRENCY") AND THE AMOUNT TO BE SO PAID SHALL BE CALCULATED ON THE BASIS OF THE EQUIVALENT OF THE EURO IN THE SELECTED CURRENCY).

(F) ADDITIONAL CHANGES AT AGENT'S DISCRETION. THIS SECTION AND OTHER PROVISIONS OF THIS AGREEMENT RELATING TO EUROS AND THE NATIONAL CURRENCY UNITS OF PARTICIPATING MEMBER STATES SHALL BE SUBJECT TO SUCH FURTHER CHANGES (INCLUDING CHANGES IN INTERPRETATION OR CONSTRUCTION) AS THE AGENT MAY FROM TIME TO TIME IN ITS REASONABLE DISCRETION NOTIFY TO THE COMPANY AND THE PERMITTED BORROWERS AND THE BANKS TO BE NECESSARY OR APPROPRIATE TO REFLECT THE CHANGEOVER TO THE EURO IN PARTICIPATING MEMBER STATES.

1.3 INTEREST ACT (CANADA). FOR THE PURPOSES OF DISCLOSURE UNDER THE INTEREST ACT (CANADA), IF AND TO THE EXTENT APPLICABLE, WHENEVER INTEREST IS TO BE PAID HEREUNDER AND SUCH INTEREST IS TO BE CALCULATED ON THE BASIS OF A PERIOD OF LESS THAN A CALENDAR YEAR, THE YEARLY RATE OF INTEREST TO WHICH THE RATE DETERMINED PURSUANT TO SUCH CALCULATION IS EQUIVALENT IS THE RATE SO

DETERMINED MULTIPLIED BY THE ACTUAL NUMBER OF DAYS IN THE CALENDAR YEAR IN WHICH THE SAME IS TO BE ASCERTAINED AND DIVIDED BY THE NUMBER OF DAYS IN SUCH PERIOD.

2. REVOLVING CREDIT

2.1 COMMITMENT. SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT (INCLUDING WITHOUT LIMITATION SECTION 2.3 HEREOF), EACH BANK SEVERALLY AND FOR ITSELF ALONE AGREES TO MAKE ADVANCES OF THE REVOLVING CREDIT IN ANY ONE OR MORE OF THE PERMITTED CURRENCIES TO THE COMPANY OR TO ANY OF THE PERMITTED BORROWERS FROM TIME TO TIME ON ANY BUSINESS DAY DURING THE PERIOD FROM THE EFFECTIVE DATE HEREOF UNTIL (BUT EXCLUDING) THE REVOLVING CREDIT MATURITY DATE IN AN AGGREGATE AMOUNT, BASED ON THE DOLLAR AMOUNT OF ANY ADVANCES OUTSTANDING IN DOLLARS AND THE CURRENT DOLLAR EQUIVALENT OF ANY ADVANCES OUTSTANDING IN ALTERNATIVE CURRENCIES, NOT TO EXCEED AT ANY ONE TIME OUTSTANDING SUCH BANK'S PERCENTAGE OF THE REVOLVING CREDIT MAXIMUM AMOUNT. EXCEPT AS PROVIDED IN SECTION 2.12 HEREOF, FOR PURPOSES OF THIS AGREEMENT, ADVANCES IN ALTERNATIVE CURRENCIES SHALL BE DETERMINED, DENOMINATED AND REDENOMINATED AS SET FORTH IN SECTION 2.11 HEREOF. ALL OF THE ADVANCES OF THE REVOLVING CREDIT HEREUNDER SHALL BE EVIDENCED BY REVOLVING CREDIT NOTES MADE BY COMPANY OR THE PERMITTED BORROWERS TO EACH OF THE BANKS IN THE FORM ATTACHED HERETO AS EXHIBIT C-1 OR C-2, AS THE CASE MAY BE, SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT. ADVANCES OF THE REVOLVING CREDIT SHALL BE SUBJECT TO THE FOLLOWING ADDITIONAL CONDITIONS AND LIMITATIONS:

(A) A PERMITTED BORROWER SHALL NOT BE ENTITLED TO REQUEST AN ADVANCE OF THE REVOLVING CREDIT OR THE SWING LINE HEREUNDER UNTIL (I) IT HAS BECOME A PARTY TO THIS AGREEMENT, EITHER BY EXECUTION AND DELIVERY OF THIS AGREEMENT OR OF A PERMITTED BORROWER ADDENDUM AND IT HAS EXECUTED AND DELIVERED TO THE BANKS, AS AFORESAID, REVOLVING CREDIT NOTES AND TO THE SWING LINE BANK, AS SET FORTH IN SECTION 2.5(A) HEREOF, A SWING LINE NOTE, (II) IT HAS BECOME A PARTY TO THE FOREIGN GUARANTY, ACCOMPANIED IN EACH CASE BY AUTHORITY DOCUMENTS, LEGAL OPINIONS AND OTHER SUPPORTING DOCUMENTS AS REQUIRED HEREUNDER, AND (III) ALL OTHER APPLICABLE REQUIREMENTS CONTAINED IN THIS AGREEMENT WITH RESPECT TO SUCH PERMITTED BORROWER (WHETHER SUCH REQUIREMENTS ARE APPLICABLE TO THE PERMITTED BORROWER OR TO COMPANY OR ANY OTHER SUBSIDIARY) HAVE BEEN SATISFIED.

(B) NO PERMITTED BORROWER SHALL BE ENTITLED TO REQUEST OR MAINTAIN (OR, IN THE CASE OF ANY EUROCURRENCY-BASED ADVANCE, MAINTAIN BEYOND ANY APPLICABLE INTEREST PERIOD THEN IN EFFECT) AN ADVANCE OF THE REVOLVING CREDIT HEREUNDER IF IT CEASES TO BE A 100% SUBSIDIARY OF THE COMPANY.

(C) THE MAXIMUM AGGREGATE AMOUNT OF ADVANCES AND LETTERS OF CREDIT INCLUDING THE UNREIMBURSED AMOUNT OF ANY DRAWS UNDER ANY LETTERS OF CREDIT) AVAILABLE TO THE PERMITTED BORROWERS AT ANY TIME HEREUNDER, USING THE CURRENT DOLLAR EQUIVALENT OF ANY SUCH ADVANCES OR LETTERS OF CREDIT (OR UNREIMBURSED DRAWS THEREUNDER) OUTSTANDING IN ANY ALTERNATIVE CURRENCY (DETERMINED AND TESTED PURSUANT TO AND IN ACCORDANCE WITH SECTION 2.14 HEREOF), SHALL NOT EXCEED THE AGGREGATE SUBLIMIT.

2.2 ACCRUAL OF INTEREST AND MATURITY. THE REVOLVING CREDIT NOTES, AND ALL PRINCIPAL AND INTEREST OUTSTANDING THEREUNDER, SHALL MATURE AND BECOME DUE AND PAYABLE IN FULL ON THE REVOLVING CREDIT MATURITY DATE, AND EACH ADVANCE OF INDEBTEDNESS EVIDENCED BY THE REVOLVING CREDIT NOTES FROM TIME TO TIME OUTSTANDING HEREUNDER SHALL, FROM AND AFTER THE DATE OF SUCH ADVANCE, BEAR INTEREST AT ITS APPLICABLE INTEREST RATE. THE AMOUNT AND DATE OF EACH ADVANCE, ITS APPLICABLE INTEREST RATE, ITS INTEREST PERIOD, IF ANY, AND THE AMOUNT AND DATE OF ANY REPAYMENT SHALL BE NOTED ON AGENT'S RECORDS, WHICH RECORDS WILL BE CONCLUSIVE EVIDENCE THEREOF, ABSENT MANIFEST ERROR; PROVIDED, HOWEVER, THAT ANY FAILURE BY THE AGENT TO RECORD ANY SUCH INFORMATION SHALL NOT RELIEVE THE COMPANY OR THE APPLICABLE PERMITTED BORROWER OF ITS OBLIGATION TO REPAY THE OUTSTANDING PRINCIPAL AMOUNT OF SUCH ADVANCE, ALL INTEREST ACCRUED THEREON AND ANY AMOUNT PAYABLE WITH RESPECT THERETO IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

2.3 REQUESTS FOR AND REFUNDINGS AND CONVERSIONS OF ADVANCES. COMPANY OR A PERMITTED BORROWER (WITH THE COUNTERSIGNATURE OF COMPANY HEREUNDER) MAY REQUEST AN ADVANCE OF THE REVOLVING CREDIT, REFUND ANY SUCH ADVANCE IN THE SAME TYPE OF ADVANCE OR CONVERT ANY SUCH ADVANCE TO ANY OTHER TYPE OF ADVANCE OF THE REVOLVING CREDIT ONLY AFTER DELIVERY TO AGENT OF A REQUEST FOR ADVANCE EXECUTED BY AN AUTHORIZED OFFICER OF COMPANY OR OF SUCH PERMITTED BORROWER (WITH THE COUNTERSIGNATURE OF AN AUTHORIZED OFFICER OF THE COMPANY), SUBJECT TO THE FOLLOWING AND TO THE REMAINING PROVISIONS HEREOF:

(A) EACH SUCH REQUEST FOR ADVANCE SHALL SET FORTH THE INFORMATION REQUIRED ON THE REQUEST FOR ADVANCE FORM ANNEXED HERETO AS EXHIBIT A, INCLUDING WITHOUT LIMITATION:

(I) THE PROPOSED DATE OF SUCH ADVANCE, WHICH MUST BE A BUSINESS DAY;

(II) WHETHER SUCH ADVANCE IS A REFUNDING OR CONVERSION OF AN OUTSTANDING ADVANCE;

(III) WHETHER SUCH ADVANCE IS TO BE A PRIME-BASED ADVANCE OR A EUROCURRENCY-BASED ADVANCE, AND, EXCEPT IN THE CASE OF A PRIME-BASED ADVANCE, THE FIRST INTEREST PERIOD APPLICABLE THERETO; AND

(IV) IN THE CASE OF A EUROCURRENCY-BASED ADVANCE, THE PERMITTED CURRENCY IN WHICH SUCH ADVANCE IS TO BE MADE.

(B) EACH SUCH REQUEST FOR ADVANCE SHALL BE DELIVERED TO AGENT BY 12 NOON (DETROIT TIME) THREE (3) BUSINESS DAYS PRIOR TO THE PROPOSED DATE OF ADVANCE, EXCEPT IN THE CASE OF A PRIME-BASED ADVANCE, FOR WHICH THE REQUEST FOR ADVANCE MUST BE DELIVERED BY 12:00 NOON (DETROIT TIME) ON SUCH PROPOSED DATE;

(C) WITHOUT DUPLICATION, THE PRINCIPAL AMOUNT (OR DOLLAR AMOUNT OF THE PRINCIPAL AMOUNT, IF SUCH ADVANCE OF THE REVOLVING CREDIT IS BEING INITIALLY FUNDED IN AN

ALTERNATIVE CURRENCY) OF SUCH REQUESTED ADVANCE, PLUS THE PRINCIPAL AMOUNT (OR DOLLAR AMOUNT OF THE PRINCIPAL AMOUNT, IF SUCH OTHER ADVANCE IS BEING INITIALLY FUNDED IN AN ALTERNATIVE CURRENCY) OF ANY OTHER ADVANCES OF THE REVOLVING CREDIT AND OF THE SWING LINE BEING REQUESTED ON SUCH DATE, PLUS THE PRINCIPAL AMOUNT OF ALL OTHER ADVANCES OF THE REVOLVING CREDIT AND OF THE SWING LINE THEN OUTSTANDING HEREUNDER, IN EACH CASE WHETHER TO COMPANY OR THE PERMITTED BORROWERS (USING THE CURRENT DOLLAR EQUIVALENT OF ANY SUCH ADVANCES OUTSTANDING IN ANY ALTERNATIVE CURRENCY, DETERMINED PURSUANT TO THE TERMS HEREOF AS OF THE DATE OF SUCH REQUESTED ADVANCE), PLUS THE AGGREGATE UNDRAWN PORTION OF ANY LETTERS OF CREDIT WHICH SHALL BE OUTSTANDING AS OF THE DATE OF THE REQUESTED ADVANCE (BASED ON THE DOLLAR AMOUNT OF THE UNDRAWN PORTION OF ANY LETTERS OF CREDIT DENOMINATED IN DOLLARS AND THE CURRENT DOLLAR EQUIVALENT OF THE UNDRAWN PORTION OF ANY LETTERS OF CREDIT DENOMINATED IN ANY ALTERNATIVE CURRENCY), THE AGGREGATE FACE AMOUNT OF LETTERS OF CREDIT REQUESTED BUT NOT YET ISSUED (DETERMINED AS AFORESAID) AND THE AGGREGATE AMOUNT OF ALL DRAWINGS MADE UNDER ANY LETTER OF CREDIT FOR WHICH THE AGENT HAS NOT RECEIVED FULL REIMBURSEMENT FROM THE APPLICABLE ACCOUNT PARTY (USING THE CURRENT DOLLAR EQUIVALENT THEREOF FOR ANY LETTERS OF CREDIT DENOMINATED IN ANY ALTERNATIVE CURRENCY), SHALL NOT EXCEED THE LESSER OF (I) THE REVOLVING CREDIT MAXIMUM AMOUNT AND (II) THE BORROWING BASE LIMITATION, IN EACH CASE THEN APPLICABLE; PROVIDED HOWEVER, THAT, IN THE CASE OF ANY ADVANCE OF THE REVOLVING CREDIT BEING APPLIED TO REFUND AN OUTSTANDING SWING LINE ADVANCE, THE AGGREGATE PRINCIPAL AMOUNT OF SWING LINE ADVANCES TO BE REFUNDED SHALL NOT BE INCLUDED FOR PURPOSES OF CALCULATING THE LIMITATION UNDER THIS SECTION 2.3(C);

(D) WITHOUT DUPLICATION, IN THE CASE OF THE PERMITTED BORROWERS, THE PRINCIPAL AMOUNT OF ANY ADVANCES OF THE REVOLVING CREDIT AND OF THE SWING LINE BEING REQUESTED BY THE PERMITTED BORROWERS, (DETERMINED AND TESTED AS AFORESAID), ON SUCH DATE, PLUS THE PRINCIPAL AMOUNT OF ANY OTHER ADVANCES OF THE REVOLVING CREDIT AND ALL ADVANCES OF THE SWING LINE THEN OUTSTANDING TO THE PERMITTED BORROWERS HEREUNDER (DETERMINED AS AFORESAID), PLUS THE UNDRAWN PORTION OF ANY LETTERS OF CREDIT WHICH SHALL BE OUTSTANDING AS OF THE DATE OF THE REQUESTED ADVANCE FOR THE ACCOUNT OF THE PERMITTED BORROWERS, PLUS THE AGGREGATE UNDRAWN AMOUNT OF LETTERS OF CREDIT REQUESTED BUT NOT YET ISSUED FOR THE ACCOUNT OF THE PERMITTED BORROWERS HEREUNDER,(IN EACH CASE DETERMINED AS AFORESAID), PLUS THE UNREIMBURSED AMOUNT OF ANY DRAWS UNDER ANY LETTERS OF CREDIT (USING THE CURRENT DOLLAR EQUIVALENT THEREOF FOR ANY LETTERS OF CREDIT DENOMINATED IN ANY ALTERNATIVE CURRENCY) ISSUED FOR THE ACCOUNT OF THE PERMITTED BORROWERS, SHALL NOT EXCEED THE LESSER OF (I) THE AGGREGATE SUBLIMIT AND (II) THE BORROWING BASE LIMITATION, IN EACH CASE THEN APPLICABLE;

(E) THE PRINCIPAL AMOUNT OF SUCH ADVANCE, PLUS THE AMOUNT OF ANY OTHER OUTSTANDING ADVANCE OF THE REVOLVING CREDIT TO BE THEN COMBINED THEREWITH HAVING THE SAME APPLICABLE INTEREST RATE AND INTEREST PERIOD, IF ANY, SHALL BE (I) IN THE CASE OF A PRIME-BASED ADVANCE AT LEAST TWO MILLION FIVE HUNDRED THOUSAND DOLLARS ($2,500,000) AND (II) IN THE CASE OF A EUROCURRENCY-BASED ADVANCE AT LEAST TWO MILLION FIVE HUNDRED THOUSAND DOLLARS ($2,500,000) OR THE EQUIVALENT THEREOF IN AN ALTERNATIVE CURRENCY (OR A LARGER INTEGRAL MULTIPLE OF ONE MILLION DOLLARS ($1,000,000), OR THE EQUIVALENT THEREOF IN THE APPLICABLE ALTERNATIVE CURRENCY), AND AT ANY ONE TIME THERE SHALL NOT BE IN EFFECT MORE THAN (X) FOR ADVANCES IN

DOLLARS, FIVE (5) APPLICABLE INTEREST RATES AND INTEREST PERIODS, AND (Y) FOR ADVANCES IN ANY ALTERNATIVE CURRENCY, THREE (3) APPLICABLE INTEREST RATES AND INTEREST PERIODS FOR EACH SUCH CURRENCY;

(F) A REQUEST FOR ADVANCE, ONCE DELIVERED TO AGENT, SHALL NOT BE REVOCABLE BY COMPANY OR THE PERMITTED BORROWERS;

(G) EACH REQUEST FOR ADVANCE SHALL CONSTITUTE AND INCLUDE A CERTIFICATION BY THE COMPANY AND THE APPLICABLE PERMITTED BORROWER, IF ANY, AS OF THE DATE THEREOF THAT:

(I) BOTH BEFORE AND AFTER SUCH ADVANCE, THE OBLIGATIONS OF THE COMPANY AND THE PERMITTED BORROWERS SET FORTH IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH SUCH PERSONS ARE PARTIES ARE VALID, BINDING AND ENFORCEABLE OBLIGATIONS OF THE COMPANY AND THE PERMITTED BORROWERS, AS THE CASE MAY BE;

(II) ALL CONDITIONS TO ADVANCES OF THE REVOLVING CREDIT HAVE BEEN SATISFIED, AND SHALL REMAIN SATISFIED TO THE DATE OF SUCH ADVANCE (BOTH BEFORE AND AFTER GIVING EFFECT TO SUCH ADVANCE);

(III) THERE IS NO DEFAULT OR EVENT OF DEFAULT IN EXISTENCE, AND NONE WILL EXIST UPON THE MAKING OF SUCH ADVANCE (BOTH BEFORE AND AFTER GIVING EFFECT TO SUCH ADVANCE);

(IV) THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS ARE TRUE AND CORRECT IN ALL MATERIAL RESPECTS AND SHALL BE TRUE AND CORRECT IN ALL MATERIAL RESPECTS AS OF THE MAKING OF SUCH ADVANCE, EXCEPT TO THE EXTENT SUCH REPRESENTATIONS AND WARRANTIES (OTHER THAN SECTION 6.15 HEREOF, WHICH SHALL BE DEEMED TO BE REMADE AS OF THE DATE OF SUCH REQUEST FOR PURPOSES OF THIS CLAUSE (IV), NOTWITHSTANDING THE LIMITATION CONTAINED THEREIN) ARE NOT, BY THEIR TERMS, CONTINUING REPRESENTATIONS AND WARRANTIES, BUT SPEAK ONLY AS OF A SPECIFIC DATE (BOTH BEFORE AND AFTER GIVING EFFECT TO SUCH ADVANCE); AND

(V) THE EXECUTION OF SUCH REQUEST FOR ADVANCE WILL NOT VIOLATE THE MATERIAL TERMS AND CONDITIONS OF ANY MATERIAL CONTRACT, AGREEMENT OR OTHER BORROWING OF COMPANY OR THE PERMITTED BORROWERS.

Agent, acting on behalf of the Banks, may, at its option, lend under this Section 2 upon the telephone request of a person previously authorized (in a writing delivered to the Agent) by the Company or a Permitted Borrower to make such requests and, in the event Agent, acting on behalf of the Banks, makes any such Advance upon a telephone request, the requesting

person shall fax to Agent, on the same day as such telephone request, a Request for Advance. The Company and each of the Permitted Borrowers hereby authorize Agent to disburse Advances under this Section 2.3 pursuant to the telephone instructions of any person purporting to be a person identified by name on a written list of persons authorized by the Company or the applicable Permitted Borrower and delivered to Agent prior to the date of such request to make Requests for Advance on behalf of the Company or such Permitted Borrower. Notwithstanding the foregoing, the Company and each of the Permitted Borrowers acknowledge that the Company and each of the Permitted Borrowers shall bear all risk of loss resulting from disbursements made upon any telephone request. Each telephone request for an Advance shall constitute a certification of the matters set forth in the Request for Revolving Credit Advance form as of the date of such requested Advance.

2.4 Disbursement of Advances.

(a) Upon receiving any Request for Advance from Company or a Permitted Borrower under Section 2.3 hereof, Agent shall promptly notify each Bank by wire, telex or telephone (confirmed by wire, telecopy or telex) of the amount and currency of such Advance to be made and the date such Advance is to be made by said Bank pursuant to its Percentage of such Advance. Unless such Bank's commitment to make Advances of the Revolving Credit hereunder shall have been suspended or terminated in accordance with this Agreement, each Bank shall make available the amount of its Percentage of each Advance in immediately available funds in the currency of such Advance to Agent, as follows:

(i) for Domestic Advances, at the office of Agent located at One Detroit Center, Detroit, Michigan 48226, not later than 2:00 p.m. (Detroit time) on the date of such Advance; and

(ii) for Eurocurrency-based Advances, at the Agent's Correspondent for the account of the Eurocurrency Lending Office of the Agent, not later than 12 noon (the time of the Agent's Correspondent) on the date of such Advance.

(b) Subject to submission of an executed Request for Advance by Company or a Permitted Borrower (with the countersignature of the Company as aforesaid) without exceptions noted in the compliance certification therein, Agent shall make available to Company or to the applicable Permitted Borrower, as the case may be, the aggregate of the amounts so received by it from the Banks in like funds and currencies:

(i) for Domestic Advances, not later than 4:00 p.m. (Detroit time) on the date of such Advance by credit to an account of Company or such Permitted Borrower maintained with Agent or to such other account or third party as Company or such Permitted Borrower may reasonably direct; and

(ii) for Eurocurrency-based Advances, not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance, by credit to an account

of Company or such Permitted Borrower maintained with Agent's Correspondent or to such other account or third party as Company or such Permitted Borrower may reasonably direct.

(c) Agent shall deliver the documents and papers received by it for the account of each Bank to such Bank or upon its order. Unless Agent shall have been notified by any Bank prior to the date of any proposed Advance that such Bank does not intend to make available to Agent such Bank's Percentage of such Advance, Agent may assume that such Bank has made such amount available to Agent on such date and in such currency, as aforesaid and may, in reliance upon such assumption, make available to Company or to the applicable Permitted Borrower, as the case may be, a corresponding amount. If such amount is not in fact made available to Agent by such Bank, as aforesaid, Agent shall be entitled to recover such amount on demand from such Bank. If such Bank does not pay such amount forthwith upon Agent's demand therefor, the Agent shall promptly notify Company and Company or the applicable Permitted Borrower shall pay such amount to Agent. Agent shall also be entitled to recover from such Bank or Company or the applicable Permitted Borrower, as the case may be, but without duplication, interest on such amount in respect of each day from the date such amount was made available by Agent to Company or such Permitted Borrower, as the case may be, to the date such amount is recovered by Agent, at a rate per annum equal to:

(i) in the case of such Bank, with respect to Domestic Advances, the Federal Funds Effective Rate, and with respect to Eurocurrency-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount; and

(ii) in the case of Company or such Permitted Borrower, the rate of interest then applicable to such Advance of the Revolving Credit.

The obligation of any Bank to make any Advance of the Revolving Credit hereunder shall not be affected by the failure of any other Bank to make any Advance hereunder, and no Bank shall have any liability to the Company or any of its Subsidiaries, the Agent, any other Bank, or any other party for another Bank's failure to make any loan or Advance hereunder.

2.5 (a) Swing Line Advances. The Swing Line Bank shall, on the terms and subject to the conditions hereinafter set forth (including without limitation Section 2.5(c) hereof), make one or more advances in Dollars or in any Alternative Currency (each such advance being a "Swing Line Advance") to Company or any of the Permitted Borrowers (provided that any such Permitted Borrower has executed a Swing Line Note and Revolving Credit Notes in compliance with this Agreement) from time to time on any Business Day during the period from the date hereof to (but excluding) the Revolving Credit Maturity Date in an aggregate amount, based on the Dollar Amount of any such Advances outstanding in Dollars and the Current Dollar Equivalent of any such Advances outstanding in Alternative Currencies, not to exceed at any time outstanding the Swing Line Maximum Amount. All Swing Line Advances shall be evidenced by the Swing Line Notes, under which advances, repayments and readvances may be made, subject to the terms and conditions

of this Agreement. Each Swing Line Advance shall mature and the principal amount thereof shall be due and payable by Company or the applicable Permitted Borrower on the last day of the Interest Period applicable thereto. In no event whatsoever shall any outstanding Swing Line Advance be deemed to reduce, modify or affect any Bank's commitment to make Revolving Credit Advances based upon its Percentage.

(b) Accrual of Interest. Each Swing Line Advance shall, from time to time after the date of such Advance, bear interest at its Applicable Interest Rate. The amount and date of each Swing Line Advance, its Applicable Interest Rate, its Interest Period, if any, and the amount and date of any repayment shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error; provided, however, that any failure by the Agent to record any such information shall not relieve Company or the applicable Permitted Borrower of its obligation to repay the outstanding principal amount of such Advance, all interest accrued thereon and any amount payable with respect thereto in accordance with the terms of this Agreement and the other Loan Documents.

(c) Requests for Swing Line Advances. Company or a Permitted Borrower (with the countersignature of the Company) may request a Swing Line Advance only after delivery to Swing Line Bank of a Request for Swing Line Advance executed by an authorized officer of Company or such Permitted Borrower, subject to the following and to the remaining provisions hereof:

(i) each such Request for Swing Line Advance shall set forth the information required on the Request for Swing Line Advance form annexed hereto as Exhibit F, including without limitation:

(A) the proposed date of such Swing Line Advance, which must be a Business Day;

(B) whether such Swing Line Advance is to be a Prime-based Advance, a Eurocurrency-based Advance or a Quoted Rate Advance;

(C) the duration of the Interest Period applicable thereto; and

(D) the Permitted Currency in which such Advance is to be made.

(ii) without duplication, the principal amount (or Dollar Amount of the principal amount, if such Advance is being funded in an Alternative Currency) of such requested Swing Line Advance, plus the aggregate principal amount of all other Swing Line Advances and all Advances of the Revolving Credit then outstanding hereunder (including any Revolving Credit Advances or other Swing Line Advances requested to be made on such date) whether to Company or to any of the Permitted Borrowers (using the Current Dollar Equivalent of any such Advances outstanding in any Alternative Currency, determined pursuant to the terms hereof as of the date of such requested Advance), and the aggregate undrawn portion of any Letters of Credit which shall be outstanding as

of the date of the requested Swing Line Advance (based on the Dollar Amount of the undrawn portion of any Letters of Credit denominated in Dollars and the Current Dollar Equivalent of the undrawn portion of any Letters of Credit denominated in any Alternative Currency), plus the aggregate face amount of Letters of Credit requested but not yet issued (determined as aforesaid), plus the unreimbursed amount of any draws under Letters of Credit (using the Current Dollar Equivalent thereof for any Letters of Credit denominated in any Alternative Currency) shall not exceed the lesser of (A) the Revolving Credit Maximum Amount and (B) the Borrowing Base Limitation, in each case then applicable;

(iii) without duplication, in the case of the Permitted Borrowers, the principal amount of the requested Swing Line Advance to the Permitted Borrowers (determined as aforesaid), plus the aggregate principal amount of any other Swing Line Advances and all other Advances then outstanding to all of the Permitted Borrowers hereunder (including, without duplication any Revolving Credit Advances or Swing Line Advances requested to be made on such date) determined as aforesaid, plus the aggregate undrawn portion of any Letters of Credit which shall be outstanding as of the date of the requested Swing Line Advance for the accounts of the Permitted Borrowers hereunder, plus the aggregate undrawn amount of any Letters of Credit requested but not yet issued for the accounts of the Permitted Borrowers hereunder (in each case determined as aforesaid), plus the unreimbursed amount of any draws under any Letters of Credit (using the Current Dollar Equivalent thereof for any Letters of Credit denominated in any Alternative Currency) issued for the account of the Permitted Borrowers shall not exceed the lesser of (A) the Aggregate Sublimit and (B) the Borrowing Base Limitation, in each case then applicable;

(iv) the principal amount of such Swing Line Advance, plus the amount of any other outstanding Advance of the Swing Line to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall be (i) in the case of a Prime-based Advance at least Three Hundred Thousand Dollars ($300,000) and (ii) in the case of a Quoted Rate Advance or a Eurocurrency-based Advance at least Three Hundred Thousand Dollars ($300,000), or the equivalent thereof in an Alternative Currency (or a larger integral multiple of One Hundred Thousand Dollars ($100,000), or the equivalent thereof in the applicable Alternative Currency), and at any one time there shall not be in effect more than (x) for Advances in Dollars, Five (5) Applicable Interest Rates and Interest Periods, and (y) for Advances in any Alternative Currency (other than eurodollars), two (2) Applicable Interest Rates and Interest Periods for each such currency; and

(v) each such Request for Swing Line Advance shall be delivered to the Swing Line Bank (x) for each Advance in Dollars, by 12:00 noon (Detroit time) on the proposed date of the Advance and (y) for each Advance in any Alternative Currency, by 12:00 noon (Detroit time) two Business Days prior to the proposed date of Advance;

(vi) each Request for Swing Line Advance, once delivered to Swing Line Bank, shall not be revocable by Company, and shall constitute and include a certification by the Company as of the date thereof that:

(A) both before and after such Swing Line Advance, the obligations of the Company set forth in this Agreement and the Loan Documents, are valid, binding and enforceable obligations of the Company;

(B) all conditions to the making of Swing Line Advances have been satisfied (both before and after giving effect to such Advance);

(C) both before and after the making of such Swing Line Advance, there is no Default or Event of Default in existence; and

(D) both before and after such Swing Line Advance, the representations and warranties contained in this Agreement and the other Loan Documents are true and correct in all material respects, except to the extent such representations and warranties (other than Section 6.15 hereof, which shall be deemed to be remade as of the date of such Request for purposes of this clause (D), notwithstanding the limitation contained therein) are not, by their terms, continuing representations and warranties, but speak only as of a specific date.

Swing Line Bank shall promptly deliver to Agent by telecopy a copy of any Request for Swing Line Advance received hereunder.

(d) Disbursement of Swing Line Advances. Subject to submission of an executed Request for Swing Line Advance by Company or a Permitted Borrower without exceptions noted in the compliance certification therein and to the other terms and conditions hereof, Swing Line Bank shall make available to Company or the applicable Permitted Borrower the amount so requested, in like funds and currencies, not later than:

(i) for Prime-based Advances or Quoted Rate Advances, not later than 4:00 p.m. (Detroit time) on the date of such Advance by credit to an account of Company or the applicable Permitted Borrower maintained with Agent or to such other account or third party as Company or the Permitted Borrower may reasonably direct; and

(ii) for Eurocurrency-based Advances, not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance, by credit to an account of Company or the Permitted Borrower maintained with Agent's Correspondent or to such other account or third party as Company or the applicable Permitted Borrower may reasonably direct.

Swing Line Bank shall promptly notify Agent of any Swing Line Advance by telephone, telex or telecopier.

(e) Refunding of or Participation Interest in Swing Line Advances.

(i) The Agent, at any time in its sole and absolute discretion, may (or, upon the request of the Swing Line Bank, shall) on behalf of the Company or the applicable Permitted Borrower (which hereby irrevocably directs the Agent to act on its behalf) request each of the Banks (including the Swing Line Bank in its capacity as a Bank) to make an Advance of the Revolving Credit to each of Company and the Permitted Borrowers, for each Permitted Currency in which Swing Line Advances are outstanding to such party, in an amount (in the applicable Permitted Currency, determined in accordance with Section 2.11(b) hereof) equal to such Bank's Percentage of the principal amount of the aggregate Swing Line Advances outstanding in each Permitted Currency to each such party on the date such notice is given (the "Refunded Swing Line Advances"); provided that at any time as there shall be a Swing Line Advance outstanding for more than thirty days, the Agent shall, on behalf of the Company or the applicable Permitted Borrower (which hereby irrevocably directs the Agent to act on its behalf), promptly request each Bank (including the Swing Line Bank) to make an Advance of the Revolving Credit in an amount equal to such Bank's Percentage of the principal amount of such outstanding Swing Line Advance. In the case of each Refunded Swing Line Advance outstanding in Dollars, the applicable Advance of the Revolving Credit used to refund such Swing Line Advance shall be a Prime-based Advance. In the case of each Refunded Swing Line Advance outstanding in any Alternative Currency, the applicable Advance of the Revolving Credit used to refund such Swing Line Advance shall be an Advance in the applicable Alternative Currency, with an Interest Period of one month (or any lesser number of days selected by Agent in consultation with the Banks). In connection with the making of any such Refunded Swing Line Advances or the purchase of a participation interest in Swing Line Advances under Section 2.5(e)(ii) hereof, the Swing Line Bank shall retain its claim against the Company or the applicable Permitted Borrower for any unpaid interest or fees in respect thereof. Unless any of the events described in Section 9.1(j) hereof shall have occurred (in which event the procedures of subparagraph (ii) of this Section 2.5(e) shall apply) and regardless of whether the conditions precedent set forth in this Agreement to the making of an Advance of the Revolving Credit are then satisfied but subject to Section 2.5(e)(iii), each Bank shall make the proceeds of its Advance of the Revolving Credit available to the Agent for the benefit of the Swing Line Bank at the office of the Agent specified in Section 2.4(a) hereof prior to 11:00 a.m. Detroit time (for Domestic Advances) on the Business Day next succeeding the date such notice is given, and, in the case of any Eurocurrency-based Advance, prior to 2:00 p.m. Detroit time on the third Business Day following the date such notice is given, in each case in immediately available funds in the applicable Permitted Currency. The proceeds of such Advances of the Revolving Credit shall be immediately applied to repay the Refunded Swing Line Advances in accordance with the provisions of Section 10.1 hereof.

(ii) If, prior to the making of an Advance of the Revolving Credit pursuant to subparagraph (i) of this Section 2.5(e), one of the events described in

Section 9.1(j) hereof shall have occurred, each Bank will, on the date such Advance of the Revolving Credit was to have been made, purchase from the Swing Line Bank an undivided participating interest in each Refunded Swing Line Advance in an amount equal to its Percentage of such Refunded Swing Line Advance. Each Bank within the time periods specified in Section 2.5(e)(i) hereof, as applicable, shall immediately transfer to the Agent, in immediately available funds in the applicable Permitted Currency of such Swing Line Advance, the amount of its participation and upon receipt thereof the Agent will deliver to such Bank a participation certificate evidencing such participation.

(iii) Each Bank's obligation to make Advances of the Revolving Credit and to purchase participation interests in accordance with clauses (i) and (ii) above shall, except in respect of any Swing Line Advance made by the Swing Line Bank after it has obtained actual knowledge that an Event of Default has occurred and is continuing, be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (A) any set-off, counterclaim, recoupment, defense or other right which such Bank may have against Swing Line Bank, the Company, the Permitted Borrowers or any other Person for any reason whatsoever; (B) the occurrence or continuance of any Default or Event of Default; (C) any adverse change in the condition (financial or otherwise) of the Company, any Permitted Borrower or any other Person; (D) any breach of this Agreement by the Company, any Permitted Borrower or any other Person; (E) any inability of the Company or the Permitted Borrowers to satisfy the conditions precedent to borrowing set forth in this Agreement on the date upon which such participating interest is to be purchased or (F) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If any Bank does not make available to the Agent the amount required pursuant to clause (i) or (ii) above, as the case may be, the Agent shall be entitled to recover such amount on demand from such Bank, together with interest thereon for each day from the date of non-payment until such amount is paid in full at the Federal Funds Effective Rate for Advances in Dollars (other than eurodollars) and for Eurocurrency-based Advances, the Agent's marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent as a result of such failure to deliver funds hereunder) of carrying such amount.

2.6 Prime-based Interest Payments. Interest on the unpaid balance of all Prime-based Advances of the Revolving Credit and all Swing Line Advances carried at the Prime-based Rate from time to time outstanding shall accrue from the date of such Advance to the Revolving Credit Maturity Date (and until paid), at a per annum interest rate equal to the Prime-based Rate, and shall be payable in immediately available funds (a) with respect to Swing Line Advances, monthly commencing on the first day of the calendar month next succeeding the calendar month during which the initial Swing Line Advance is made and on the first day of each month thereafter, and (b) with respect to Advances of the Revolving Credit, quarterly commencing on the first day of the calendar

quarter next succeeding the calendar month during which the initial Advance of the Revolving Credit is made and on the first day of each calendar quarter thereafter. Interest accruing at the U.S. Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the U.S. Prime-based Rate on the date of such change in the U.S. Prime-based Rate. Subject to Section 1.3 hereof, interest accruing at the Canadian Prime-based Rate shall be computed on the basis of a 365 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Canadian Prime-based Rate on the date of such change in the Canadian Prime-based Rate.

2.7 Eurocurrency-based Interest Payments and Quoted Rate Interest Payments.

(a) Interest on each Eurocurrency-based Advance of the Revolving Credit and all Swing Line Advances carried at the Eurocurrency-based Rate shall accrue at its Applicable Interest Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto (and, if any Interest Period shall exceed three months, then on the last Business Day of the third month of such Interest Period, and at three month intervals thereafter). Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360 day year (except that any such Advances made in Sterling or any other Alternative Currency with respect to which applicable law or market custom so requires shall be calculated based on a 365 day year, or as otherwise required under applicable law or market custom) and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to but not including the last day thereof. Interest due on a Eurocurrency-based Advance made in an Alternative Currency shall be paid in such Alternative Currency.

(b) Interest on each Quoted Rate Advance of the Swing Line shall accrue at its Quoted Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto. Interest accruing at the Quoted Rate shall be computed on the basis of a 360 day year (except that any such Advances made in Sterling, Irish Punts or any other Alternative Currency, or in Canadian Dollars to CAC Canada with respect to which applicable law or market custom so requires shall be calculated based on a 365 day year, or as otherwise required under applicable law or market custom) and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to, but not including the last day thereof.

(c) If the basis of accrual of interest or fees expressed in this Agreement with respect to the National Currency Unit of a Participating Member State shall be inconsistent with any convention or practice in the London interbank market or other applicable interbank market, as the case may be, for the basis of accrual of interest or fees with respect to the Euro, such convention or practice shall replace such expressed basis, effective as of and from the date on which such country becomes a Participating Member State; provided that if any Eurocurrency-based Advance in the currency of such country is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Advance, at the end of the then current Interest Period.

2.8 Interest Payments on Conversions. Notwithstanding anything to the contrary in the preceding sections, all accrued and unpaid interest on any Advance converted pursuant to Section 2.3 hereof shall be due and payable in full on the date such Advance is converted.

2.9 Interest on Default. (a) In the case of the Company or any Permitted Borrower other than CAC Canada, in the event and so long as any Event of Default shall exist, in the case of any Event of Default under Sections 9.1(a), 9.1(b) or 9.1(j), immediately upon the occurrence thereof, and in the case of all other Events of Default, upon notice from the Majority Banks, interest shall be payable daily on all Eurocurrency-based Advances of the Revolving Credit, Swing Line Advances carried at the Eurocurrency-based Rate and Quoted Rate Advances from time to time outstanding at a per annum rate equal to the Applicable Interest Rate plus two percent (2%) for the remainder of the

then existing Interest Period, if any, and at all other such times, with respect to Prime-based Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate plus two percent (2%); and, with respect to Eurocurrency-based Advances thereof in any Alternative Currency from time to time outstanding, (i) at a per annum rate calculated by the Agent, whose determination shall be conclusive absent manifest error, on a daily basis, equal to three percent (3%) above the interest rate per annum at which one (1) day deposits (or, if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect which shall in no event be longer than six (6) months) in the relevant eurocurrency in the amount of such overdue payment due to the Agent are offered by the Agent's Eurocurrency Lending Office for the applicable period determined as provided above, or (ii) if at any such time such deposits are not offered by Eurocurrency Lending Office, then at a rate per annum equal to two percent (2%) above the rate determined by the Agent to be its aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance) of carrying the amount of such Eurocurrency-based Advance.

(b) Subject to applicable Canadian law, in the case of CAC Canada, upon a default by CAC Canada in the payment of interest or any other amount (other than principal) due under this Agreement or any of the other Loan Documents to which CAC Canada is a party, upon written notice of Majority Banks confirmed by written notice from Agent to CAC Canada, CAC Canada shall pay interest on such overdue amount, both before and after judgment, at a rate per annum equal to (i) the rate of interest payable under this Section 2.9(b) on the principal amount to which such overdue interest relates, in the case of overdue interest, (ii) the Canadian Prime Rate plus two percent (2%), in the case of all such overdue amounts denominated in Canadian Dollars, and (iii) the U.S. Prime Rate plus two percent (2%), in the case of all such other overdue amounts denominated in Dollars (all of which other overdue amounts, for greater certainty, shall not include overdue principal or interest in any case), in each case, calculated on a daily basis from the date such amount becomes overdue for so long as such amount remains overdue and on the basis of the actual number of days elapsed in a 360 day year in the case of amounts denominated in Dollars and a 365 day year in the case of amounts denominated in Canadian Dollars. Such interest shall be payable upon demand by Agent. From and after the occurrence of any Event of Default that is continuing under Section 9.1(a) or 9.1(b) or so long as any other Event of Default shall have occurred and be continuing and upon written notice of Majority Banks confirmed by written notice from Agent to CAC Canada, the Letter of Credit Fees shall be increased by two percent (2%) per annum.

2.10 Prepayment. (a) Company or the Permitted Borrowers may prepay all or part of the outstanding balance of any Prime-based Advance(s) under the Revolving Credit Notes at any time, provided that the amount of any partial prepayment shall be at least One Million Dollars ($1,000,000) and, after giving effect to any such partial prepayment, the aggregate balance of Prime-based Advance(s) of the Revolving Credit remaining outstanding, if any, shall be at least One Million Dollars ($1,000,000). Company or the Permitted Borrowers may prepay all or part of any Eurocurrency-based Advance (subject to not less than three (3) Business Days' notice to Agent) only on the last day of the Interest Period therefor, provided that the amount of any such partial prepayment shall be at least One Million Dollars ($1,000,000), or the equivalent thereof in an Alternative Currency, and, after giving effect of any such partial prepayment, the unpaid portion of

such Advance which is refunded or converted under Section 2.3 hereof shall be at least Two Million Five Hundred Thousand Dollars ($2,500,000) or the equivalent thereof in an Alternative Currency.

(b) Company may prepay all or part of the outstanding balance of any Swing Line Advance carried at the Prime-based Rate at any time, provided that the amount of any partial prepayment shall be at least One Hundred Thousand Dollars ($100,000) and, after giving effect of any such partial prepayment, the aggregate balance of such Swing Line Advances remaining outstanding, if any, shall be at least One Hundred Thousand Dollars ($100,000). Company may prepay all or part of any Swing Line Advances carried at the Eurocurrency-based Rate or Quoted Rate (subject to not less than three (3) Business Days' notice to Swing Line Bank and Agent) only on the last day of the Interest Period therefor, provided that the amount of any such partial payment shall be at least One Hundred Thousand Dollars ($100,000), after giving effect of any such partial prepayment, and the unpaid portion of such Advance which is refunded or converted under Section 2.5(c) hereof shall be at least One Hundred Thousand Dollars ($100,000).

(c) Any prepayment made in accordance with this Section shall be without premium, penalty or prejudice to the right to reborrow under the terms of this Agreement. Any other prepayment of all or any portion of any Advance of the Revolving Credit or any Swing Line Advance shall be subject to Section 11.1 hereof, but otherwise without premium, penalty or prejudice.

2.11 Determination, Denomination and Redenomination of Alternative Currency Advances. Whenever, pursuant to any provision of this Agreement:

(a) an Advance of the Revolving Credit or a Swing Line Advance is initially funded, as opposed to any refunding or conversion thereof, in an Alternative Currency, the amount to be advanced hereunder will be the equivalent in such Alternative Currency of the Dollar Amount of such Advance;

(b) an existing Advance of the Revolving Credit or a Swing Line Advance denominated in an Alternative Currency is to be refunded, in whole or in part, with an Advance denominated in the same Alternative Currency, the amount of the new Advance shall be continued in the amount of the Alternative Currency so refunded;

(c) an existing Advance of the Revolving Credit denominated in an Alternative Currency is to be converted, in whole or in part, to an Advance denominated in another Alternative Currency, the amount of the new Advance shall be that amount of the Alternative Currency of the new Advance which may be purchased, using the most favorable spot exchange rate determined by Agent to be available to it for the sale of Dollars for such other Alternative Currency at approximately 11:00 a.m. (Detroit time) two (2) Business Days prior to the last day of the Eurocurrency Interest Period applicable to the existing Advance, with the Dollar Amount of the existing Advance, or portion thereof being converted; and

(d) an existing Advance of the Revolving Credit denominated in an Alternative Currency is to be converted, in whole or in part, to an Advance denominated in Dollars, the amount

of the new Advance shall be the Dollar Amount of the existing Advance, or portion thereof being converted (determined as aforesaid).

2.12 Prime-based Advance in Absence of Election or Upon Default. If, (a) as to any outstanding Eurocurrency-based Advance of the Revolving Credit, or any Swing Line Advance carried at the Eurocurrency-based Rate, Agent has not received payment on the last day of the Interest Period applicable thereto, or does not receive a timely Request for Advance meeting the requirements of Section 2.3 or 2.5(c) hereof with respect to the refunding or conversion of such Advance, or (b) if any Advance denominated in an Alternative Currency or any deemed Advance under Section 3.6 hereof in respect of a Letter of Credit denominated in an Alternative Currency cannot be refunded or made, as the case may be, in such Alternative Currency by virtue of Section 11.3 hereof, or (c) subject to Section 2.9 hereof, if on such day a Default or an Event of Default shall have occurred and be continuing, then the principal amount thereof which is not then prepaid in the case of a Eurocurrency-based Advance shall, absent a contrary election of the Majority Banks, be converted automatically to a Prime-based Advance and the Agent shall thereafter promptly notify Company of said action. If a Eurocurrency-based Advance converted hereunder is payable in an Alternative Currency, the Prime-based Advance shall be in an amount equal to the Dollar Amount of such Eurocurrency-based Advance at such time and the Agent and the Banks shall use said Prime-based Advance to fund payment of the Alternative Currency obligation, all subject to the provisions of Section 2.14 hereof. The Company and the Permitted Borrowers, if applicable, shall reimburse the Agent and the Banks on demand for any costs incurred by the Agent or any of the Banks, as applicable, resulting from the conversion pursuant to this Section 2.12 of Eurocurrency-based Advances payable in an Alternative Currency to Prime-based Advances.

2.13 Revolving Credit Facility Fee and Utilization Fee.

(a) Revolving Credit Facility Fee. From the date hereof to the Revolving Credit Maturity Date, the Company shall pay to the Agent, for distribution to the Banks (as set forth below), a Revolving Credit Facility Fee determined by multiplying the Applicable Fee Percentage per annum times the Revolving Credit Maximum Amount then applicable under Section 2.15 hereof (whether used or unused), computed on a daily basis. The Revolving Credit Facility Fee shall be payable quarterly in arrears commencing July 1, 2001 (in respect of the prior calendar quarter or portion thereof), and on the first day of each calendar quarter thereafter and on the Revolving Credit Maturity Date, and shall be computed on the basis of a year of three hundred sixty (360) days and assessed for the actual number of days elapsed. Whenever any payment of the Revolving Credit Facility Fee shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Upon receipt of such payment Agent shall make prompt payment to each Bank of its share of the Revolving Credit Facility Fee based upon its respective Percentage.

(b) Utilization Fee. For each day that the Utilization equals or exceeds 50% of (x) the Revolving Credit Maximum Amount in effect on such day, if such day is before the Revolving Credit Maturity Date or (y) the Revolving Credit Maximum Amount in effect on the Revolving Credit Maturity Date, if such day is on or after the Revolving Credit Maturity Date and the Company elects the "term out" option under Section 4.1 hereof (in either case until the Indebtedness has been

paid and discharged in full and all commitments terminated), the Company shall pay to the Agent, for distribution to the Banks pro rata in accordance with their respective Percentages, a Utilization Fee, which fee shall be determined and payable in accordance with this Section 2.13. The Utilization Fee shall be equal to the Utilization on such day times the Applicable Fee Percentage computed on a daily basis. The Utilization Fee shall be computed on the basis of a year of three hundred sixty (360) days and assessed for the actual number of days elapsed, and shall be payable quarterly in arrears commencing July 1, 2001 (in respect to the prior fiscal quarter or portion thereof) and on the first day of each fiscal quarter thereafter and on the Revolving Credit Maturity Date (or, if the Company elects the "term out" option under Section 4.1 hereof, the Term Loan Maturity Date). Whenever any payment of the Utilization Fee shall be due on a day which is not a Business Day, the day for payment thereof shall be extended to the next Business Day. Upon receipt of such payment, Agent shall make prompt payment to each Bank of its share of the Utilization Fee based upon its respective Percentage. It is expressly understood that the Utilization Fee described in this Section shall not be refundable under any circumstances.

2.14 CURRENCY APPRECIATION; AGGREGATE SUBLIMIT; MANDATORY REDUCTION OF INDEBTEDNESS. (A) IF AT ANY TIME AND FOR ANY REASON, THE AGGREGATE PRINCIPAL AMOUNT (TESTED IN THE MANNER SET FORTH BELOW AND WITHOUT DUPLICATION) OF ALL ADVANCES OF THE REVOLVING CREDIT HEREUNDER TO THE COMPANY AND TO THE PERMITTED BORROWERS MADE IN DOLLARS AND THE AGGREGATE CURRENT DOLLAR EQUIVALENT OF ALL ADVANCES HEREUNDER TO THE COMPANY AND TO THE PERMITTED BORROWERS IN ANY ALTERNATIVE CURRENCY AS OF SUCH TIME, PLUS THE AGGREGATE PRINCIPAL AMOUNT OF SWING LINE ADVANCES OUTSTANDING HEREUNDER AS OF SUCH TIME (DETERMINED AS AFORESAID), PLUS THE AGGREGATE UNDRAWN PORTION OF ANY LETTERS OF CREDIT WHICH SHALL BE OUTSTANDING (BASED ON THE DOLLAR AMOUNT OF THE UNDRAWN PORTION OF ANY LETTERS OF CREDIT DENOMINATED IN DOLLARS AND THE CURRENT DOLLAR EQUIVALENT OF THE UNDRAWN PORTION OF ANY LETTERS OF CREDIT DENOMINATED IN ANY ALTERNATIVE CURRENCY), PLUS THE UNDRAWN AMOUNT OF ALL LETTERS OF CREDIT REQUESTED BUT NOT YET ISSUED (DETERMINED AS AFORESAID), PLUS THE UNREIMBURSED AMOUNT OF ANY DRAWS UNDER ANY LETTERS OF CREDIT (USING THE CURRENT DOLLAR EQUIVALENT THEREOF FOR ANY LETTERS OF CREDIT DENOMINATED IN ANY ALTERNATIVE CURRENCY), AS OF SUCH TIME EXCEEDS THE LESSER OF (X) THE REVOLVING CREDIT MAXIMUM AMOUNT AND (Y) THE BORROWING BASE LIMITATION, IN EACH CASE THEN APPLICABLE, (AS USED IN THIS CLAUSE (A), THE "EXCESS"), THE COMPANY AND THE PERMITTED BORROWERS SHALL:

(I) IMMEDIATELY REPAY THAT PORTION OF SUCH INDEBTEDNESS THEN CARRIED AS A PRIME-BASED ADVANCE, IF ANY, BY THE DOLLAR AMOUNT OF SUCH EXCESS, AND/OR REDUCE ANY PENDING REQUEST FOR AN ADVANCE IN DOLLARS ON SUCH DAY BY THE DOLLAR AMOUNT OF THE EXCESS, TO THE EXTENT THEREOF; AND

(II) ON THE LAST DAY OF EACH INTEREST PERIOD OF ANY EUROCURRENCY-BASED ADVANCE OUTSTANDING AS OF SUCH TIME, UNTIL THE NECESSARY REDUCTIONS OF INDEBTEDNESS UNDER THIS SECTION 2.14(A) HAVE BEEN FULLY MADE, REPAY THE INDEBTEDNESS CARRIED IN SUCH ADVANCES AND/OR REDUCE ANY REQUESTS FOR REFUNDING OR CONVERSION OF SUCH ADVANCES SUBMITTED (OR TO BE SUBMITTED) BY THE COMPANY OR THE APPLICABLE PERMITTED BORROWER IN RESPECT OF SUCH ADVANCES, BY

THE AMOUNT IN DOLLARS OR THE APPLICABLE ALTERNATIVE CURRENCY, AS THE CASE MAY BE, OF THE EXCESS, TO THE EXTENT THEREOF.

COMPLIANCE WITH THIS SECTION 2.14(A) SHALL BE TESTED ON A DAILY OR OTHER BASIS SATISFACTORY TO AGENT IN ITS SOLE DISCRETION, PROVIDED THAT, SO LONG AS NO DEFAULT OR EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING, AT ANY TIME WHILE THE AGGREGATE ADVANCES OF THE REVOLVING CREDIT AVAILABLE TO BE BORROWED HEREUNDER (BASED ON THE REVOLVING CREDIT MAXIMUM AMOUNT THEN IN EFFECT) EQUAL OR EXCEED FIVE MILLION DOLLARS ($5,000,000), COMPLIANCE WITH THIS SECTION 2.14(A) SHALL BE TESTED AS OF THE LAST DAY OF EACH CALENDAR QUARTER. NOTWITHSTANDING THE FOREGOING, UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF ANY DEFAULT OR EVENT OF DEFAULT, OR IF ANY EXCESS REMAINS AFTER RECALCULATING SAID EXCESS BASED ON NINETY-FIVE PERCENT (95%) OF THE CURRENT DOLLAR EQUIVALENT OF ANY ADVANCES OR LETTERS OF CREDIT DENOMINATED IN ALTERNATIVE CURRENCIES (AND ONE HUNDRED PERCENT (100%) OF ANY ADVANCES OR LETTERS OF CREDIT DENOMINATED IN DOLLARS), COMPANY AND THE PERMITTED BORROWERS SHALL BE OBLIGATED IMMEDIATELY TO REDUCE THE FOREGOING INDEBTEDNESS HEREUNDER BY AN AMOUNT SUFFICIENT TO ELIMINATE SUCH EXCESS.

(B) IF AT ANY TIME AND FOR ANY REASON WITH RESPECT TO THE PERMITTED BORROWERS, THE AGGREGATE PRINCIPAL AMOUNT (TESTED IN THE MANNER SET FORTH BELOW AND WITHOUT DUPLICATION) OF ALL ADVANCES OF THE REVOLVING CREDIT AND OF THE SWING LINE OUTSTANDING HEREUNDER TO THE PERMITTED BORROWERS, PLUS THE AGGREGATE UNDRAWN PORTION OF ANY LETTERS OF CREDIT, PLUS THE UNDRAWN AMOUNT OF ANY LETTERS OF CREDIT REQUESTED BUT NOT YET ISSUED, PLUS THE UNREIMBURSED AMOUNT OF ANY DRAWS UNDER ANY LETTERS OF CREDIT TO OR FOR THE ACCOUNT OF THE PERMITTED BORROWERS, WHICH ADVANCES AND LETTERS OF CREDIT ARE MADE OR ISSUED, OR TO BE MADE OR ISSUED, IN DOLLARS AND NINETY PERCENT (90%) OF THE AGGREGATE CURRENT DOLLAR EQUIVALENT OF ALL SUCH ADVANCES AND LETTERS OF CREDIT (INCLUDING UNREIMBURSED DRAWS) HEREUNDER FOR THE ACCOUNT OF THE PERMITTED BORROWERS IN ANY ALTERNATIVE CURRENCY AS OF SUCH TIME, EXCEEDS THE LESSER OF (I) THE AGGREGATE SUBLIMIT AND (II) THE BORROWING BASE LIMITATION, IN EACH CASE THEN APPLICABLE, THEN IN EACH CASE, SUCH PERMITTED BORROWER SHALL (I) IMMEDIATELY REPAY THAT PORTION OF THE INDEBTEDNESS OUTSTANDING TO SUCH PERMITTED BORROWER THEN CARRIED AS A PRIME-BASED ADVANCE, IF ANY, BY THE DOLLAR AMOUNT OF SUCH EXCESS, AND/OR REDUCE ON SUCH DAY ANY PENDING REQUEST FOR AN ADVANCE IN DOLLARS SUBMITTED BY SUCH PERMITTED BORROWER BY THE DOLLAR AMOUNT OF SUCH EXCESS, TO THE EXTENT THEREOF; AND (II) ON THE LAST DAY OF EACH INTEREST PERIOD OF ANY EUROCURRENCY-BASED ADVANCE OUTSTANDING TO SUCH PERMITTED BORROWER AS OF SUCH TIME, UNTIL THE NECESSARY REDUCTIONS OF INDEBTEDNESS UNDER THIS SECTION 2.14(B) HAVE BEEN FULLY MADE, REPAY SUCH INDEBTEDNESS CARRIED IN SUCH ADVANCES AND/OR REDUCE ANY REQUESTS FOR REFUNDING OR CONVERSION OF SUCH ADVANCES SUBMITTED (OR TO BE SUBMITTED) BY SUCH PERMITTED BORROWER IN RESPECT OF SUCH ADVANCES, BY THE AMOUNT IN DOLLARS OR THE APPLICABLE ALTERNATIVE CURRENCY, AS THE CASE MAY BE, OF SUCH EXCESS, TO THE EXTENT THEREOF.

PROVIDED THAT NO DEFAULT OR EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING, THE PERMITTED BORROWERS' COMPLIANCE WITH THIS SECTION 2.14(B) SHALL BE TESTED AS OF THE LAST DAY OF EACH CALENDAR QUARTER OR, UPON THE WRITTEN REQUEST OF THE COMPANY FROM TIME TO TIME, AS OF THE LAST DAY OF EACH CALENDAR MONTH, PROVIDED THE COMPANY FURNISHES AGENT WITH CURRENT MONTHLY FINANCIAL STATEMENTS COMPLYING WITH THE REQUIREMENTS SET FORTH IN SUBPARAGRAPHS (I) AND (II) OF

SECTION 7.3(C) HEREOF. UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF ANY DEFAULT OR EVENT OF DEFAULT, COMPLIANCE WITH THIS SECTION 2.14(B) SHALL BE TESTED ON A DAILY OR OTHER BASIS SATISFACTORY TO AGENT IN ITS SOLE DISCRETION.

2.15 OPTIONAL REDUCTION OR TERMINATION OF REVOLVING CREDIT MAXIMUM AMOUNT. PROVIDED THAT NO DEFAULT OR EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING, THE COMPANY MAY UPON AT LEAST FIVE BUSINESS DAYS' PRIOR WRITTEN NOTICE TO THE AGENT, PERMANENTLY REDUCE THE REVOLVING CREDIT MAXIMUM AMOUNT IN WHOLE AT ANY TIME, OR IN PART FROM TIME TO TIME, WITHOUT PREMIUM OR PENALTY, PROVIDED THAT: (I) EACH PARTIAL REDUCTION OF THE REVOLVING CREDIT MAXIMUM AMOUNT SHALL BE IN AN AGGREGATE AMOUNT EQUAL TO TEN MILLION DOLLARS ($10,000,000) OR A LARGER INTEGRAL MULTIPLE OF ONE MILLION DOLLARS ($1,000,000); (II) EACH REDUCTION SHALL BE ACCOMPANIED BY THE PAYMENT OF THE REVOLVING CREDIT FACILITY FEE AND UTILIZATION FEE, IF ANY, ACCRUED TO THE DATE OF SUCH REDUCTION; (III) THE COMPANY OR ANY PERMITTED BORROWER, AS APPLICABLE, SHALL PREPAY IN ACCORDANCE WITH THE TERMS HEREOF THE AMOUNT, IF ANY, BY WHICH THE AGGREGATE UNPAID PRINCIPAL AMOUNT OF ADVANCES (USING THE CURRENT DOLLAR EQUIVALENT OF ANY SUCH ADVANCE OUTSTANDING IN ANY ALTERNATIVE CURRENCY) OF THE REVOLVING CREDIT, PLUS THE AGGREGATE PRINCIPAL AMOUNT OF SWING LINE ADVANCES OUTSTANDING HEREUNDER (USING THE CURRENT DOLLAR EQUIVALENT OF ANY SUCH ADVANCE OUTSTANDING IN AN ALTERNATIVE CURRENCY), PLUS WITHOUT DUPLICATION THE AGGREGATE UNDRAWN AMOUNT OF OUTSTANDING LETTERS OF CREDIT (USING THE CURRENT DOLLAR EQUIVALENT THEREOF FOR ANY LETTERS OF CREDIT DENOMINATED IN ANY ALTERNATIVE CURRENCY), PLUS WITHOUT DUPLICATION THE UNREIMBURSED AMOUNT OF ANY DRAWS UNDER ANY LETTERS OF CREDIT (DETERMINED AS AFORESAID), EXCEEDS THE AMOUNT OF THE REVOLVING CREDIT MAXIMUM AMOUNT AS SO REDUCED, TOGETHER WITH INTEREST THEREON TO THE DATE OF PREPAYMENT; (IV) IF THE TERMINATION OR REDUCTION OF THE REVOLVING CREDIT MAXIMUM AMOUNT REQUIRES THE PREPAYMENT OF A EUROCURRENCY-BASED ADVANCE OR A QUOTED RATE ADVANCE, THE TERMINATION OR REDUCTION MAY BE MADE ONLY ON THE LAST BUSINESS DAY OF THE THEN CURRENT INTEREST PERIOD APPLICABLE TO SUCH EUROCURRENCY-BASED ADVANCE OR SUCH QUOTED RATE ADVANCE; AND (V) NO REDUCTION SHALL REDUCE THE REVOLVING CREDIT MAXIMUM AMOUNT TO AN AMOUNT WHICH IS LESS THAN THE AGGREGATE UNDRAWN AMOUNT OF ANY LETTERS OF CREDIT OUTSTANDING AT SUCH TIME. REDUCTIONS OF THE REVOLVING CREDIT MAXIMUM AMOUNT AND ANY ACCOMPANYING PREPAYMENTS OF THE REVOLVING CREDIT NOTES SHALL BE DISTRIBUTED BY AGENT TO EACH BANK IN ACCORDANCE WITH SUCH BANK'S PERCENTAGE THEREOF, AND WILL NOT BE AVAILABLE FOR REINSTATEMENT BY OR READVANCE TO THE COMPANY OR ANY PERMITTED BORROWER, AND ANY ACCOMPANYING PREPAYMENTS OF THE SWING LINE NOTE SHALL BE DISTRIBUTED BY AGENT TO THE SWING LINE BANK AND WILL NOT BE AVAILABLE FOR REINSTATEMENT BY OR READVANCE TO THE COMPANY. ANY REDUCTIONS OF THE REVOLVING CREDIT MAXIMUM AMOUNT HEREUNDER SHALL REDUCE EACH BANK'S PORTION THEREOF PROPORTIONATELY (BASED ON THE APPLICABLE PERCENTAGES), AND SHALL BE PERMANENT AND IRREVOCABLE. ANY PAYMENTS MADE PURSUANT TO THIS SECTION SHALL BE APPLIED FIRST TO OUTSTANDING PRIME-BASED ADVANCES UNDER THE REVOLVING CREDIT, NEXT TO SWING LINE ADVANCES CARRIED AT THE PRIME-BASED RATE, NEXT TO EUROCURRENCY-BASED ADVANCES OF THE REVOLVING CREDIT AND THEN TO SWING LINE ADVANCES CARRIED AT THE EUROCURRENCY-BASED RATE OR THE QUOTED RATE.

2.16 EXTENSION OF REVOLVING CREDIT MATURITY DATE. Provided that no Default or Event of Default has occurred and is continuing, Company may, by written notice to Agent and each Bank

(which notice shall be irrevocable and which shall not be deemed effective unless actually received by Agent and each Bank), prior to April 15, but not before March 15, of each year beginning in 2002 request that the Banks extend the then applicable Revolving Credit Maturity Date to a date that is 364 days later than the Revolving Credit Maturity Date then in effect (each such request, a "Request").

Each Bank shall, not later than thirty (30) calendar days following the date of its receipt of a Request, give written notice to the Agent stating whether such Bank is willing to extend the Revolving Credit Maturity Date as requested. If Agent has received the aforesaid written approvals of such Request from each of the Banks, then, effective on (but not before) such Revolving Credit Maturity Date (so long as no Default or Event of Default has occurred and is continuing and none of the Banks has withdrawn its approval, in writing, prior thereto), the Revolving Credit Maturity Date shall be so extended for an additional period of 364 days, the term Revolving Credit Maturity Date shall mean such extended date and Agent shall promptly notify the Company and the Banks that such extension has occurred. If (i) any Bank gives the Agent written notice that it is unwilling to extend the Revolving Credit Maturity Date as requested or (ii) any Bank fails to provide written approval to Agent of the Request within thirty (30) calendar days of the date of Agent's receipt of such Request, or (iii) withdraws its approval in writing prior to the Revolving Credit Maturity Date then in effect then (x) the Banks shall be deemed to have declined to extend the Revolving Credit Maturity Date, (y) the then-current Revolving Credit Maturity Date shall remain in effect (with no further right on the part of Company, to request extensions thereof under this Section 2.16) and (z) the commitments of the Banks to make Advances of the Revolving Credit hereunder shall terminate on the Revolving Credit Maturity Date then in effect, and Agent shall promptly notify Company and the Banks thereof.

2.17 Revolving Credit as Renewal; Application of Advances; Existing Advances. (a) The Revolving Credit Notes issued by the Company and the Permitted Borrowers hereunder shall constitute renewal and replacement evidence of all present Indebtedness of such parties outstanding under the Revolving Credit Notes issued under the Prior Credit Agreement. Advances of the Revolving Credit (including Swing Line Advances) shall be available, subject to the terms hereof, to fund working capital needs or other general corporate purposes of the Company and the Permitted Borrowers.

(b) Each Existing Advance shall be deemed for all purposes of this Agreement to be an Advance under this Agreement.

2.18 Optional Increase in Revolving Credit Maximum Amount. Provided that no Default or Event of Default has occurred and is continuing, and provided that the Company has not previously elected to terminate the Revolving Credit Maximum Amount under Section 2.15 hereof, the Company may request that the Revolving Credit Maximum Amount be increased in an aggregate amount (for all such Requests under this Section 2.18) not to exceed the Revolving Credit Optional Increase, subject, in each case, to Section 11.1 hereof and to the satisfaction concurrently with or prior to the date of each such request of the following conditions:

(a) the Company shall have delivered to the Agent not less than thirty (30) days prior to the Revolving Credit Maturity Date then in effect a written request for such increase, specifying the amount of Revolving Credit Optional Increase thereby requested (each such request, a "Request for Increase"); provided, however that in the event the Company has previously delivered a Request for Increase pursuant to this Section 2.18, the Company may not deliver a subsequent Request for Increase until all the conditions to effectiveness of such first Request for Increase have been fully satisfied hereunder (or such Request for Increase has been withdrawn); and provided further that the Company may make no more than two Requests for Increase in any calendar year;

(b) a lender or lenders meeting the requirements of Section 13.8(c) hereof and acceptable to the Company, Syndication Agent and the Agent (including, for the purposes of this Section 2.18, any existing Bank which agrees to increase its commitment hereunder, the "New Bank(s)") shall have become a party to this Agreement by executing and delivering a New Bank Addendum for a minimum amount (including for the purposes of this Section 2.18, the existing commitment of any existing Bank) for each such New Bank of Ten Million Dollars ($10,000,000) and an aggregate amount for all such New Banks of that portion of the Revolving Credit Optional Increase, taking into account the amount of any prior increase in the Revolving Credit Maximum Amount (pursuant to this Section 2.18), covered by the applicable Request, provided, however that each New Bank shall remit to the Agent funds in an amount equal to its Percentage (after giving effect to this Section 2.18) of all Advances of the Revolving Credit then outstanding, such sums to be reallocated among and paid to the existing Banks based upon the new Percentages as determined below;

(c) the Company (i) shall have paid to the Agent for distribution to the existing Banks, as applicable, all interest, fees (including the Revolving Credit Facility Fee and the Letter of Credit Fees) and other amounts, if any, accrued to the effective date of such increase and any breakage fees attributable to the reduction (prior to the last day of the applicable Interest Period) of any outstanding Eurocurrency-based Advances, calculated on the basis set forth in Section 11.1 hereof as though Company has prepaid such Advances and (ii) shall have paid to each New Bank a special letter of credit fee on the Letters of Credit outstanding on the effective date of such increase, calculated on the basis of the Letter of Credit Fees which would be applicable to such Letters of Credit if issued on the date of such increase, for the period from the effective date of such increase to the expiration date of such Letters of Credit;

(d) the Company and each of the Permitted Borrowers shall have executed and delivered to the Agent new Revolving Credit Notes payable to each of the New Banks in the face amount of each such New Bank's Percentage of the Revolving Credit Maximum Amount (after giving effect to this Section 2.18) and, if applicable, renewal and replacement Revolving Credit Notes payable to each of the existing Banks in the face amount of each such Bank's Percentage of the Revolving Credit Maximum Amount (after giving effect to this Section 2.18), each of such Revolving Credit Notes to be substantially in the form of Exhibit C-1 or C-2 to the Credit Agreement, as applicable, and dated as of the effective date of such increase (with appropriate insertions relevant to such Notes and acceptable to the applicable Bank, including the New Banks);

(e) except to the extent such representations and warranties (other than Section 6.15 hereof which shall be deemed to be remade as of such date for purposes of this clause (e), notwithstanding the limitation contained therein) are not, by their terms, continuing representations and warranties, but speak only as of a specific date, the representations and warranties made by Company, the Permitted Borrower, each Guarantor or any other party to any of the Loan Documents (excluding the Agent and Banks) in this Agreement or any of the other Loan Documents, and the representations and warranties of any of the foregoing which are contained in any certificate, document or financial or other statement furnished at any time hereunder or thereunder or in connection herewith or therewith shall have been true and correct in all material respects when made and shall be true and correct in all material respects on and as of the effective date of such increase; and (ii) no Default or Event of Default shall have occurred and be continuing as of such date; and

(f) such other amendments, acknowledgments, consents, documents, instruments, any registrations, if any, shall have been executed and delivered and/or obtained by Company as required by Agent or the Majority Banks, in their reasonable discretion.

Promptly on or after the date on which all of the conditions to such Request for Increase set forth above have been satisfied, Agent shall notify the Company and each of the Banks of the amount of the Revolving Credit Maximum Amount as increased pursuant this Section 2.18 and the date on which such increase has become effective and shall prepare and distribute to Company and each of the Banks (including the New Banks) a revised Exhibit D to the Credit Agreement setting forth the applicable new Percentages of the Banks (including the New Bank(s), taking into account such increase and assignments (if any).

3. LETTERS OF CREDIT.

3.1 Letters of Credit. Subject to the terms and conditions of this Agreement, Agent may through the Issuing Office, at any time and from time to time from and after the date hereof until thirty (30) days prior to the Revolving Credit Maturity Date, upon the written request of an Account Party accompanied by a duly executed Letter of Credit Agreement and such other documentation related to the requested Letter of Credit as the Agent may require, issue standby or documentary Letters of Credit for the account of such Account Party, in an aggregate amount for all Letters of Credit issued hereunder at any one time outstanding not to exceed the Letter of Credit Maximum Amount. Each Letter of Credit shall be in a minimum face amount of One Hundred Thousand Dollars ($100,000) and shall have an expiration date not later than one (1) year from its date of issuance; provided that each Letter of Credit (including any renewal thereof) shall expire not later than ten (10) Business Days prior to the Revolving Credit Maturity Date in effect on the date of issuance thereof. The submission of all applications in respect of and the issuance of each Letter of Credit hereunder shall be subject in all respects to the Uniform Customs and Practices for Documentary Credits of the International Chamber of Commerce, 1993 Revisions, ICC Publication No. 500 or, if applicable, ISP 98, and any successor documentation thereto, as selected by the Issuing Lender. In the event of any conflict between this Agreement and any Letter of Credit Document other than any Letter of Credit, this Agreement shall control.

3.2 CONDITIONS TO ISSUANCE. NO LETTER OF CREDIT SHALL BE ISSUED AT THE REQUEST AND FOR THE ACCOUNT OF ANY ACCOUNT PARTY UNLESS, AS OF THE DATE OF ISSUANCE OF SUCH LETTER OF CREDIT:

(A) WITHOUT DUPLICATION, THE FACE AMOUNT OF THE LETTER OF CREDIT REQUESTED (BASED ON THE DOLLAR AMOUNT OF THE UNDRAWN PORTION OF ANY LETTER OF CREDIT DENOMINATED IN DOLLARS AND THE CURRENT DOLLAR EQUIVALENT OF THE UNDRAWN PORTION OF ANY LETTER OF CREDIT DENOMINATED IN ANY ALTERNATIVE CURRENCY), PLUS THE FACE AMOUNT OF ALL OTHER LETTERS OF CREDIT OF ALL ACCOUNT PARTIES REQUESTED ON SUCH DATE, PLUS THE AGGREGATE UNDRAWN PORTION OF ALL OTHER LETTERS OF CREDIT OF ALL ACCOUNT PARTIES AS OF SUCH DATE, PLUS THE FACE AMOUNT OF ALL LETTERS OF CREDIT OF ALL ACCOUNT PARTIES REQUESTED BUT NOT YET ISSUED AS OF SUCH DATE, PLUS THE UNREIMBURSED AMOUNT OF ANY DRAWS UNDER LETTERS OF CREDIT OF ALL ACCOUNT PARTIES (IN EACH CASE, DETERMINED AS AFORESAID), DOES NOT EXCEED THE LETTER OF CREDIT MAXIMUM AMOUNT;

(B) WITHOUT DUPLICATION, THE UNDRAWN AMOUNT OF THE LETTER OF CREDIT REQUESTED, PLUS THE UNDRAWN AMOUNT OF ALL OTHER LETTERS OF CREDIT OF ALL ACCOUNT PARTIES REQUESTED ON SUCH DATE, PLUS THE AGGREGATE UNDRAWN PORTION OF ALL OTHER LETTERS OF CREDIT OF ALL ACCOUNT PARTIES AS OF SUCH DATE, PLUS THE UNDRAWN AMOUNT OF ALL LETTERS OF CREDIT OF ALL ACCOUNT PARTIES REQUESTED BUT NOT YET ISSUED AS OF SUCH DATE, PLUS THE UNREIMBURSED AMOUNT OF ANY DRAWS UNDER LETTERS OF CREDIT OF ALL ACCOUNT PARTIES AS OF SUCH DATE (IN EACH CASE DETERMINED AS AFORESAID), PLUS THE AGGREGATE PRINCIPAL AMOUNT OF ALL ADVANCES OUTSTANDING UNDER THE REVOLVING CREDIT NOTES AND THE SWING LINE NOTES, INCLUDING ANY ADVANCES REQUESTED TO BE MADE ON SUCH DATE (DETERMINED ON THE BASIS OF THE CURRENT DOLLAR EQUIVALENT OF ANY ADVANCES DENOMINATED IN ANY ALTERNATIVE CURRENCY, AND THE DOLLAR AMOUNT OF ANY ADVANCES IN DOLLARS), DO NOT EXCEED THE LESSER OF (I) THE REVOLVING CREDIT MAXIMUM AMOUNT AND (II) THE BORROWING BASE LIMITATION, IN EACH CASE THEN APPLICABLE;

(C) WHENEVER THE ACCOUNT PARTY IS A PERMITTED BORROWER, WITHOUT DUPLICATION, THE UNDRAWN AMOUNT OF THE LETTER OF CREDIT REQUESTED BY A PERMITTED BORROWER, PLUS THE UNDRAWN AMOUNT OF ALL OTHER LETTERS OF CREDIT REQUESTED BY THE OTHER PERMITTED BORROWERS ON SUCH DATE, PLUS THE AGGREGATE UNDRAWN PORTION OF ALL OTHER OUTSTANDING LETTERS OF CREDIT ISSUED FOR THE ACCOUNT OF THE PERMITTED BORROWERS, (IN EACH CASE DETERMINED AS AFORESAID), PLUS THE UNREIMBURSED AMOUNT OF ANY DRAWS UNDER LETTERS OF CREDIT (USING THE CURRENT DOLLAR EQUIVALENT THEREOF FOR ANY SUCH LETTERS OF CREDIT DENOMINATED IN ANY ALTERNATIVE CURRENCY) ISSUED FOR THE ACCOUNT OF THE PERMITTED BORROWERS, PLUS THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF ALL ADVANCES OF THE REVOLVING CREDIT AND OF THE SWING LINE TO THE PERMITTED BORROWERS, INCLUDING ANY ADVANCES REQUESTED TO BE MADE ON SUCH DATE (IN EACH CASE DETERMINED AS AFORESAID), DO NOT EXCEED THE LESSER OF (I) THE AGGREGATE SUBLIMIT AND (II) THE BORROWING BASE LIMITATION, IN EACH CASE THEN APPLICABLE;

(D) THE OBLIGATIONS OF COMPANY AND THE PERMITTED BORROWERS SET FORTH IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS ARE VALID, BINDING AND ENFORCEABLE OBLIGATIONS OF COMPANY AND PERMITTED BORROWERS AND THE VALID, BINDING AND ENFORCEABLE NATURE OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS HAS NOT BEEN DISPUTED BY COMPANY OR THE PERMITTED BORROWERS;

(E) THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS ARE TRUE IN ALL MATERIAL RESPECTS AS IF MADE ON SUCH DATE, except to the extent such representations and warranties (other than Section 6.15 hereof, which shall be deemed to be remade as of the date of issuance of such Letter of Credit for purposes of this clause (e), notwithstanding the limitation contained therein) are not, by their terms, continuing representations and warranties, but speak only as of a specific date, AND BOTH IMMEDIATELY BEFORE AND IMMEDIATELY AFTER ISSUANCE OF THE LETTER OF CREDIT REQUESTED, NO DEFAULT OR EVENT OF DEFAULT EXISTS;

(F) THE EXECUTION OF THE LETTER OF CREDIT AGREEMENT WITH RESPECT TO THE LETTER OF CREDIT REQUESTED WILL NOT VIOLATE THE TERMS AND CONDITIONS OF ANY CONTRACT, AGREEMENT OR OTHER BORROWING OF COMPANY OR THE PERMITTED BORROWERS;

(G) THE ACCOUNT PARTY REQUESTING THE LETTER OF CREDIT SHALL HAVE DELIVERED TO AGENT AT ITS ISSUING OFFICE, NOT LESS THAN FIVE (5) BUSINESS DAYS PRIOR TO THE REQUESTED DATE FOR ISSUANCE (OR SUCH SHORTER TIME AS THE AGENT, IN ITS SOLE DISCRETION, MAY PERMIT), THE LETTER OF CREDIT AGREEMENT RELATED THERETO, TOGETHER WITH SUCH OTHER DOCUMENTS AND MATERIALS AS MAY BE REQUIRED PURSUANT TO THE TERMS THEREOF, AND THE TERMS OF THE PROPOSED LETTER OF CREDIT SHALL BE SATISFACTORY TO AGENT AND ITS ISSUING OFFICE;

(H) NO ORDER, JUDGMENT OR DECREE OF ANY COURT, ARBITRATOR OR GOVERNMENTAL AUTHORITY SHALL PURPORT BY ITS TERMS TO ENJOIN OR RESTRAIN AGENT FROM ISSUING THE LETTER OF CREDIT REQUESTED, OR ANY BANK FROM TAKING AN ASSIGNMENT OF ITS PERCENTAGE THEREOF PURSUANT TO SECTION 3.6 HEREOF, AND NO LAW, RULE, REGULATION, REQUEST OR DIRECTIVE (WHETHER OR NOT HAVING THE FORCE OF LAW) SHALL PROHIBIT OR REQUEST THAT AGENT REFRAIN FROM ISSUING, OR ANY BANK REFRAIN FROM TAKING AN ASSIGNMENT OF ITS PERCENTAGE OF, THE LETTER OF CREDIT REQUESTED OR LETTERS OF CREDIT GENERALLY;

(I) THERE SHALL HAVE BEEN NO INTRODUCTION OF OR CHANGE IN THE INTERPRETATION OF ANY LAW OR REGULATION THAT WOULD MAKE IT UNLAWFUL OR UNDULY BURDENSOME FOR THE AGENT TO ISSUE OR ANY BANK TO TAKE AN ASSIGNMENT OF ITS PERCENTAGE OF THE REQUESTED LETTER OF CREDIT, NO SUSPENSION OF OR MATERIAL LIMITATION ON TRADING ON THE NEW YORK STOCK EXCHANGE OR ANY OTHER NATIONAL SECURITIES EXCHANGE, NO DECLARATION OF A GENERAL BANKING MORATORIUM BY BANKING AUTHORITIES IN THE UNITED STATES, MICHIGAN OR THE RESPECTIVE JURISDICTIONS IN WHICH THE BANKS, THE APPLICABLE ACCOUNT PARTY AND THE BENEFICIARY OF THE REQUESTED LETTER OF CREDIT ARE LOCATED, AND NO ESTABLISHMENT OF ANY NEW RESTRICTIONS ON TRANSACTIONS INVOLVING LETTERS OF CREDIT OR ON BANKS MATERIALLY AFFECTING THE EXTENSION OF CREDIT BY BANKS; AND

(J) AGENT SHALL HAVE RECEIVED THE ISSUANCE FEES REQUIRED IN CONNECTION WITH THE ISSUANCE OF SUCH LETTER OF CREDIT PURSUANT TO SECTION 3.5 HEREOF.

EACH LETTER OF CREDIT AGREEMENT SUBMITTED TO AGENT PURSUANT HERETO SHALL CONSTITUTE THE CERTIFICATION BY THE COMPANY AND THE ACCOUNT PARTY OF THE MATTERS SET FORTH IN SECTION 3.2 (A)

THROUGH (F) HEREOF. THE AGENT SHALL BE ENTITLED TO RELY ON SUCH CERTIFICATION WITHOUT ANY DUTY OF INQUIRY.

3.3 NOTICE. AGENT SHALL GIVE NOTICE, SUBSTANTIALLY IN THE FORM ATTACHED AS EXHIBIT I, TO EACH BANK OF THE ISSUANCE OF EACH LETTER OF CREDIT, NOT LATER THAN THREE (3) BUSINESS DAYS AFTER ISSUANCE OF EACH LETTER OF CREDIT, SPECIFYING THE AMOUNT THEREOF AND THE AMOUNT OF SUCH BANK'S PERCENTAGE THEREOF.

3.4 LETTER OF CREDIT FEES. COMPANY SHALL PAY TO THE AGENT FOR DISTRIBUTION TO THE BANKS IN ACCORDANCE WITH THEIR PERCENTAGES, LETTER OF CREDIT FEES AS FOLLOWS:

(A) A PER ANNUM LETTER OF CREDIT FEE WITH RESPECT TO THE UNDRAWN AMOUNT OF EACH LETTER OF CREDIT ISSUED PURSUANT HERETO (BASED ON THE DOLLAR AMOUNT OF ANY LETTERS OF CREDIT DENOMINATED IN DOLLARS AND THE CURRENT DOLLAR EQUIVALENT OF ANY LETTERS OF CREDIT DENOMINATED IN ANY ALTERNATIVE CURRENCY) IN THE AMOUNT OF THE APPLICABLE FEE PERCENTAGE (DETERMINED WITH REFERENCE TO SCHEDULE 1.1 TO THIS AGREEMENT), INCLUSIVE OF THE FACING FEE OF ONE-EIGHTH OF ONE PERCENTAGE POINT (1/8%) PER ANNUM ON THE FACE AMOUNT THEREOF TO BE RETAINED BY AGENT UNDER SECTION 3.5 HEREOF.

(B) IF ANY CHANGE IN ANY LAW OR REGULATION OR IN THE INTERPRETATION THEREOF BY ANY COURT OR ADMINISTRATIVE OR GOVERNMENTAL AUTHORITY CHARGED WITH THE ADMINISTRATION THEREOF SHALL EITHER (I) IMPOSE, MODIFY OR CAUSE TO BE DEEMED APPLICABLE ANY RESERVE, SPECIAL DEPOSIT, LIMITATION OR SIMILAR REQUIREMENT AGAINST LETTERS OF CREDIT ISSUED OR PARTICIPATED IN BY, OR ASSETS HELD BY, OR DEPOSITS IN OR FOR THE ACCOUNT OF, AGENT OR ANY BANK OR (II) IMPOSE ON AGENT OR ANY BANK ANY OTHER CONDITION REGARDING THIS AGREEMENT OR THE LETTERS OF CREDIT, AND THE RESULT OF ANY EVENT REFERRED TO IN CLAUSE (I) OR (II) ABOVE SHALL BE TO INCREASE THE COST OR EXPENSE TO AGENT OR SUCH BANK OF ISSUING OR MAINTAINING OR PARTICIPATING IN ANY OF THE LETTERS OF CREDIT (WHICH INCREASE IN COST OR EXPENSE SHALL BE DETERMINED BY THE AGENT'S OR SUCH BANK'S REASONABLE ALLOCATION OF THE AGGREGATE OF SUCH COST INCREASES AND EXPENSE RESULTING FROM SUCH EVENTS), THEN, UPON DEMAND BY THE AGENT OR SUCH BANK, AS THE CASE MAY BE, THE COMPANY SHALL, WITHIN TEN DAYS FOLLOWING DEMAND FOR PAYMENT, PAY TO AGENT OR SUCH BANK, AS THE CASE MAY BE, FROM TIME TO TIME AS SPECIFIED BY THE AGENT OR SUCH BANK, ADDITIONAL AMOUNTS WHICH SHALL BE SUFFICIENT TO COMPENSATE THE AGENT OR SUCH BANK FOR SUCH INCREASED COST AND EXPENSE, TOGETHER WITH INTEREST ON EACH SUCH AMOUNT FROM TEN DAYS AFTER THE DATE DEMANDED UNTIL PAYMENT IN FULL THEREOF AT THE PRIME-BASED RATE. A CERTIFICATE AS TO SUCH INCREASED COST OR EXPENSE INCURRED BY THE AGENT OR SUCH BANK, AS THE CASE MAY BE, AS A RESULT OF ANY EVENT MENTIONED IN CLAUSE (I) OR (II) ABOVE, SUBMITTED TO THE COMPANY, SHALL BE CONCLUSIVE EVIDENCE, ABSENT MANIFEST ERROR, AS TO THE AMOUNT THEREOF.

(C) ALL PAYMENTS BY THE COMPANY OR THE PERMITTED BORROWERS TO THE AGENT OR THE BANKS UNDER THIS SECTION 3.4 SHALL BE MADE IN DOLLARS AND IN IMMEDIATELY AVAILABLE FUNDS AT THE ISSUING OFFICE OR SUCH OTHER OFFICE OF THE AGENT AS MAY BE DESIGNATED FROM TIME TO TIME BY WRITTEN NOTICE TO THE COMPANY AND THE PERMITTED BORROWERS BY THE AGENT. THE FEES DESCRIBED IN CLAUSE (A) ABOVE SHALL BE NONREFUNDABLE UNDER ALL CIRCUMSTANCES, SHALL BE PAYABLE

SEMI-ANNUALLY IN ADVANCE (OR SUCH LESSER PERIOD, IF APPLICABLE, FOR LETTERS OF CREDIT ISSUED WITH STATED EXPIRATION DATES OF LESS THAN SIX MONTHS) UPON THE ISSUANCE OF EACH SUCH LETTER OF CREDIT, AND SHALL BE CALCULATED ON THE BASIS OF A 360 DAY YEAR AND ASSESSED FOR THE ACTUAL NUMBER OF DAYS FROM THE DATE OF THE ISSUANCE THEREOF TO THE STATED EXPIRATION THEREOF.

3.5 ISSUANCE FEES. IN CONNECTION WITH THE LETTERS OF CREDIT, AND IN ADDITION TO THE LETTER OF CREDIT FEES (INCLUDING A LETTER OF CREDIT FACING FEE OF ONE-EIGHTH OF ONE PERCENTAGE POINT (1/8%) TO BE RETAINED BY AGENT FOR ITS OWN ACCOUNT), THE COMPANY OR THE APPLICABLE ACCOUNT PARTY SHALL PAY, FOR THE SOLE ACCOUNT OF THE AGENT, STANDARD DOCUMENTATION, ADMINISTRATION, PAYMENT AND CANCELLATION CHARGES ASSESSED BY AGENT OR THE ISSUING OFFICE, AT THE TIMES, IN THE AMOUNTS AND ON THE TERMS SET FORTH OR TO BE SET FORTH FROM TIME TO TIME IN THE STANDARD FEE SCHEDULE OF THE ISSUING OFFICE IN EFFECT FROM TIME TO TIME.

3.6 DRAWS AND DEMANDS FOR PAYMENT UNDER LETTERS OF CREDIT.

(A) THE COMPANY AND EACH APPLICABLE ACCOUNT PARTY AGREE TO PAY TO THE AGENT, ON THE DAY ON WHICH THE AGENT SHALL HONOR A DRAFT OR OTHER DEMAND FOR PAYMENT PRESENTED OR MADE UNDER ANY LETTER OF CREDIT, AN AMOUNT EQUAL TO THE AMOUNT PAID BY THE AGENT IN RESPECT OF SUCH DRAFT OR OTHER DEMAND UNDER SUCH LETTER OF CREDIT AND ALL EXPENSES PAID OR INCURRED BY THE AGENT RELATIVE THERETO. UNLESS THE COMPANY OR THE APPLICABLE ACCOUNT PARTY SHALL HAVE MADE SUCH PAYMENT TO THE AGENT ON SUCH DAY, UPON EACH SUCH PAYMENT BY THE AGENT, THE AGENT SHALL BE DEEMED TO HAVE DISBURSED TO THE COMPANY OR THE APPLICABLE ACCOUNT PARTY, AND THE COMPANY OR THE APPLICABLE ACCOUNT PARTY SHALL BE DEEMED TO HAVE ELECTED TO SUBSTITUTE FOR ITS REIMBURSEMENT OBLIGATION, WITH RESPECT TO LETTERS OF CREDIT DENOMINATED IN DOLLARS, A PRIME-BASED ADVANCE OF THE REVOLVING CREDIT AND, WITH RESPECT TO LETTERS OF CREDIT DENOMINATED IN ANY ALTERNATIVE CURRENCY, A EUROCURRENCY-BASED ADVANCE OF THE REVOLVING CREDIT IN THE APPLICABLE ALTERNATIVE CURRENCY WITH AN INTEREST PERIOD, COMMENCING THREE (3) BUSINESS DAYS FOLLOWING THE DATE OF AGENT'S PAYMENT PURSUANT TO THE APPLICABLE LETTER OF CREDIT, OF ONE MONTH (OR, IF UNAVAILABLE, SUCH OTHER INTEREST PERIOD AS SELECTED BY AGENT IN ITS SOLE DISCRETION), IN EACH CASE FOR THE ACCOUNT OF THE BANKS IN AN AMOUNT EQUAL TO THE AMOUNT SO PAID BY THE AGENT IN RESPECT OF SUCH DRAFT OR OTHER DEMAND UNDER SUCH LETTER OF CREDIT. SUCH PRIME-BASED ADVANCE OR EUROCURRENCY-BASED ADVANCE SHALL BE DEEMED DISBURSED NOTWITHSTANDING ANY FAILURE TO SATISFY ANY CONDITIONS FOR DISBURSEMENT OF ANY ADVANCE SET FORTH IN SECTION 3 HEREOF AND, TO THE EXTENT OF THE ADVANCES SO DISBURSED, THE REIMBURSEMENT OBLIGATION OF THE COMPANY OR THE APPLICABLE ACCOUNT PARTY UNDER THIS SECTION 3.6 SHALL BE DEEMED SATISFIED, PROVIDED THAT, WITH RESPECT TO ANY SUCH EUROCURRENCY-BASED ADVANCE DEEMED TO HAVE BEEN MADE HEREUNDER, COMPANY OR THE APPLICABLE PERMITTED BORROWER SHALL ALSO BE OBLIGATED TO PAY TO THE AGENT, FOR AGENT'S SOLE ACCOUNT, INTEREST ON THE AGGREGATE AMOUNT PAID BY THE AGENT UNDER THE APPLICABLE DRAFT OR OTHER DEMAND FOR PAYMENT AT AGENT'S AGGREGATE MARGINAL COST (INCLUDING THE COST OF MAINTAINING ANY REQUIRED RESERVES OR DEPOSIT INSURANCE AND OF ANY FEES, PENALTIES, OVERDRAFT CHARGES OR OTHER COSTS OR EXPENSES INCURRED BY AGENT AS A RESULT OF SUCH FAILURE TO DELIVER FUNDS HEREUNDER) OF CARRYING SUCH AMOUNT PLUS THE APPLICABLE MARGIN THEN IN EFFECT FOR EUROCURRENCY-BASED ADVANCES, FROM THE DATE OF AGENT'S PAYMENT PURSUANT TO ANY LETTER OF CREDIT TO THE DATE OF THE COMMENCEMENT OF THE INTEREST PERIOD FOR THE APPLICABLE EUROCURRENCY-BASED ADVANCE DEEMED TO HAVE BEEN MADE, AS AFORESAID, SUCH INTEREST (THE "GAP INTEREST") TO BE DUE AND PAYABLE ON THE LAST DAY OF THE INITIAL INTEREST PERIOD ESTABLISHED FOR SUCH DEEMED ADVANCE.

(B) IF THE AGENT SHALL HONOR A DRAFT OR OTHER DEMAND FOR PAYMENT PRESENTED OR MADE UNDER ANY LETTER OF CREDIT, THE AGENT SHALL PROVIDE NOTICE THEREOF TO THE COMPANY AND THE APPLICABLE ACCOUNT PARTY ON THE DATE SUCH DRAFT OR DEMAND IS HONORED, AND TO EACH BANK ON SUCH DATE UNLESS THE COMPANY OR APPLICABLE ACCOUNT PARTY SHALL HAVE SATISFIED ITS REIMBURSEMENT OBLIGATION UNDER SECTION 3.6(A) HEREOF BY PAYMENT TO THE AGENT ON SUCH DATE. THE AGENT SHALL FURTHER USE REASONABLE EFFORTS TO PROVIDE NOTICE TO THE COMPANY AND THE APPLICABLE ACCOUNT PARTY PRIOR TO HONORING ANY SUCH DRAFT OR OTHER DEMAND FOR PAYMENT, BUT SUCH NOTICE, OR THE FAILURE TO PROVIDE SUCH NOTICE, SHALL NOT AFFECT THE RIGHTS OR OBLIGATIONS OF THE AGENT WITH RESPECT TO ANY LETTER OF CREDIT OR THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO, INCLUDING WITHOUT LIMITATION THE OBLIGATIONS OF THE COMPANY OR APPLICABLE ACCOUNT PARTY UNDER SECTION 3.6(A) HEREOF.

(C) UPON ISSUANCE BY THE AGENT OF EACH LETTER OF CREDIT HEREUNDER (EXCEPT IN RESPECT OF ANY LETTER OF CREDIT ISSUED AFTER AGENT HAS OBTAINED ACTUAL KNOWLEDGE THAT AN EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING), EACH BANK SHALL AUTOMATICALLY ACQUIRE A PRO RATA PARTICIPATION INTEREST IN SUCH LETTER OF CREDIT AND EACH RELATED LETTER OF CREDIT PAYMENT BASED ON ITS RESPECTIVE PERCENTAGE. EACH BANK, ON THE DATE A DRAFT OR DEMAND UNDER ANY LETTER OF CREDIT IS HONORED (OR THE NEXT SUCCEEDING BUSINESS DAY IF THE NOTICE REQUIRED TO BE GIVEN BY AGENT TO THE BANKS UNDER SECTION 3.6(B) HEREOF IS NOT GIVEN TO THE BANKS PRIOR TO 2:00 P.M. (DETROIT TIME) ON SUCH DATE OF DRAFT OR DEMAND) OR THREE (3) BUSINESS DAYS THEREAFTER IN RESPECT OF DRAWS OR DEMANDS UNDER LETTERS OF CREDIT ISSUED IN ANY ALTERNATIVE CURRENCY, SHALL MAKE ITS PERCENTAGE OF THE AMOUNT PAID BY THE AGENT, AND NOT REIMBURSED BY THE COMPANY OR APPLICABLE ACCOUNT PARTY ON SUCH DAY, AVAILABLE IN THE APPLICABLE PERMITTED CURRENCY AND IN IMMEDIATELY AVAILABLE FUNDS AT THE PRINCIPAL OFFICE OF THE AGENT FOR THE ACCOUNT OF THE AGENT. IF AND TO THE EXTENT SUCH BANK SHALL NOT HAVE MADE SUCH PRO RATA PORTION AVAILABLE TO THE AGENT, SUCH BANK, THE COMPANY AND THE APPLICABLE ACCOUNT PARTY SEVERALLY AGREE TO PAY TO THE AGENT FORTHWITH ON DEMAND SUCH AMOUNT TOGETHER WITH INTEREST THEREON, FOR EACH DAY FROM THE DATE SUCH AMOUNT WAS PAID BY THE AGENT UNTIL SUCH AMOUNT IS SO MADE AVAILABLE TO THE AGENT AT A PER ANNUM RATE EQUAL TO THE INTEREST RATE APPLICABLE DURING SUCH PERIOD TO THE RELATED ADVANCE DEEMED TO HAVE BEEN DISBURSED UNDER SECTION 3.6(A) IN RESPECT OF THE REIMBURSEMENT OBLIGATION OF THE COMPANY AND THE APPLICABLE ACCOUNT PARTY, AS SET FORTH IN SECTION 2.4(C)(I) OR 2.4(C)(II) HEREOF, AS THE CASE MAY BE. IF SUCH BANK SHALL PAY SUCH AMOUNT TO THE AGENT TOGETHER WITH SUCH INTEREST, SUCH AMOUNT SO PAID SHALL BE DEEMED TO CONSTITUTE AN ADVANCE BY SUCH BANK DISBURSED IN RESPECT OF THE REIMBURSEMENT OBLIGATION OF THE COMPANY OR APPLICABLE ACCOUNT PARTY UNDER SECTION 3.6(A) HEREOF FOR PURPOSES OF THIS AGREEMENT, EFFECTIVE AS OF THE DATES APPLICABLE UNDER SAID SECTION 3.6(A). THE FAILURE OF ANY BANK TO MAKE ITS PRO RATA PORTION OF ANY SUCH AMOUNT PAID BY THE AGENT AVAILABLE TO THE AGENT SHALL NOT RELIEVE ANY OTHER BANK OF ITS OBLIGATION TO MAKE AVAILABLE ITS PRO RATA PORTION OF SUCH AMOUNT, BUT NO BANK SHALL BE RESPONSIBLE FOR FAILURE OF ANY OTHER BANK TO MAKE SUCH PRO RATA PORTION AVAILABLE TO THE AGENT. FURTHERMORE, IN THE EVENT OF THE FAILURE BY COMPANY OR THE PERMITTED BORROWERS TO PAY THE GAP INTEREST REQUIRED UNDER THE PROVISO TO SECTION 3.6(A) HEREOF, EACH OF THE BANKS SHALL PAY TO AGENT, WITHIN ONE BUSINESS DAY FOLLOWING RECEIPT FROM AGENT OF WRITTEN REQUEST THEREFOR, ITS PRO RATA PORTION OF SAID GAP INTEREST, EXCLUDING ANY PORTION THEREOF ATTRIBUTABLE TO THE APPLICABLE MARGIN.

(D) NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO REQUIRE OR AUTHORIZE ANY BANK TO ISSUE ANY LETTER OF CREDIT, IT BEING RECOGNIZED THAT THE AGENT SHALL BE THE SOLE ISSUER OF LETTERS OF CREDIT UNDER THIS AGREEMENT.

3.7 OBLIGATIONS IRREVOCABLE. THE OBLIGATIONS OF COMPANY AND ANY ACCOUNT PARTY TO MAKE PAYMENTS TO AGENT OR THE BANKS WITH RESPECT TO LETTER OF CREDIT OBLIGATIONS UNDER SECTION 3.6 HEREOF, SHALL BE UNCONDITIONAL AND IRREVOCABLE AND NOT SUBJECT TO ANY QUALIFICATION OR EXCEPTION WHATSOEVER, INCLUDING, WITHOUT LIMITATION:

(A) ANY LACK OF VALIDITY OR ENFORCEABILITY OF ANY LETTER OF CREDIT OR ANY DOCUMENTATION RELATING TO ANY LETTER OF CREDIT OR TO ANY TRANSACTION RELATED IN ANY WAY TO ANY LETTER OF CREDIT (THE "LETTER OF CREDIT DOCUMENTS");

(B) ANY AMENDMENT, MODIFICATION, WAIVER, CONSENT, OR ANY SUBSTITUTION, EXCHANGE OR RELEASE OF OR FAILURE TO PERFECT ANY INTEREST IN COLLATERAL OR SECURITY, WITH RESPECT TO OR UNDER ANY OF THE LETTER OF CREDIT DOCUMENTS;

(C) THE EXISTENCE OF ANY CLAIM, SETOFF, DEFENSE OR OTHER RIGHT WHICH THE COMPANY OR ANY ACCOUNT PARTY MAY HAVE AT ANY TIME AGAINST ANY BENEFICIARY OR ANY TRANSFEREE OF ANY LETTER OF CREDIT (OR ANY PERSONS OR ENTITIES FOR WHOM ANY SUCH BENEFICIARY OR ANY SUCH TRANSFEREE MAY BE ACTING), THE AGENT OR ANY BANK OR ANY OTHER PERSON OR ENTITY, WHETHER IN CONNECTION WITH ANY OF THE LETTER OF CREDIT DOCUMENTS, THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN OR ANY UNRELATED TRANSACTIONS;

(D) ANY DRAFT OR OTHER STATEMENT OR DOCUMENT PRESENTED UNDER ANY LETTER OF CREDIT PROVING TO BE FORGED, FRAUDULENT, INVALID OR INSUFFICIENT IN ANY RESPECT OR ANY STATEMENT THEREIN BEING UNTRUE OR INACCURATE IN ANY RESPECT;

(E) PAYMENT BY THE AGENT TO THE BENEFICIARY UNDER ANY LETTER OF CREDIT AGAINST PRESENTATION OF DOCUMENTS WHICH DO NOT COMPLY WITH THE TERMS OF SUCH LETTER OF CREDIT, INCLUDING FAILURE OF ANY DOCUMENTS TO BEAR ANY REFERENCE OR ADEQUATE REFERENCE TO SUCH LETTER OF CREDIT;

(F) ANY FAILURE, OMISSION, DELAY OR LACK ON THE PART OF THE AGENT OR ANY BANK OR ANY PARTY TO ANY OF THE LETTER OF CREDIT DOCUMENTS TO ENFORCE, ASSERT OR EXERCISE ANY RIGHT, POWER OR REMEDY CONFERRED UPON THE AGENT, ANY BANK OR ANY SUCH PARTY UNDER THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS OR ANY OF THE LETTER OF CREDIT DOCUMENTS, OR ANY OTHER ACTS OR OMISSIONS ON THE PART OF THE AGENT, ANY BANK OR ANY SUCH PARTY; OR

(G) ANY OTHER EVENT OR CIRCUMSTANCE THAT WOULD, IN THE ABSENCE OF THIS SECTION 3.7, RESULT IN THE RELEASE OR DISCHARGE BY OPERATION OF LAW OR OTHERWISE OF COMPANY OR ANY ACCOUNT PARTY FROM THE PERFORMANCE OR OBSERVANCE OF ANY OBLIGATION, COVENANT OR AGREEMENT CONTAINED IN SECTION 3.6 HEREOF.

NO SETOFF, COUNTERCLAIM, REDUCTION OR DIMINUTION OF ANY OBLIGATION OR ANY DEFENSE OF ANY KIND OR NATURE WHICH COMPANY OR ANY ACCOUNT PARTY HAS OR MAY HAVE AGAINST THE BENEFICIARY OF ANY LETTER OF CREDIT SHALL BE AVAILABLE HEREUNDER TO COMPANY OR ANY ACCOUNT PARTY AGAINST THE AGENT OR ANY BANK. NOTHING CONTAINED IN THIS SECTION 3.7 SHALL BE DEEMED TO PREVENT COMPANY OR THE ACCOUNT PARTIES, AFTER SATISFACTION IN FULL OF THE ABSOLUTE AND UNCONDITIONAL OBLIGATIONS OF COMPANY AND THE ACCOUNT PARTIES HEREUNDER, FROM ASSERTING IN A SEPARATE ACTION ANY CLAIM, DEFENSE, SET OFF OR OTHER RIGHT WHICH THEY (OR ANY OF THEM) MAY HAVE AGAINST AGENT OR ANY BANK.

3.8 RISK UNDER LETTERS OF CREDIT. (A) IN THE ADMINISTRATION AND HANDLING OF LETTERS OF CREDIT AND ANY SECURITY THEREFOR, OR ANY DOCUMENTS OR INSTRUMENTS GIVEN IN CONNECTION THEREWITH, AGENT SHALL HAVE THE SOLE RIGHT TO TAKE OR REFRAIN FROM TAKING ANY AND ALL ACTIONS UNDER OR UPON THE LETTERS OF CREDIT.

(B) SUBJECT TO OTHER TERMS AND CONDITIONS OF THIS AGREEMENT, AGENT SHALL ISSUE THE LETTERS OF CREDIT AND SHALL HOLD THE DOCUMENTS RELATED THERETO IN ITS OWN NAME AND SHALL MAKE ALL COLLECTIONS THEREUNDER AND OTHERWISE ADMINISTER THE LETTERS OF CREDIT IN ACCORDANCE WITH AGENT'S REGULARLY ESTABLISHED PRACTICES AND PROCEDURES AND, EXCEPT PURSUANT TO SECTION 12.3 HEREOF, AGENT WILL HAVE NO FURTHER OBLIGATION WITH RESPECT THERETO. IN THE ADMINISTRATION OF LETTERS OF CREDIT, AGENT SHALL NOT BE LIABLE FOR ANY ACTION TAKEN OR OMITTED ON THE ADVICE OF COUNSEL, ACCOUNTANTS, APPRAISERS OR OTHER EXPERTS SELECTED BY AGENT WITH DUE CARE AND AGENT MAY RELY UPON ANY NOTICE, COMMUNICATION, CERTIFICATE OR OTHER STATEMENT FROM COMPANY, ANY ACCOUNT PARTY, BENEFICIARIES OF LETTERS OF CREDIT, OR ANY OTHER PERSON WHICH AGENT BELIEVES TO BE AUTHENTIC. AGENT WILL, UPON REQUEST, FURNISH THE BANKS WITH COPIES OF LETTER OF CREDIT AGREEMENTS, LETTERS OF CREDIT AND DOCUMENTS RELATED THERETO.

(C) IN CONNECTION WITH THE ISSUANCE AND ADMINISTRATION OF LETTERS OF CREDIT AND THE ASSIGNMENTS HEREUNDER, AGENT MAKES NO REPRESENTATION AND SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO (I) THE OBLIGATIONS OF COMPANY OR ANY ACCOUNT PARTY OR THE VALIDITY, SUFFICIENCY OR ENFORCEABILITY OF ANY DOCUMENT OR INSTRUMENT GIVEN IN CONNECTION THEREWITH, OR THE TAKING OF ANY ACTION WITH RESPECT TO SAME, (II) THE FINANCIAL CONDITION OF, ANY REPRESENTATIONS MADE BY, OR ANY ACT OR OMISSION OF, COMPANY, THE APPLICABLE ACCOUNT PARTY OR ANY OTHER PERSON, OR (III) ANY FAILURE OR DELAY IN EXERCISING ANY RIGHTS OR POWERS POSSESSED BY AGENT IN ITS CAPACITY AS ISSUER OF LETTERS OF CREDIT IN THE ABSENCE OF ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. EACH OF THE BANKS EXPRESSLY ACKNOWLEDGES THAT THEY HAVE MADE AND WILL CONTINUE TO MAKE THEIR OWN EVALUATIONS OF COMPANY'S AND THE ACCOUNT PARTIES' CREDITWORTHINESS WITHOUT RELIANCE ON ANY REPRESENTATION OF AGENT OR AGENT'S OFFICERS, AGENTS AND EMPLOYEES.

(D) IF AT ANY TIME AGENT SHALL RECOVER ANY PART OF ANY UNREIMBURSED AMOUNT FOR ANY DRAW OR OTHER DEMAND FOR PAYMENT UNDER A LETTER OF CREDIT, OR ANY INTEREST THEREON, AGENT SHALL RECEIVE SAME FOR THE PRO RATA BENEFIT OF THE BANKS IN ACCORDANCE WITH THEIR RESPECTIVE PERCENTAGES AND SHALL PROMPTLY DELIVER TO EACH BANK ITS SHARE THEREOF, LESS SUCH BANK'S PRO RATA SHARE OF THE COSTS OF SUCH RECOVERY, INCLUDING COURT COSTS AND ATTORNEY'S FEES. IF AT ANY TIME ANY BANK SHALL RECEIVE FROM ANY SOURCE WHATSOEVER ANY PAYMENT ON ANY SUCH UNREIMBURSED AMOUNT OR INTEREST THEREON IN EXCESS OF SUCH BANK'S PERCENTAGE OF SUCH PAYMENT, SUCH BANK WILL PROMPTLY PAY OVER SUCH EXCESS TO AGENT, FOR REDISTRIBUTION IN ACCORDANCE WITH THIS AGREEMENT.

3.9 INDEMNIFICATION. (A) THE COMPANY AND EACH ACCOUNT PARTY HEREBY INDEMNIFIES AND AGREES TO HOLD HARMLESS THE BANKS AND THE AGENT, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES OF ANY KIND OR NATURE WHATSOEVER WHICH THE BANKS OR THE AGENT OR ANY SUCH PERSON

MAY INCUR OR WHICH MAY BE CLAIMED AGAINST ANY OF THEM BY REASON OF OR IN CONNECTION WITH ANY LETTER OF CREDIT, AND NEITHER ANY BANK NOR THE AGENT OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS SHALL BE LIABLE OR RESPONSIBLE FOR: (I) THE USE WHICH MAY BE MADE OF ANY LETTER OF CREDIT OR FOR ANY ACTS OR OMISSIONS OF ANY BENEFICIARY IN CONNECTION THEREWITH; (II) THE VALIDITY, SUFFICIENCY OR GENUINENESS OF DOCUMENTS OR OF ANY ENDORSEMENT THEREON, EVEN IF SUCH DOCUMENTS SHOULD IN FACT PROVE TO BE IN ANY OR ALL RESPECTS INVALID, INSUFFICIENT, FRAUDULENT OR FORGED; (III) PAYMENT BY THE AGENT TO THE BENEFICIARY UNDER ANY LETTER OF CREDIT AGAINST PRESENTATION OF DOCUMENTS WHICH DO NOT COMPLY WITH THE TERMS OF ANY LETTER OF CREDIT (UNLESS SUCH PAYMENT RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE AGENT), INCLUDING FAILURE OF ANY DOCUMENTS TO BEAR ANY REFERENCE OR ADEQUATE REFERENCE TO SUCH LETTER OF CREDIT; (IV) ANY ERROR, OMISSION, INTERRUPTION OR DELAY IN TRANSMISSION, DISPATCH OR DELIVERY OF ANY MESSAGE OR ADVICE, HOWEVER TRANSMITTED, IN CONNECTION WITH ANY LETTER OF CREDIT; OR (V) ANY OTHER EVENT OR CIRCUMSTANCE WHATSOEVER ARISING IN CONNECTION WITH ANY LETTER OF CREDIT; PROVIDED, HOWEVER, THAT COMPANY AND ACCOUNT PARTIES SHALL NOT BE REQUIRED TO INDEMNIFY THE BANKS AND THE AGENT AND SUCH OTHER PERSONS, AND THE AGENT SHALL BE LIABLE TO THE COMPANY AND THE ACCOUNT PARTIES TO THE EXTENT, BUT ONLY TO THE EXTENT, OF ANY DIRECT, AS OPPOSED TO CONSEQUENTIAL OR INCIDENTAL, DAMAGES SUFFERED BY COMPANY AND THE ACCOUNT PARTIES WHICH WERE CAUSED BY THE AGENT'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR WRONGFUL DISHONOR OF ANY LETTER OF CREDIT AFTER THE PRESENTATION TO IT BY THE BENEFICIARY THEREUNDER OF A DRAFT OR OTHER DEMAND FOR PAYMENT AND OTHER DOCUMENTATION STRICTLY COMPLYING WITH THE TERMS AND CONDITIONS OF SUCH LETTER OF CREDIT.

(B) IT IS UNDERSTOOD THAT IN MAKING ANY PAYMENT UNDER A LETTER OF CREDIT THE AGENT WILL RELY ON DOCUMENTS PRESENTED TO IT UNDER SUCH LETTER OF CREDIT AS TO ANY AND ALL MATTERS SET FORTH THEREIN WITHOUT FURTHER INVESTIGATION AND REGARDLESS OF ANY NOTICE OR INFORMATION TO THE CONTRARY. IT IS FURTHER ACKNOWLEDGED AND AGREED THAT COMPANY OR AN ACCOUNT PARTY MAY HAVE RIGHTS AGAINST THE BENEFICIARY OR OTHERS IN CONNECTION WITH ANY LETTER OF CREDIT WITH RESPECT TO WHICH AGENT OR THE BANKS ARE ALLEGED TO BE LIABLE AND IT SHALL BE A CONDITION OF THE ASSERTION OF ANY LIABILITY OF AGENT OR THE BANKS UNDER THIS SECTION THAT COMPANY OR THE APPLICABLE ACCOUNT PARTY SHALL CONTEMPORANEOUSLY PURSUE ALL REMEDIES IN RESPECT OF THE ALLEGED LOSS AGAINST SUCH BENEFICIARY AND ANY OTHER PARTIES OBLIGATED OR LIABLE IN CONNECTION WITH SUCH LETTER OF CREDIT AND ANY RELATED TRANSACTIONS.

3.10 RIGHT OF REIMBURSEMENT. EACH BANK AGREES TO REIMBURSE THE AGENT ON DEMAND, PRO RATA IN ACCORDANCE WITH ITS RESPECTIVE PERCENTAGE, FOR (I) THE REASONABLE OUT-OF-POCKET COSTS AND EXPENSES OF THE AGENT TO BE REIMBURSED BY COMPANY OR ANY ACCOUNT PARTY PURSUANT TO ANY LETTER OF CREDIT AGREEMENT OR ANY LETTER OF CREDIT, TO THE EXTENT NOT REIMBURSED BY COMPANY OR ANY ACCOUNT PARTY AND (II) ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, FEES, REASONABLE OUT-OF-POCKET EXPENSES OR DISBURSEMENTS OF ANY KIND AND NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY OR ASSERTED AGAINST AGENT (IN ITS CAPACITY AS ISSUER OF ANY LETTER OF CREDIT) IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT, ANY LETTER OF CREDIT, ANY DOCUMENTATION OR ANY TRANSACTION RELATING THERETO, OR ANY LETTER OF CREDIT AGREEMENT, TO THE EXTENT NOT REIMBURSED BY COMPANY OR ANY ACCOUNT PARTY, EXCEPT TO THE EXTENT THAT SUCH LIABILITIES, LOSSES, COSTS OR EXPENSES WERE

INCURRED BY AGENT SOLELY AS A RESULT OF AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR BY THE AGENT'S WRONGFUL DISHONOR OF ANY LETTER OF CREDIT AFTER THE PRESENTATION TO IT BY THE BENEFICIARY THEREUNDER OF A DRAFT OR OTHER DEMAND FOR PAYMENT AND OTHER DOCUMENTATION STRICTLY COMPLYING WITH THE TERMS AND CONDITIONS OF SUCH LETTER OF CREDIT.

3.11 EXISTING LETTERS OF CREDIT. EACH EXISTING LETTER OF CREDIT SHALL BE DEEMED FOR ALL PURPOSES OF THIS AGREEMENT TO BE A LETTER OF CREDIT, AND EACH APPLICATION SUBMITTED IN CONNECTION WITH EACH EXISTING LETTER OF CREDIT SHALL BE DEEMED FOR ALL PURPOSES OF THIS AGREEMENT TO BE A LETTER OF CREDIT AGREEMENT. ON THE DATE OF EXECUTION OF THIS AGREEMENT, THE AGENT SHALL BE DEEMED AUTOMATICALLY TO HAVE SOLD AND TRANSFERRED, AND EACH OTHER BANK SHALL BE DEEMED AUTOMATICALLY, IRREVOCABLY, AND UNCONDITIONALLY TO HAVE PURCHASED AND RECEIVED FROM THE AGENT, WITHOUT RECOURSE OR WARRANTY, AN UNDIVIDED INTEREST AND PARTICIPATION (ON THE TERMS SET FORTH HEREIN), TO THE EXTENT OF SUCH OTHER BANK'S PERCENTAGE, IN EACH EXISTING LETTER OF CREDIT AND THE APPLICABLE REIMBURSEMENT OBLIGATIONS WITH RESPECT THERETO AND ANY SECURITY THEREFOR OR GUARANTY PERTAINING THERETO. LETTER OF CREDIT FEES PAID UNDER THE PRIOR CREDIT AGREEMENT SHALL NOT BE RECALCULATED, REDISTRIBUTED OR REALLOCATED BY AGENT TO THE BANKS; PROVIDED THAT THE COMPANY SHALL PAY TO ANY NEW BANKS BECOMING PARTIES HERETO ON THE EFFECTIVE DATE (OR ANY EXISTING BANK INCREASING ITS PERCENTAGE ON SUCH DATE) A SPECIAL LETTER OF CREDIT FEE ON THE EXISTING LETTERS OF CREDIT, CALCULATED ON THE BASIS OF THE LETTER OF CREDIT FEES WHICH WOULD BE APPLICABLE TO SUCH EXISTING LETTERS OF CREDIT IF ISSUED ON THE DATE HEREOF (BUT IN THE CASE OF ANY EXISTING BANK, COMPUTED ONLY TO THE EXTENT OF THE APPLICABLE INCREASE IN ITS PERCENTAGE) for the period from the Effective Date to the expiration date of such Existing Letters of Credit.

4. TERM LOAN

4.1 Term Loan. Company shall be entitled, effective on the Revolving Credit Maturity Date (subject to the terms hereof), to elect to convert the principal balance outstanding in Dollars from the Company under the Revolving Credit on such date (the "Term Loan Conversion Date") to the Term Loan; provided, however, that (w) Company provides written notice of its term out election hereunder to Agent and each of the Banks at least ten (10) days prior to the Term Loan Conversion Date and no request for extension of the Revolving Credit Maturity Date is then in effect, (x) no Default or Event of Default has occurred and is continuing on the date of election and on the Term Loan Conversion Date (y) the Company ratifies and confirms its representation under Section 6.15 of this Agreement as of the Term Loan Conversion Date, notwithstanding the limitation contained in Section 6.15, and (z) Company pays to Agent, for distribution to the Agent and to the Banks based on their respective Percentages, (i) all accrued interest and Fees through the Term Loan Conversion Date and (ii) a conversion fee of fifty (50) basis points on the amount so converted. All of the Advances of the Term Loan hereunder shall be evidenced by Term Notes made by Company to each of the Banks in the form attached hereto as Exhibit B, subject to the terms and conditions of this Agreement.

4.2 Repayment of Principal. The Term Loan shall be repaid in equal quarterly installments, commencing on the first day of the calendar quarter next succeeding the calendar

quarter during which the initial Advance of the Term Loan is made, on the first day of each calendar quarter thereafter, in the amount of one-fourth (1/4) of the principal amount of the Term Loan on the Term Loan Conversion Date, provided that the entire balance of the Term Loan, plus all accrued interest and Fees, shall be due and payable in full on the Term Loan Maturity Date. There shall be no readvances or reborrowings of any repayments of the Term Loan.

4.3 Accrual of Interest and Maturity. The Term Notes, and all principal and interest outstanding thereunder, shall mature and become due and payable in full on the Term Loan Maturity Date, and each Advance of Indebtedness evidenced by the Term Notes from time to time outstanding hereunder shall, from and after the date of such Advance, bear interest at its Applicable Interest Rate. The amount and date of each Advance, its Applicable Interest Rate, its Interest Period, if any, and the amount and date of any repayment shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error; provided, however, that any failure by the Agent to record any such information shall not relieve the Company of its obligation to repay the outstanding principal amount of such Advance, all interest accrued thereon and any amount payable with respect thereto in accordance with the terms of this Agreement and the other Loan Documents.

4.4 Term Loan Rate Requests; Refundings and Conversions of Advances of Term Loans. The Applicable Interest Rate for the initial Advance of the Term Loan to the extent funded on the Effective Date shall be the Prime-based Rate. The Company may refund all or any portion of any Advance of the Term Loan as an Advance with a like Interest Period or convert each such Advance of Term Loan to an Advance with a different Interest Period, but only after delivery to Agent of a Term Loan Rate Request executed in connection with such Term Loan by an authorized officer of the Company and subject to the terms hereof and to the following:

(a) each such Term Loan Rate Request shall set forth the information required on the Term Loan Rate Request form attached hereto as Exhibit K with respect to such Term Loan, including without limitation:

(i) whether the Advance is a refunding or conversion of an outstanding Advance; and the proposed date of such refunding or conversion, which must be a Business Day; and

(ii) whether such Advance (or any portion thereof) is to be a Prime-based Advance or a Eurocurrency-based Advance, and, except in the case of a Prime-based Advance, the Interest Period(s) applicable thereto.

(b) each such Term Loan Rate Request shall be delivered to Agent by 12:00 p.m. (Detroit time) three (3) Business Days prior to the proposed date of Advance, except in the case of a Prime-based Advance, for which the Term Loan Rate Request must be delivered by 12:00 p.m. on the proposed date of Advance;

(c) the principal amount of such Advance of the applicable Term Loan plus the amount of any other Advance of such Term Loan to be then combined therewith having the same Applicable Interest Rate and Interest Period, if any, shall be (i) in the case of a Prime-based Advance

at least Two Million Five Hundred Thousand Dollars ($2,500,000), or the remaining principal balance outstanding under such Term Loan, whichever is less, and (ii) in the case of a Eurocurrency-based Advance at least Five Million Dollars ($5,000,000) or the remaining principal balance outstanding under such Term Loan, whichever is less, or in each case, a larger integral multiple of One Million Dollars ($1,000,000);

(d) no Advance shall have an Interest Period ending after the applicable Term Loan Maturity Date, and, notwithstanding any provision hereof to the contrary, the Company shall select Interest Periods (or the Prime-based Rate) for sufficient portions of such Term Loan such that the Company may make its required principal payments hereunder on a timely basis and otherwise in accordance with Section 4.5 below;

(e) upon completion of the Advance there shall be no more than three (3) Interest Periods in effect for Advances of the Term Loan; and

(f) a Term Loan Rate Request, once delivered to Agent, shall not be revocable by the Company.

Each selection of an Interest Period under this Section 4.4, and the amount and date of any repayment, shall be noted on Agent's records, which records will be conclusive evidence thereof, absent manifest error.

4.5 Failure to Refund or Convert. Subject to Section 11.5 and unless the Majority Banks shall have otherwise agreed, upon the expiration of any Interest Period applicable to any Eurocurrency-based Advance:

(a) if the Company has failed to timely select a new Interest Period to be applicable to such Eurocurrency Advance, it shall be deemed to have elected to convert such Eurocurrency-based Advance into a Prime-based Advance effective as of the expiration date of such Interest Period;

(b) on such day a Default or Event of Default shall exist, then subject to Sections 4.9 and 11.1 hereof, and notwithstanding the foregoing clause (a), at the election of the Majority Banks the outstanding principal amount of such Eurocurrency-based Advance shall be converted to a Prime-based Advance and the Agent shall promptly notify the Company of such action.

4.6 Prime-based Interest Payments. Interest on the unpaid balance of all Prime-based Advances of any Term Loan from time to time outstanding shall accrue until paid at a per annum interest rate equal to the Prime-based Rate, and shall be payable in immediately available funds monthly commencing on the first day of the calendar quarter next succeeding the calendar quarter during which the initial Advance of such Term Loan is made and on the first day of each calendar quarter thereafter. Interest accruing at the Prime-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be

given to any change in the interest rate resulting from a change in the Prime-based Rate on the date of such change in the Prime-based Rate.

4.7 Eurocurrency-based Interest Payments. Interest on each Eurocurrency-based Advance of a Term Loan having a related Eurocurrency-Interest Period of 3 months or less shall accrue at its Eurocurrency-based Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto. Interest shall be payable in immediately available funds on each Eurocurrency-based Advance of such Term Loan outstanding from time to time having a Eurocurrency-Interest Period of 6 months or longer, at intervals of 3 months after the first day of the applicable Interest Period, and shall also be payable on the last day of the Interest Period applicable thereto. Interest accruing at the Eurocurrency-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to, but not including, the last day thereof.

4.8 Interest Payments on Conversions. Notwithstanding anything to the contrary in Sections 4.6 and 4.7 all accrued and unpaid interest on any Advance refunded or converted pursuant to Section 4.4 hereof shall be due and payable in full on the date such Advance is refunded or converted.

4.9 Interest on Default. In the event and so long as any Event of Default shall exist, in the case of any Event of Default under Sections 9.1(a), 9.1(b) or 9.1(j), immediately upon the occurrence thereof, and in the case of all other Events of Default, upon notice from the Majority Banks, interest shall be payable daily on all Eurocurrency-based Advances of the Term Loans from time to time outstanding (and, subject to Section 2.9 hereof, all other monetary obligations of the Borrowers hereunder and under the other Loan Documents) at a per annum rate equal to the Applicable Interest Rate plus two percent (2%) for the remainder of the then existing Interest Period, if any, and at all other such times, with respect to Prime-based Advances from time to time outstanding, at a per annum rate equal to the Prime-based Rate plus two percent (2%).

4.10 Mandatory Reduction of Term Loan. If at any time and for any reason the aggregate outstanding principal balance of the Term Loan shall exceed the Borrowing Base Limitation then in effect, the Company shall immediately repay an amount of the Indebtedness equal to such excess. To the extent that, on the date any mandatory repayment of the Term Loan shall be required under this Section 4.10, the Indebtedness under the Term Loan is being carried, in whole or in part, at the Eurocurrency-based Rate and no Default or Event of Default has occurred and is continuing, the Company may, after prepaying any such Indebtedness then being carried at the Prime-based Rate, deposit the remaining amount of such mandatory prepayment in a cash collateral account to be held by the Agent, for and on behalf of the Banks (which shall be an interest-bearing account), on such terms and conditions as are reasonably acceptable to Agent and upon such deposit the obligation of the Company to make such mandatory prepayment shall be deemed satisfied. Subject to the terms and conditions of said cash collateral account, sums on deposit in said cash collateral account shall be applied (until exhausted) to reduce the principal balance of the Term Loan on the last day of each Interest Period attributable to the Eurocurrency-based Advances of the Term Loan, thereby avoiding breakage costs under Section 11.1 hereof.

5. CONDITIONS

The obligations of Banks to make Advances or loans pursuant to this Agreement are subject to the following conditions, provided however that Sections 5.1 through 5.8 below shall only apply to the initial Advances or loans hereunder:

5.1 Execution of Notes, this Agreement and the other Loan Documents. The Company (on or before the date hereof) and the Permitted Borrowers (prior to requesting any Advance hereunder), as applicable, shall have executed and delivered to the Agent for the account of each Bank, the Revolving Credit Notes, the Swing Line Notes (solely for the account of the Swing Line Bank), this Agreement (including all schedules, exhibits, certificates, opinions, financial statements and other documents to be delivered pursuant hereto), and amendments to the Collateral Documents (or new Collateral Documents), as required hereunder, and, as applicable, such Revolving Credit Notes, the Swing Line Notes, this Agreement and the other Loan Documents shall be in full force and effect.

5.2 Corporate Authority. Agent shall have received, with a counterpart thereof for each Bank: (i) certified copies of resolutions of the Board of Directors of the Company and each of the Permitted Borrowers evidencing approval of the form of this Agreement, the Notes and the other Loan Documents to which such Person is a party and authorizing the execution, delivery and performance thereof and the borrowing of Advances hereunder; (ii) (A) certified copies of the Company's and each of the Permitted Borrowers' articles of incorporation and bylaws or other constitutional documents certified as true and complete as of a recent date by the appropriate official of the jurisdiction of incorporation of each such entity (or, if unavailable in such jurisdiction, by a responsible officer of such entity); and (B) a certificate of good standing from the state of the Company's incorporation and from the applicable state of incorporation or other jurisdiction of incorporation of each of the Permitted Borrowers.

5.3 Representations and Warranties -- All Parties. The representations and warranties made by the Company, each of the Permitted Borrowers or any other party to any of the Loan Documents under this Agreement or any of the other Loan Documents (excluding the Agent and the Banks), and the representations and warranties of any of the foregoing which are contained in any certificate, document or financial or other statement furnished at any time hereunder or thereunder or in connection herewith or therewith shall have been true and correct in all material respects when made and shall be true and correct in all material respects on and as of the date of the making of the initial Advance hereunder.

5.4 Compliance with Certain Documents and Agreements. The Company and the Permitted Borrowers (and any of their respective Subsidiaries or Affiliates) shall have each performed and complied with all agreements and conditions contained in this Agreement, the other Loan Documents, or any agreement or other document executed hereunder or thereunder and required to be performed or complied with by each of them (as of the applicable date) and none of

such parties shall be in default in the performance or compliance with any of the terms or provisions hereof or thereof.

5.5 Company's Certificate and Opening Borrowing Base Certificate. The Agent shall have received, with a signed counterpart for each Bank, a certificate of a responsible senior officer of Company, dated the date of the making of the initial Advances hereunder, stating that the conditions set forth in this Section 5 have been fully satisfied, accompanied by a Borrowing Base Certificate dated as of the proposed Effective Date.

5.6 Payment of Agent's and Other Fees. Company shall have paid to the Lead Arranger any arranger's fee under any fee letter in effect as of the date hereof between Company and the Lead Arranger, to the Agent the Closing Fee (for distribution to the Banks hereunder), and to the Agent, the Agent's Fees and all costs and expenses required hereunder.

5.7 Holders of Senior Debt. The holders of the Senior Debt shall have consented, in writing, to the terms and conditions of this Agreement and the other Loan Documents (on a basis reasonably satisfactory to the Agent), or the Company shall have entered into such amendments to the Senior Debt Documents or shall have provided such additional Senior Debt Documents, in each case as required by such holders, all on terms reasonably satisfactory to the Banks.

5.8 Other Documents and Instruments. The Agent shall have received, with a photocopy for each Bank, such other instruments and documents as the Majority Banks may reasonably request in connection with the making of Advances hereunder, and all such instruments and documents shall be satisfactory in form and substance to the Majority Banks.

5.9 Continuing Conditions. The obligations of the Banks to make any of the Advances or loans under this Agreement, including but not limited to the initial Advances of the Revolving Credit, the Swing Line or the Term Loan hereunder, shall be subject to the following continuing conditions:

(a) No Default or Event of Default shall have occurred and be continuing as of the making of the proposed Advance (both before and after giving effect thereto);

(b) There shall have been no material adverse change in the condition (financial or otherwise), properties, business, results of operations of the Company or its Subsidiaries, taken as a whole, from December 31, 2000, except changes in the ordinary course of business, or any subsequent December 31st, if the Agent determines, with the concurrence of the Majority Banks, based on the Company's financial statements for such subsequent fiscal year that no material adverse change has occurred during such year, such determination being made solely for purposes of determining the applicable date under this paragraph to the date of the proposed Advance hereunder;

(c) The representations and warranties contained in this Agreement and the other Loan Documents are true and correct in all material respects as of the making of the applicable

Advance, except to the extent such representations and warranties are not, by their terms, continuing representations and warranties, but speak only as of a specific date; and

(d) All documents executed or submitted pursuant hereto shall be satisfactory in form and substance (consistent with the terms hereof) to Agent and its counsel and to each of the Banks; Agent and its counsel and each of the Banks and their respective counsel shall have received all information, and such counterpart originals or such certified or other copies of such materials, as Agent or its counsel and each of the Banks and their respective counsel may reasonably request; and all other legal matters relating to the transactions contemplated by this Agreement (including, without limitation, matters arising from time to time as a result of changes occurring with respect to any statutory, regulatory or decisional law applicable hereto) shall be satisfactory to counsel to Agent and counsel to each of the Banks.

6. REPRESENTATIONS AND WARRANTIES

Company and the Permitted Borrowers represent and warrant and such representations and warranties shall be deemed to be continuing representations and warranties during the entire life of this Agreement:

6.1 Corporate Authority. Each of the Company, the Subsidiaries and each of the Permitted Borrowers is a corporation, limited liability company or partnership duly organized and validly existing in good standing under the laws of the applicable jurisdiction of organization, charter or incorporation; each of the Company, the Subsidiaries and each of the Permitted Borrowers is duly qualified and authorized to do business as a corporation, limited liability company or partnership (or comparable foreign entity) in each jurisdiction where the character of its assets or the nature of its activities makes such qualification necessary, except where such failure to qualify and be authorized to do business will not have a Material Adverse Effect.

6.2 Due Authorization - Company. Execution, delivery and performance of this Agreement, the other Loan Documents, and any other documents and instruments required under or in connection with this Agreement, and the issuance of the Notes by and extensions of credit to the Company are within its corporate powers, have been duly authorized, are not in contravention of law or the terms of the Company's articles of incorporation or bylaws, and, except as have been previously obtained or as referred to in Section 6.16, below, do not require the consent or approval, material to the transactions contemplated by this Agreement, or the Loan Documents, of any governmental body, agency or authority.

6.3 Due Authorization -- Permitted Borrowers. Execution, delivery and performance of this Agreement, the Notes, the other Loan Documents, and any other documents and instruments required under or in connection with this Agreement by each of the Permitted Borrowers, and extensions of credit to the Permitted Borrowers, are (or will be, on the applicable date of delivery of such Loan Documents) within their respective corporate powers, have been (or will be, as aforesaid) duly authorized, are not (or will not be, as aforesaid) in contravention of law or the terms of articles of incorporation or bylaws or other organic documents of the parties thereto, as applicable, and,

except as have been previously obtained (or as referred to in Section 6.16, below), do not (or will not, as aforesaid) require the consent or approval, material to the transactions contemplated by this Agreement, or the other Loan Documents, of any governmental body, agency or authority.

6.4 Title to Property. Each of the Company, each of the Permitted Borrowers and each of the Subsidiaries has good and valid title to the property owned by it, which property (individually or in the aggregate) is material to the business or operations of the Company and its Subsidiaries, taken as a whole, excluding imperfections in title not material to the ownership, use and/or enjoyment of any such property.

6.5 Liens. There are no security interests in, Liens, mortgages or other encumbrances on and no financing statements on file with respect to any property of Company, any of the Permitted Borrowers or any of the Subsidiaries, except for those Liens permitted under Section 8.6 hereof.

6.6 Subsidiaries. As of the date of this Agreement, there are no directly or indirectly owned Subsidiaries of the Company, except for those Subsidiaries identified in Schedule 6.6, attached hereto.

6.7 Taxes. The Company and its Subsidiaries each has filed on or before their respective due dates, all federal, state and foreign tax returns which are required to be filed or has obtained extensions for filing such tax returns and is not delinquent in filing such returns in accordance with such extensions and has paid all taxes which have become due pursuant to those returns or pursuant to any assessments received by any such party, as the case may be, to the extent such taxes have become due, except to the extent (i) such tax payments are being actively contested in good faith by appropriate proceedings and with respect to which adequate provision has been made on the books of the Company or its Subsidiaries, as applicable, as may be required by GAAP, or (ii) disclosed on Schedule 6.7, attached hereto.

6.8 No Defaults. (a) There exists no default under the provisions of any instrument evidencing any permitted Debt of the Company or its Subsidiaries or connected with any of the permitted Liens, or of any agreement relating thereto, except where such default could not reasonably be expected to have a Material Adverse Effect and would not violate this Agreement or any of the other Loan Documents according to the terms thereof.

(b) The Company and the Permitted Borrowers are in compliance with the Borrowing Base Limitation.

6.9 Enforceability of Agreement and Loan Documents -- Company. This Agreement, the Notes, each of the other Loan Documents to which the Company is a party, and all other certificates, agreements and documents executed and delivered by Company under or in connection herewith or therewith have each been duly executed and delivered by duly authorized officers of the Company and constitute the valid and binding obligations of the Company, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditor's rights

generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law).

6.10 Enforceability of Domestic Guaranty -- Significant Domestic Subsidiaries. The Domestic Guaranty, and all other certificates, agreements and documents executed and delivered by each Significant Domestic Subsidiary under or in connection with this Agreement will, upon execution and delivery thereof, have each been duly executed and delivered by duly authorized officers of each such Significant Domestic Subsidiary and constitute the valid and binding obligations of each such Significant Domestic Subsidiary, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditor's rights generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law).

6.11 Enforceability of Loan Documents -- Permitted Borrowers. This Agreement, the Notes, each of the other Loan Documents to which any of the Permitted Borrowers is a party, and all certificates, documents and agreements executed in connection herewith or therewith by the Permitted Borrowers have each been duly executed and delivered by duly authorized officers of the applicable Permitted Borrower and constitute the valid and binding obligations of the Permitted Borrowers, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law).

6.12 Non-contravention -- Company. The execution, delivery and performance of this Agreement and the other Loan Documents and any other documents and instruments required under or in connection with this Agreement by the Company are not in contravention of the terms of any indenture, material agreement or material undertaking to which the Company is a party or by which it or its properties are bound or affected, except to the extent such terms have been waived or are not material to the transactions contemplated by this Agreement and the other Loan Documents or to the financial performance of the Company and its Subsidiaries, taken as a whole.

6.13 Non-contravention -- Significant Domestic Subsidiaries. The execution, delivery and performance of the Domestic Guaranty and any other documents and instruments required under or in connection with this Agreement by each Significant Domestic Subsidiary (upon execution and delivery thereof) will not be in contravention of the terms of any indenture, material agreement or material undertaking to which each such Significant Domestic Subsidiary is a party or by which it or its properties are bound or affected, except to the extent such terms have been waived or are not material to the transactions contemplated by this Agreement and the other Loan Documents or to the financial performance of the Company and its Subsidiaries, taken as a whole.

6.14 Non-contravention -- Permitted Borrowers. The execution, delivery and performance of this Agreement, those other Loan Documents signed by the Permitted Borrowers, and any other documents and instruments required under or in connection with this Agreement by the Permitted Borrowers are not in contravention of the terms of any indenture, material agreement or material

undertaking to which any of the Permitted Borrowers is a party or by which it or its properties are bound or affected, except to the extent such terms have been waived or are not material to the transaction contemplated by this Agreement and the other Loan Documents or to the financial performance of the Company and its Subsidiaries, taken as a whole.

6.15 No Litigation. Except as set forth in Schedule 6.15 annexed hereto, as of the Effective Date, no litigation or other proceeding before any court or administrative agency is pending, or to the knowledge of the officers of Company is threatened against Company or any Subsidiary, the outcome of which could reasonably be expected to have a Material Adverse Effect.

6.16 Consents, Approvals and Filings, Etc. Except as have been previously obtained no authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court, governmental agency or regulatory authority or any securities exchange or any other person or party (whether or not governmental) is required in connection with the execution, delivery and performance: (i) by the Company, of this Agreement, any of the other Loan Documents to which it is a party or any other documents or instruments to be executed and/or delivered by the Company in connection therewith or herewith; or (ii) by the Permitted Borrowers, of this Agreement, the other Loan Documents to which it is a party or any other documents or instruments to be executed and/or delivered by Permitted Borrowers in connection therewith or herewith. All such authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations which have previously been obtained or made, as the case may be, are in full force and effect and are not the subject of any attack, or to the knowledge of the Company, threatened attack (in any material respect) by appeal or direct proceeding or otherwise.

6.17 Agreements Affecting Financial Condition. Neither the Company, the Permitted Borrowers nor any of the Subsidiaries is party to any agreement or instrument or subject to any charter or other corporate restriction which materially adversely affects the financial condition or operations of the Company and its Subsidiaries, taken as a whole.

6.18 No Investment Company; No Margin Stock. None of the Company, any of the Permitted Borrowers, nor any of the Subsidiaries is engaged principally, or as one of its important activities, directly or indirectly, in the business of extending credit for the purpose of purchasing or carrying margin stock. None of the Letters of Credit and none of the proceeds of any of the Advances will be used by the Company, any of the Permitted Borrowers or any of the Subsidiaries to purchase or carry margin stock or will be made available by the Company, the Permitted Borrower or any of the Subsidiaries in any manner to any other Person to enable or assist such Person in purchasing or carrying margin stock. Terms for which meanings are provided in Regulation U of the Board of Governors of the Federal Reserve System or any regulations substituted therefor, as from time to time in effect, are used in this paragraph with such meanings. None of the Company, any of the Permitted Borrowers nor any of the Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

6.19 ERISA. Neither a Reportable Event which is material to the Company and its Subsidiaries taken as a whole nor an accumulated funding deficiency (as defined in Section 412 of the Internal Revenue Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Pension Plan. Each Pension Plan has complied and continues to comply in all material respects with the applicable provisions of ERISA and the Internal Revenue Code and any applicable regulations thereof (and, if applicable, any comparable foreign law provisions), except to the extent that any noncompliance, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No termination of a Single Employer Plan has occurred, and no lien in favor of the PBGC or a Pension Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan maintained by the Company or any ERISA Affiliate did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits. Neither the Company nor any ERISA Affiliate has had a complete or partial withdrawal from any Multiemployer Plan within the five year period prior to the date of this Agreement, nor does the Company or any ERISA Affiliate presently intend to completely or partially withdraw from any Multiemployer Plan, and neither the Company nor any ERISA Affiliate would become subject to fines, penalties or any other liability under ERISA if the Company or any ERISA Affiliate were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date of this Agreement. To the best of Company's knowledge, no such Multiemployer Plan is in bankruptcy or reorganization or insolvent. There is no pending or, to the best of Company's knowledge, threatened litigation or investigation questioning the form or operation of any Pension Plan, nor is there any basis for any such litigation or investigation which if adversely determined could reasonably be expected to have a Material Adverse Effect, as of the valuation date most closely preceding the date of this Agreement.

6.20 Environmental Matters and Safety Matters. (a) The Company and each Subsidiary is in compliance with all applicable federal, state, provincial and local laws, ordinances and regulations relating to safety and industrial hygiene or to the environmental condition, including without limitation all applicable Hazardous Materials Laws in jurisdictions in which the Company or any such Subsidiary owns or operates a facility or site, or arranges for disposal or treatment of hazardous substances, solid waste, or other wastes, accepts for transport any hazardous substances, solid wastes or other wastes or holds any interest in real property or otherwise, except for matters which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) All federal, state, provincial, local and foreign permits, licenses and authorizations required for present or (to the best of the Company's knowledge) past use of the facilities and other properties or activities of the Company and each Subsidiary have been obtained and are presently in effect, and there is and has been full compliance with all such permits, licenses or authorizations, except, in all cases, where the failure to comply with the foregoing could not reasonably be expected to have a Material Adverse Effect.

(c) No demand, claim, notice, suit (in law or equity), action, administrative action, investigation or inquiry (including, without limitation, the listing of any property by any domestic or foreign governmental entity which identifies sites for remedial, clean-up or investigatory action)

whether brought by any governmental authority, private person or entity or otherwise, arising under, relating to or in connection with any applicable Hazardous Materials Laws is pending or, to the best of the Company's knowledge, threatened against the Company or any of its Subsidiaries, any real property in which the Company or any such Subsidiary holds or, to the best of the Company's knowledge, has held an interest or any present or, to the best of the Company's knowledge, past operation of the Company or any such Subsidiary, except for such matters which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(d) Neither the Company nor any of its Subsidiaries, whether with respect to present or, to the best of the Company's knowledge, past operations or properties, (i) is, to the best of the Company's knowledge, the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic substances, radioactive materials, hazardous wastes or related materials into the environment, (ii) has received any notice of any toxic substances, radioactive materials, hazardous waste or related materials in or upon any of its properties in violation of any applicable Hazardous Materials Laws, or (iii) knows of any basis for any such investigation or notice, or for the existence of such a violation, except for such matters which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(e) No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring or has occurred on, under or to any real property in which the Company or any of its Subsidiaries holds any interest or performs any of its operations, in violation of any applicable Hazardous Materials Laws, except for any such matters which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.21 Accuracy of Information. Each of the Company's audited or unaudited financial statements previously furnished to Agent and the Banks by the Company prior to the date of this Agreement, is complete and correct in all material respects and fairly presents the financial condition of the Company and its Subsidiaries, taken as a whole, and the results of their operations for the periods covered thereby; any projections of operations for future years previously furnished by Company to Agent and the Banks have been prepared as the Company's good faith estimate of such future operations, taking into account all relevant facts and matters known to Company; since December 31, 2001 there has been no material adverse change in the financial condition of the Company or its Subsidiaries, taken as a whole, except changes in the ordinary course of business; neither the Company, nor any of its Subsidiaries has any contingent obligations (including any liability for taxes) not disclosed by or reserved against in the December 31, 2001 balance sheet which could reasonably be expected to have a Material Adverse Effect.

7. AFFIRMATIVE COVENANTS

Company and each of the Permitted Borrowers covenants and agrees that it will, and, as applicable, it will cause its Subsidiaries (but excluding, for purposes of Sections 7.3 through 7.8, 7.17 and 7.18 through 7.22 hereof, any Special Purpose Subsidiary) to, so long as any of the Banks

are committed to make any Advances under this Agreement and thereafter so long as any Indebtedness remains outstanding under this Agreement:

7.1 Preservation of Existence, Etc. Subject to the terms of this Agreement: (i) preserve and maintain its existence and such of its rights, licenses, and privileges as are material to the business and operations conducted by it; (ii) qualify and remain qualified to do business in each jurisdiction in which such qualification is material to its business and operations or ownership of its properties; (iii) continue to conduct and operate its businesses substantially as conducted and operated during the present and preceding fiscal years; (iv) at all times maintain, preserve and protect all of its franchises and trade names and preserve all the remainder of its property and keep the same in good repair, working order and condition; and (v) from time to time make, or cause to be made, all necessary or appropriate repairs, replacements, betterments and improvements thereto such that the businesses carried on in connection therewith may be properly and advantageously conducted at all times.

7.2 Keeping of Books. Keep proper books of record and account in which full and correct entries shall be made of all of its financial transactions and its assets and businesses so as to permit the presentation of financial statements prepared in accordance with GAAP.

7.3 Reporting Requirements. Furnish Agent with:

(a) as soon as possible, and in any event within three calendar days after becoming aware of the occurrence of each Default or Event of Default, a written statement of the chief financial officer of the Company (or in his absence, a responsible senior officer) setting forth details of such Default or Event of Default and the action which the Company or such Permitted Borrower has taken or has caused to be taken or proposes to take or cause to be taken with respect thereto;

(b) as soon as available, and in any event within one hundred twenty (120) days after and as of the end of each of Company's fiscal years, (i) a detailed Consolidated audit report of Company certified to by independent certified public accountants satisfactory to Banks together with an unaudited Consolidating report of Company and its Subsidiaries certified by an authorized officer of Company as to consistency (with prior financial reports and accounting periods), accuracy and fairness of presentation; and (ii) a Covenant Compliance Report;

(c) as soon as available, and in any event within sixty (60) days after and as of the end of each quarter, excluding the last quarter, of each fiscal year, (i) a Consolidated and Consolidating balance sheet, income statement and statement of cash flows of Company and its Subsidiaries certified by an authorized officer of Company as to consistency (with prior financial reports and accounting periods), accuracy and fairness of presentation; (ii) a Covenant Compliance Report and (iii) a "static pool analysis" substantially in the form of Exhibit L attached hereto and in any event satisfactory in form and substance to the Majority Banks, which analyzes the performance of Company's and each Permitted Borrower's Installment Contracts (segregated between the Company's North American operations and its UK operations) on a quarterly basis, and, a "static

pool analysis" substantially in the form of Exhibit L attached hereto and in any event and satisfactory in form and substance to the Majority Banks, which analyzes the performance of the Company's and each Permitted Borrower's Leases on a quarterly basis (segregated between the Company's North American operations and its UK operations), in each case certified by an authorized officer of the Company as to consistency with prior such analyses, accuracy and fairness of presentation;

(d) as soon as available, and in any event within twenty (20) Business Days after and as of the end of each quarter, including the last quarter, of each fiscal year, a Borrowing Base Certificate as of the end of such quarter, certified by an authorized officer of the Company as to accuracy and fairness of presentation;

(e) as soon as possible, and in any event within three (3) Business Days after becoming aware (i) of any material adverse change in the financial condition of the Company, any of its Subsidiaries or any of the Permitted Borrowers, a certificate of the chief financial officer of Company (or in his absence, a responsible senior officer) setting forth the details of such change, or (ii) of the taking by the Internal Revenue Service or any foreign taxing jurisdiction of a tax position (verbal or written) which could have a materially adverse effect upon the Company, any of its Subsidiaries or any of the Permitted Borrowers (or any such tax position taken by the Company or any of its Subsidiaries or any of the Permitted Borrowers) setting forth the details of such position and the financial impact thereof;

(f) as soon as available (and with copies for each of the Banks), the Company's 8-K, 10-Q and 10-K Reports filed with the federal Securities and Exchange Commission, and in any event, with respect to the 10-Q Report, within sixty (60) days of the end of each of the first three fiscal quarters of each of Company's fiscal years, and with respect to the 10-K Report, within one hundred twenty (120) days after and as of the end of each of Company's fiscal years; and as soon as available, copies of all filings, reports or other documents filed by the Company or any of its Subsidiaries with the federal Securities and Exchange Commission or other federal regulatory or taxing agencies or authorities in the United States, or comparable agencies or authorities in foreign jurisdictions, or any stock exchanges in such jurisdictions;

(g) promptly as issued (and with copies for each of the Banks), all press releases, notices to shareholders and all other material communications transmitted by the Company or any of its Subsidiaries; and, concurrently with each incurrence thereof written notice that new Future Debt has been incurred, accompanied by copies of the material documents governing such Debt and a certification that, both before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing and the Company is otherwise in compliance with this Agreement;

(h) from time to time at the request of Agent or any Bank, a copy of the standard form of Company's Dealer Agreement then in effect for the Company's operations in the United States of America, England and each other material jurisdiction, identifying any material changes from the form supplied to the Banks hereunder for the preceding year;

(i) on or before ninety (90) days after the commencement of each fiscal year, a Consolidated plan and financial projections and which shall reflect any Future Debt or Permitted Securitizations contemplated to be incurred or made for the succeeding two years of the Company and its Significant Subsidiaries including, without limitation, a Consolidated and Consolidating balance sheet and a Consolidated and Consolidating statement of projected income and cash flow of the Company for each of the succeeding two fiscal years and including a statement in reasonable detail specifying all material assumptions underlying the projections;

(j) promptly upon the request of Agent or the Majority Banks (acting through Agent) from time to time, a "static pool analysis" which analyzes the performance of any Installment Contracts or Leases transferred, encumbered, reallocated from the Non-Specified Interest to a Specified Interest or otherwise disposed of pursuant to a Permitted Securitization comparable to the static pool analysis required to be delivered pursuant to subparagraph (c) of this Section 7.3; and

(k) on an annual basis, a report as to the Company's Debt Rating, if then maintained by the Company, provided that the Company shall also promptly report any changes in such Debt Rating;

(l) promptly, and in form to be satisfactory to Agent and the requesting Bank or Banks, Borrowing Base Certificates and such other information as Agent or any of the Banks (acting through Agent) may reasonably request from time to time.

7.4 Maintain Asset Coverage Ratio. On a Consolidated basis, maintain at all times, Consolidated Net Assets at a level greater than or equal to Consolidated Funded Debt.

7.5 Maintain Total Liabilities Ratio Level. On a Consolidated basis, maintain as of the end of each fiscal quarter Consolidated Total Liabilities (including in the calculation thereof, for purposes of this Section 7.5, all Debt incurred by a Special Purpose Subsidiary, whether or not included therein under GAAP other than Debt represented by Intercompany Loans incurred by the English Special Purpose Subsidiary pursuant to the UK Restructuring) at a level equal to or less than One Hundred Seventy-Five Percent (175%) of the Company's Consolidated Tangible Net Worth.

7.6 Minimum Tangible Net Worth. On a Consolidated basis, maintain Consolidated Tangible Net Worth of not less than Two Hundred Twenty Million Dollars ($220,000,000.00), plus the sum of (i) eighty percent (80%) of Consolidated Net Income for each fiscal quarter of the Company (A) beginning on or after April 1, 2001, (B) ending on or before the applicable date of determination thereof, and (C) for which Consolidated Net Income as determined above is a positive amount and (ii) the Equity Offering Adjustment.

7.7 Maintain Fixed Charge Coverage Ratio. On a Consolidated basis, maintain as of the end of each fiscal quarter a Fixed Charge Coverage Ratio of not less than 2.25 to 1.0.

7.8 Inspections. Permit Agent and each Bank, through their authorized attorneys, accountants and representatives to examine (and make copies of) Company's and each of the

Subsidiaries' books, accounts, records, ledgers and assets and properties (including without limitation, any Collateral) of every kind and description including, without limitation, all promissory notes, security agreements, customer applications, vehicle title certificates, chattel paper, Uniform Commercial Code filings, wherever located at all reasonable times during normal business hours, upon oral or written request of Agent or such Bank; and permit Agent and each Bank or their authorized representatives, at reasonable times and intervals, to visit all of its offices, discuss its financial matters with its officers and independent certified public accountants, and by this provision Company authorizes such accountants to discuss the finances and affairs of Company and its Subsidiaries (provided that Company is given an opportunity to participate in such discussions) and examine any of its or their books and other corporate records. An examination of the records or properties of Company or any of its Subsidiaries may require revealment of proprietary and/or confidential data and information, and the Agent and each of the Banks agrees upon request of the inspected party to execute a confidentiality agreement (satisfactory to Agent or the inspecting Bank, as the case may be, and such party) on behalf of the Agent or such inspecting Bank and all parties making such inspections or examinations under its authorization; provided however that such confidentiality agreement shall not prohibit Agent from revealing such information to Banks or prohibit the inspecting Bank from revealing such information to Agent or another Bank. Notwithstanding the foregoing, all information furnished to the Banks hereunder shall be subject to the undertaking of the Banks set forth in Section 13.13 hereof.

7.9 Taxes. Pay and discharge all taxes and other governmental charges, and all material contractual obligations calling for the payment of money, before the same shall become overdue, unless and to the extent only that such payment is being contested in good faith by appropriate proceedings and is reserved for, as required by GAAP on its balance sheet, or where the failure to pay any such matter could not reasonably be expected to have a Material Adverse Effect.

7.10 Further Assurances. Execute and deliver or cause to be executed and delivered to Agent within a reasonable time following Agent's request, and at the Company's and the Permitted Borrowers' expense, such other documents or instruments as Agent may reasonably require to effectuate more fully the purposes of this Agreement or the other Loan Documents, including without limitation any Collateral Documents required under Section 7.20 hereof.

7.11 Insurance. Maintain, with financially sound and reputable insurers, insurance with respect to its material property and business against such casualties and contingencies, of such types (including, without limitation, insurance with respect to losses arising out of such property loss or damage, public liability, business interruption, larceny, workers' compensation, embezzlement or other criminal misappropriation) and in such amounts as is customary in the case of corporations of established reputations engaged in the same or similar business and similarly situated (and including such lender loss payee clauses and/or endorsements as Agent or the Majority Banks may request following the delivery of the Collateral Documents under Section 7.20 hereof), provided that such insurance is commercially available, it being understood that the Company and its Subsidiaries may self-insure against hazards and risks with respect to which, and in such amounts as, the Company in good faith determines to be prudent and consistent with sound financial and business practice.

7.12 Indemnification. With respect to the Company, indemnify and save Agent and each of the Banks harmless from all reasonable loss, cost, damage, liability or expenses, including reasonable attorneys' fees and disbursements, incurred by Agent and each of the Banks by reason of an Event of Default or enforcing the obligations of the Company or the Permitted Borrowers under this Agreement or the other Loan Documents, or in the prosecution or defense of any action or proceeding concerning any matter growing out of or connected with this Agreement or any of the other Loan Documents other than resulting from the gross negligence or willful misconduct of Agent or such Bank or Banks, as the case may be; and, with respect to each of the Permitted Borrowers, indemnify and save Agent and each of the Banks harmless from all reasonable loss, cost, damage, liability or expenses, including reasonable attorneys' fees and disbursements, incurred by Agent and each of the Banks with respect to such Permitted Borrower by reason of an Event of Default or enforcing the obligations of such Permitted Borrower under this Agreement or the other Loan Documents or in the prosecution or defense of any action or proceeding concerning any matter growing out of or connected with this Agreement or any of the other Loan Documents, other than resulting from the gross negligence or willful misconduct of Agent or such Bank or Banks, as the case may be.

7.13 Governmental and Other Approvals. Apply for, obtain and/or maintain in effect, as applicable, all material authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations (whether with any court, governmental agency, regulatory authority, securities exchange or otherwise) which are necessary in connection with the execution, delivery and performance of this Agreement, the other Loan Documents, or any other documents or instruments to be executed and/or delivered by the Company or any of the Permitted Borrowers or Guarantors, as the case may be, in connection therewith or herewith.

7.14 Compliance with Contractual Obligations and Laws.

(a) Comply in all material respects with all Contractual Obligations, and with all applicable laws, rules, regulations and orders of any governmental authority, whether federal, state, local or foreign (including without limitation Hazardous Materials Laws and any consumer protection, truth in lending, disclosure and other similar laws and regulations governing the provision of financing to consumers), in effect from time to time, except to the extent that failure to comply therewith could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Comply in all material respects with all applicable federal, state and/or foreign laws and regulations in effect from time to time governing the due and proper creation of installment sales contracts, motor vehicle leases or similar indebtedness or obligations and of the creation, perfection and/or protection, as applicable, of first priority security interests or lessor's interests in motor vehicles being financed and/or sold and/or leased pursuant thereto, as applicable.

7.15 ERISA. Comply in all material respects with all requirements imposed by ERISA as presently in effect or hereafter promulgated or the Internal Revenue Code (or comparable laws in applicable jurisdictions outside the United States of America relating to foreign Pension Plans) and promptly notify Banks upon the occurrence of any of the following events:

(a) the termination of any Pension Plan pursuant to Subtitle C of Title IV of ERISA or otherwise (other than any defined contribution plan not subject to Section 412 of the Internal Revenue Code and any Multiemployer Plan);

(b) the appointment of a trustee by a United States District Court to administer any Pension Plan pursuant to ERISA;

(c) the commencement by the PBGC, or any successor thereto, of any proceeding to terminate any Pension Plan;

(d) the failure of the Company or any ERISA Affiliate to make any payment in respect of any Pension Plan required under Section 412 of the Internal Revenue Code;

(e) the withdrawal of the Company or any ERISA Affiliate from any Multiemployer Plan;

(f) the occurrence of an accumulated funding deficiency (as defined in Section 6.18 hereof) or a Reportable Event; or

(g) the occurrence of a Prohibited Transaction which could reasonably be expected to have a Material Adverse Effect.

7.16 Environmental Matters.

(a) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on or affecting any premises owned or occupied by Company or any of its Subsidiaries, whether resulting from conduct of Company or any of its Subsidiaries or any other Person, if required by Hazardous Material Laws, all such actions to be taken in accordance with such laws, and the orders and directives of all applicable federal, state and local governmental authorities; and

(b) Defend, indemnify and hold harmless Agent and each of the Banks, and their respective employees, agents, officers and directors from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature arising out of or related to (i) the presence, disposal, release or threatened release of any Hazardous Materials on, from or affecting any premises owned or occupied by Company or any of its Subsidiaries, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit or other proceeding brought or threatened, settlement reached or governmental order or decree relating to such Hazardous Materials, (iv) the cost of removal of all Hazardous Materials from all or any portion of any premises owned by Company or its Subsidiaries, (v) the taking of necessary precautions to protect against the release of Hazardous Materials on or affecting any premises owned by Company or any of its Subsidiaries, (vi) complying with all Hazardous Material Laws and/or (vii) any violation

by Company or any of its Subsidiaries of Hazardous Material Laws, including without limitation, reasonable attorneys and consultants fees, investigation and laboratory fees, environmental studies required by Agent or any Bank (whether before or after the occurrence of any Default or Event of Default), court costs and litigation expenses; and, if so requested by Agent or any Bank, Company shall execute, and shall cause the Permitted Borrowers to execute, separate indemnities covering the foregoing matters. The obligations of Company and Permitted Borrowers under this Section 7.16 shall be in addition to any and all other obligations and liabilities the Company or any of the Permitted Borrowers may have to Agent or any of the Banks at common law or pursuant to any other agreement.

7.17 Installment Contract Standards. (a) Cause each Installment Contract relating to Advances to Dealers or encumbered by the Collateral Documents and each Lease purchased and/or entered into by or on behalf of Company or any Subsidiary included in Leased Vehicles or encumbered by the Collateral Documents to satisfy the following requirements:

(i) Such Installment Contract or Lease (and the interest of Company or its Subsidiaries thereunder) has not been sold, transferred or otherwise assigned or encumbered by the Company or its Subsidiaries to any Person, other than to the Lenders pursuant to the Collateral Documents;

(ii) The Installment Contract obligor or lessee under such Lease thereunder is not an Affiliate of the Company; and

(iii) Such Installment Contract or Lease is owned by Company or a Subsidiary, or Company or a Subsidiary has a valid first priority perfected security interest therein (provided that the failure of up to $2,500,000 in aggregate amount of such financial assets, valued according to GAAP, to satisfy the requirements of this clause (iii) shall not constitute a violation of this Section 7.17); and

(b) Exercise its best efforts to enforce the provisions of its Dealer Agreements relating to the eligibility criteria for Advances to Dealers and for Leases, including without limitation:

(i) it has not been rescinded and it is a valid, binding and enforceable obligation of the applicable Installment Contract obligor or lessee under such Lease;

(ii) it is enforceable against the applicable Installment Contract obligor or lessee under such Lease for the amount shown as owing in the contract and in any related records;

(iii) it complied at the time it was originated or made, and is currently in compliance in all respects, with all requirements of applicable federal, state and local laws, and regulations thereunder, including, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit

Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, Federal Reserve Board Regulations B, M and Z, state adaptations of the National Consumer Act and of the Uniform Consumer Credit Code and any other consumer credit or equal opportunity disclosure;

(iv) it is not subject to any material offset, credit, allowance or adjustment;

(v) the Company or a Subsidiary has a first and prior perfected security interest or ownership interest (subject only to the applicable Lease) (received directly or by assignment) in the financed or leased vehicle securing the performance of the applicable Installment Contract obligor or lessee under such Lease;

(vi) the financed vehicle has been delivered to the applicable Installment Contract obligor or lessee under such Lease and, on the date of delivery, satisfied all warranties, expressed or implied, made to such Installment Contract obligor or lessee under such Lease; and

(vii) the applicable Installment Contract obligor or lessee under such Lease owns or leases the motor vehicle free of all liens or encumbrances, except the security interest granted to Company or a Subsidiary or the lessor's interest held by Company or a Subsidiary (received in each case directly or by assignment) in the applicable Installment Contract or Lease.

7.18 Financial Covenant Amendments. In the event that, at any time while this Agreement is in effect, the Company shall issue any indebtedness for borrowed money which is not by its terms subordinate and junior to the Indebtedness hereunder and such indebtedness shall include, or be issued pursuant to a trust indenture or other agreement which includes, financial covenants which are not substantially identical to the financial covenants set forth in this Agreement, the Company shall so advise the Agent in writing. Such notice shall be accompanied by a copy of the applicable agreement containing such financial covenants. The Agent shall promptly furnish a copy of such notice and the applicable agreement to each of the Banks. If the Majority Banks determine in their sole discretion that some or all of the financial covenants set forth in such agreement are more favorable to the lender thereunder than the financial covenants set forth in this Agreement ("More Favorable Terms") and that the Majority Banks desire that this Agreement be amended to incorporate the More Favorable Terms, then the Agent shall give written notice of such determination to the Company. Thereupon, and in any event within thirty (30) days following the date of notice by Agent to the Company, Company and the Banks shall enter into an amendment to this Agreement incorporating, on terms and conditions acceptable to the Majority Banks, the More Favorable Terms.

7.19 Subsidiaries; Guaranties. With respect to each Person which becomes a Significant Subsidiary of the Company subsequent to the effective date hereof, within thirty (30) days of the date of Company's delivery of the financial statements required under Section 7.3(b) or 7.3(c) which establish that such Person is or has become a Significant Subsidiary (but in any event, in the case of a

Permitted Borrower, prior to the time such Permitted Borrower shall be entitled to request any Advances hereunder), cause such Subsidiary to execute and deliver to Agent, for and on behalf of each of the Banks, a Joinder Agreement whereby such Significant Subsidiary becomes obligated as a Guarantor under the Domestic Guaranty or the Foreign Guaranty, as applicable, together with such supporting documentation, including without limitation corporate authority items, certificates and opinions of counsel, as reasonably required by Agent, acting in its capacity as Collateral Agent, as aforesaid.

7.20 Subsidiaries; Security Documents. (a) Promptly upon the creation or acquisition of any Significant Domestic Subsidiary, (i) grant (or cause to be granted) a security interest and lien to the Agent, acting in its capacity as Collateral Agent under the Intercreditor Agreement, in the Collateral owned by such Significant Domestic Subsidiary substantially on the terms provided in the Security Agreement and (ii) pledge (or cause to be pledged) to the Agent, acting in its capacity as Collateral Agent under the Intercreditor Agreement, all of the outstanding capital Stock of such Significant Domestic Subsidiary which is owned by the Company or its Subsidiaries substantially on the terms provided in the Security Agreement, in each case, as security for the Indebtedness;

(b) promptly upon the creation or acquisition of any Significant Foreign Subsidiary owned directly by the Company or a Domestic Subsidiary subject to clause (c) of this Section 7.20), pledge to the Agent, acting in its capacity as Collateral Agent under the Intercreditor Agreement, sixty-five percent (65%) of the outstanding capital stock of such Significant Foreign Subsidiary (determined on the basis of the total combined voting power of all classes of stocks of such subsidiary) to the extent owned by Company or its Subsidiaries, in a form reasonably satisfactory to the Agent (acting in its capacity as Collateral Agent, as aforesaid), in each case as security for the Indebtedness;

(c) Within 90 days following the Effective Date, (i) pledge (or cause to be pledged) to the Agent, acting in its capacity as Collateral Agent under the Intercreditor Agreement, sixty-five percent (65%) of the outstanding capital stock of CAC Canada and CAC Ireland (determined on the basis of the total combined voting power of all classes of stock of such subsidiary), in a form reasonably satisfactory to the Agent (acting in its capacity as Collateral Agent, as aforesaid) and in each case as security for the Indebtedness and (ii) grant (or cause to be granted) a security interest, lien or charge to the Agent, acting in its capacity as Agent hereunder and not in its capacity as Collateral Agent under the Intercreditor Agreement, in the Collateral owned by CAC Canada and CAC Ireland substantially on the terms provided in the Security Agreement (to the extent reasonably practicable under local law) and, if not previously executed in connection with the UK Restructuring, cause the execution and delivery of the debentures referred to in clause (iii) of the definition of Collateral Documents, in each case in a form reasonably satisfactory to the Agent, as aforesaid, and as security for the Indebtedness of the Permitted Borrowers hereunder; and

(d) Within thirty days following Agent's request (given at the direction or with the concurrence of the Majority Banks) in the event of a material change in any Dealer Agreement (or any related document) which, in the reasonable discretion of Agent and the Majority Banks (supported by an opinion of counsel) adversely affects any Collateral Document or which

necessitates a change in any Collateral Document in order to provide Agent and the Banks with the full benefit thereof (and to extend such Collateral Documents to any additional property rights or interests resulting from any such change in a Dealer Agreement), enter into such amendments to the Collateral Documents so affected, on terms and conditions as reasonably required by the Agent, acting in its capacity as Collateral Agent, as aforesaid, or as Agent hereunder;

together in each case with such supporting documentation, including without limitation corporate authority items, certificates and opinions of counsel, as reasonably required by the Agent, acting in its capacity as Collateral Agent as aforesaid.

7.21 Foreign Subsidiaries Security. If, following a change in the relevant sections of the Internal Revenue Code or the regulations, rules, rulings, notices or other official pronouncements issued or promulgated thereunder, counsel for the Company and the Permitted Borrowers acceptable to the Agent does not within 90 days after a request from the Agent (given with the concurrence or at the direction of a Supermajority of the Banks) deliver evidence, in form and substance mutually satisfactory to the Agent and the Company, that, with respect to each Significant Foreign Subsidiary whose entire share capital, to the extent owned, directly or indirectly, by the Company has not been encumbered in favor of the Lenders (a) a pledge of 66-2/3 % or more of the total combined voting power of all classes of capital stock of such Foreign Subsidiary entitled to vote and (b) the entering into a guaranty in substantially the form of the Domestic Guaranty by such Significant Foreign Subsidiary, in either such case would cause the undistributed earnings of such Significant Foreign Subsidiary as determined for Federal income tax purposes to be treated as a deemed dividend to such Significant Foreign Subsidiary's United States parent for Federal income tax purposes, then in the case of a failure to deliver the evidence described in clause (a) above, that portion of such Significant Foreign Subsidiary's outstanding capital stock so issued by such Significant Foreign Subsidiary not theretofore pledged pursuant to the Collateral Documents hereunder shall be promptly pledged to the Agent for the benefit of the Lenders pursuant to the Security Agreement (or another pledge agreement in substantially similar form, if needed) and, in the case of failure to deliver the evidence described in clause (b) above, such Significant Foreign Subsidiary shall promptly execute and deliver the Domestic Guaranty (or another guaranty in substantially the same form, if needed), in each case to the extent that entering into a pledge agreement or such Guaranty is permitted under the laws of the respective foreign jurisdiction and all such documents (including supporting documentation comparable to that required under Sections 7.19 and 7.20 hereof) delivered pursuant to this Section 7.21 shall be satisfactory to the Majority Banks.

7.22 UK Restructuring. Cause each of CAC UK and the English Special Purpose Subsidiary before conducting the UK Restructuring, but, in any event within 90 days following the Effective Date, to grant a security interest, lien and charge to the Agent, for and on behalf of the Banks (and not in its capacity as Collateral Agent under the Intercreditor Agreement), in the Collateral described in clause (b) of the definition thereof, as security for all Indebtedness of CAC UK and the other Permitted Borrowers hereunder; and, before conducting the UK Restructuring, grant a perfected first priority security interest, lien and charge to the Agent, acting in its capacity as Collateral Agent under the Intercreditor Agreement, in the Collateral described in clause (f) of the definition of Collateral, as security for the Indebtedness and the Senior Debt, on substantially the

terms of the English Share Charge (subject to local law variations) and otherwise satisfactory in form and substance to the Agent, acting in its capacity as Collateral Agent under the Intercreditor Agreement, and to the Majority Benefited Parties, in their reasonable discretion, provided that, concurrently therewith, Collateral Agent shall have released and discharged (or caused to be released and discharged) the English Share Charge.

8. NEGATIVE COVENANTS

Company and each of the Permitted Borrowers covenant and agree that, so long as any of the Banks are committed to make any Advances under this Agreement and thereafter so long as any Indebtedness remains outstanding, it will not, and it will not allow its Subsidiaries (but excluding, for purposes of Sections 8.10, 8.13, 8.14 hereof, any Special Purpose Subsidiary), without the prior written consent of the Majority Banks, to:

8.1 Redemptions. Purchase, acquire or redeem any of its capital stock, except for a Permitted Repurchase.

8.2 Business Purposes. Engage in, or make any investment in any business engaged in, the provision of property and casualty insurance unless the Company or such Subsidiary shall maintain reinsurance of its underwriting risk with a third party(ies) rated "A-" or better by S&P or "A3" or better by Moody's for all of the Company's or such Subsidiary's exposure in excess of one hundred percent (100%) of the premiums written by the Company or such Subsidiary; or engage in any business if, after giving effect thereto, the general nature of the businesses of the Company and its Subsidiaries, taken as a whole, would no longer be the provision of financing programs for the purchase or lease of used motor vehicles, motor vehicle service protection programs, credit life, accident and health insurance programs and other programs related to the foregoing (it being understood that, in the course of the provision of such programs, the Company may be obligated to remit monies held by it in connection with dealer holdbacks, claims or refunds under insurance policies, or claims or refunds under service contracts, and to make deposits in trust or otherwise as required under reinsurance agreements or pursuant to state regulatory requirements); provided however that the Company and its Subsidiaries shall manage and operate such businesses in substantially the same manner that they are managed and operated as of the date hereof.

8.3 Mergers or Dispositions. Enter into any merger or consolidation, except for any Permitted Merger or Permitted Transfer under clause (iv) of the definition thereof, or sell, lease, transfer, relocate or dispose of all, substantially all, or any material part of its assets, except for Permitted Transfers and Permitted Securitization(s) and other transfers made pursuant to the UK Restructuring, provided that, both before and after giving effect thereto, no Default or Event of Default has occurred and is continuing.

8.4 Guaranties. Become or remain obligated under or in respect of a Guarantee Obligation, except by endorsement of cash items for deposit in the ordinary course of business and except for the Guaranties and the Permitted Guaranties.

8.5 Debt. Become or remain obligated for any indebtedness for borrowed money, or for any indebtedness incurred in connection with the acquisition of any property, real or personal, tangible or intangible, or for any other Debt, except for:

(a) Indebtedness to Banks hereunder;

(b) current unsecured trade, utility or non-extraordinary accounts payable arising in the ordinary course of Company's or any Subsidiary's businesses;

(c) the Senior Debt and Future Debt;

(d) Subordinated Debt, provided, however, that on the date any such Debt is incurred, clauses (a) and (c) of the Funding Conditions shall have been satisfied;

(e) Permitted CAC UK Debt and overdraft lines of credit which are unsecured or are secured solely by a guaranty and/or letter of credit provided by Company or similar credit arrangements maintained by the Permitted Borrowers in the ordinary course of business in the countries of their formation, in an amount not to exceed, in the case of CAC UK, (pound)4,000,000 and in the case of each of the other Permitted Borrowers, $3,000,000, or the equivalent thereof in an Alternative Currency;

(f) such other Debt set forth in Schedule 8.5 attached hereto, if any (in addition to any other matters set forth in this Section 8.5), and any renewals or refinancing of such indebtedness in amounts not exceeding the scheduled amounts (less any required amortization according to the terms thereof) on substantially the same terms and otherwise in compliance with this Agreement;

(g) (i) Intercompany Loans made pursuant to the UK Restructuring, (ii) Intercompany Loans by the Company to any Domestic Subsidiary or by any Domestic Subsidiary to the Company or another Domestic Subsidiary (excluding the Titling Subsidiary, any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition) made while no Default or Event of Default has occurred and is continuing (both before and after giving effect thereto), provided, however, that any such Intercompany Loan shall be evidenced by and funded under an Intercompany Note which shall be pledged (pursuant to the Security Agreement) to the Agent, in its capacity as Collateral Agent under the Intercreditor Agreement, as security for the Indebtedness, (iii) Intercompany Loans made to the Titling Subsidiary, subject to the limits set forth in Section 8.8(i) and provided, however, that any such Intercompany Loan shall be evidenced by and funded under an Intercompany Note which shall be pledged (pursuant to the Security Agreement) to the Agent, in its capacity as Collateral Agent under the Intercreditor Agreement, as security for the Indebtedness, (iv) Intercompany Loans by the Company or any Domestic Subsidiary to a Foreign Subsidiary (excluding any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition) made while no Default or Event of Default has occurred and is continuing (both before and after giving effect thereto), provided, however, that any such Intercompany Loan shall be evidenced by and funded under an Intercompany Note which shall be pledged (pursuant to the Security Agreement) to the Agent, in its capacity as Collateral Agent under

the Intercreditor Agreement, as security for the Indebtedness, and provided, further, that the amount of Intercompany Loans under this clause (iv), when included (without duplication) with Intercompany Loans, Advances and Investments permitted under clause (iii) of Section 8.8(d) hereof, complies with such Section and (v) Intercompany Loans (on a subordinated basis in relation to the Indebtedness on substantially the basis set forth in the form of Intercompany Note, attached hereto) by any Foreign Subsidiary to the Company or a Domestic Subsidiary excluding the Titling Subsidiary, any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition;

(h) non-recourse Debt incurred by a Special Purpose Subsidiary pursuant to a Permitted Securitization, whether or not attributable to the Company under GAAP;

(i) Debt arising under Hedging Agreements entered into by the Company and/or a Permitted Borrower (copies of which shall be provided to the Agent promptly following the execution thereof and Permitted Guaranties); and

(j) other Debt for borrowed money in an amount not to exceed in the aggregate for the Company and its Subsidiaries at any time outstanding, the sum of Five Million Dollars ($5,000,000) (or the Alternative Currency equivalent thereof), which Debt shall be unsecured except to the extent of any Lien permitted under Section 8.6(d) hereof.

8.6 Liens. Permit or suffer any Lien to exist on any of its properties, real, personal or mixed, tangible or intangible, whether now owned or hereafter acquired, except:

(a) in favor of Agent, as security for the Indebtedness and any Liens granted to the holders of Senior Debt and, to the extent applicable (and subject to the terms of this Agreement), Future Debt pursuant to Collateral Documents, on an equal and ratable basis with comparable Liens granted to Agent, for and on behalf of the Banks;

(b) purchase money mortgages or security interests in fixed assets to secure purchase money Debt for fixed assets (including capitalized leases or other non-cancelable leases having a term of twelve months or longer) not to exceed an aggregate amount, for the Company and its Subsidiaries, incurred while in compliance with this Agreement and the other Loan Documents, of Five Million Dollars ($5,000,000) (or the Alternative Currency equivalent thereof) at any one time outstanding, provided that each such security interest is created substantially contemporaneously with the acquisition of such fixed assets and does not extend to any property other than the fixed asset so financed, and any renewal or refinancing (subject to the foregoing) of such Debt;

(c) Permitted Liens and any Lien encumbering property interests, rights or proceeds which are the subject of a transfer or encumbrance pursuant to a Permitted Securitization; and

(d) Liens on the property of Company or any of its Subsidiaries other than Advances to Dealers, Leased Vehicles, Installment Contracts, Leases or financial assets or other

property related thereto, not otherwise permitted under subparagraphs (a) through (c) of this Section 8.6 if the obligations secured by such Liens do not exceed, in an aggregate amount from time to time outstanding, One Million Dollars ($1,000,000).

8.7 Acquisitions. Other than (i) any Permitted Acquisition, (ii) any transfer to the Company or any Subsidiary of any assets or business or ownership interests by Company or any Subsidiary otherwise permitted by this Agreement or (iii) any acquisition of any rights or property (including without limitation Specified Interests and Non-Specified Interests) pursuant to a Permitted Securitization or pursuant to the UK Restructuring, purchase or otherwise acquire or become obligated for the purchase of all or substantially all of the assets or business interests of any Person, firm or corporation, or any shares of stock (or other ownership interests) of any corporation, trusteeship or association, or any business or going concern, or in any other manner effectuate or attempt to effectuate an expansion of present business by acquisition.

8.8 Investments. Make or allow to remain outstanding any Investment in, or any loans or advances to, any Person, firm, corporation or other entity or association, other than:

(a) any loan or other advance by Company or a Subsidiary, as the case may be, to any and all of its officers or employees, as the case may be, in the normal course of business, so long as the aggregate of all such loans or advances by the Company and its Subsidiaries does not exceed Three Million Dollars ($3,000,000) (or the equivalent thereof in an Alternative Currency) at any time outstanding, plus reasonable, reimbursable business and travel expenses;

(b) Permitted Investments at any time outstanding or in effect;

(c) Investments in Company's Subsidiaries existing as of the date of this Agreement;

(d) (i) Intercompany Loans, Advances and Investments made pursuant to the UK Restructuring, (ii) Intercompany Loans, Advances and Investments to or in any Domestic Subsidiary (excluding the Titling Company, any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition), or any Person that concurrently with such Investment becomes a Domestic Subsidiary, made while no Default or Event of Default has occurred and is continuing, and (iii) Intercompany Loans, Advances and Investments from and after the date hereof to or in any Foreign Subsidiaries while no Default or Event of Default has occurred and is continuing (excluding any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition) or any Person that concurrently with such Investment becomes a Foreign Subsidiary (excluding any Special Purpose Subsidiary and any other Subsidiary excluded from the definition of Significant Subsidiary by the proviso at the end of such definition), in an aggregate amount for all such Intercompany Loans, Advances and Investments under this clause (iii) (expressly excluding those made pursuant to the UK Restructuring and Guarantee Obligations in favor of the Banks) at any time outstanding, not to exceed in the aggregate thirty percent (30%) of Company's Consolidated Tangible Net Worth;

(e) Floor Plan Receivables and Notes Receivable in the ordinary course of business;

(f) Advances to Dealers, Leased Vehicles and, subject to the limitation contained in subparagraph (e) of this Section 8.8, receivables arising from the sale or lease of goods and services by the Company or its Subsidiaries, in each case in the ordinary course of business of Company and its Subsidiaries;

(g) Permitted Acquisition(s) and Permitted Merger(s), to the extent any such acquisition or merger shall be deemed to constitute an Investment;

(h) Those Investments set forth on the attached Schedule 8.8;

(i) Intercompany Loans, Advances and Investments by the Company to or in the Titling Subsidiary, each such loan, advance or investment being (x) allocated to the Non-Specified Interest and made by Company in the ordinary course of conducting its leasing business through the Titling Subsidiary, including without limitation any advances or investments made by the Company (acting as administrative agent under the Titling Subsidiary Agreements) to or in the Titling Subsidiary to reacquire Leases and the related leased vehicles as may be required from time to time under the Administrative Agency Agreement, but only to the extent such Leases (and leased vehicles) are allocated to the Non-Specified Interest immediately prior to the making of the related loan, advance or investment or (y) allocated to a Specified Interest and made pursuant to a Permitted Guaranty under clauses (iii)(B), (C) or (D) of the definition thereof;

(j) Investments in any Subsidiary (including, without limitation, any Special Purpose Subsidiary) from and after the date hereof, consisting of (w) dispositions of specific Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles) made pursuant to a Permitted Securitization and the resultant Debt issued by a Special Purpose Subsidiary to another Subsidiary as part of a Permitted Securitization, in each case to the extent constituting Investments hereunder; (x) advances by Company (as servicer or administrative agent) which are permitted under the definition of Permitted Guaranties; (y) the repurchase or replacement from and after the date hereof of an aggregate amount not to exceed $5,000,000 in Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles) subsequently determined not to satisfy the eligibility standards contained in the applicable Securitization Documents relating to a Permitted Securitization or otherwise required to be repurchased by the applicable Securitization Documents entered into in compliance with the terms of this Agreement, so long as (i) such replacement is accompanied by the repurchase of or release of encumbrances on such financial assets previously transferred or encumbered pursuant to such securitization and in the amount thereof, (ii) any replacement Advances to Dealers, Leased Vehicles, Installment Contracts (whether assigned outright or related to Advances to Dealers) or Leases (whether assigned outright or related to Leased Vehicles) are selected by Company according to the requirements set forth in clause (a) of the definition of Permitted Securitization and (iii) such replacements are made at a time when (both

before and after giving effect thereto) no Default or Event of Default has occurred and is continuing; (z) amounts required to fund any Cleanup Call under the terms of such Permitted Securitization, and (zz) the disposition to the Company or any Subsidiary (other than a Special Purpose Subsidiary) of the capital stock of any Special Purpose Subsidiary; and

(k) Investments, other than those set forth in subparagraphs (a) through (j) above, in an aggregate amount at any time outstanding not to exceed Five Million Dollars ($5,000,000), or the equivalent thereof in an Alternative Currency.

In valuing any Investments for the purpose of applying the limitations set forth in this Section 8.8 (except as otherwise expressly provided herein), such Investment shall be taken at the original cost thereof, without allowance for any subsequent write-offs or appreciation or depreciation, but less any amount repaid or recovered on account of capital or principal.

8.9 Accounts Receivable and Other Financial Assets. Except (i) to Agent, in its capacity as Agent for and on behalf of the Banks or in its capacity as Collateral Agent under the Intercreditor Agreement or (ii) pursuant to a Permitted Transfer or pursuant to or (iii) in connection with a Permitted Securitization or (iv) pursuant to the UK Restructuring, sell, transfer, or assign or reallocate from the Non-Specified Interest to a Specified Interest any account, note, trade acceptance receivable, lease or other financial asset, unless such sale, transfer, assignment or reallocation has been made in the ordinary course of business or, if not in the ordinary course of business, the sum of (x) the face value of the accounts, notes or trade acceptance receivables, leases or other financial assets proposed to be transferred, plus (y) the face value of the accounts, notes or trade acceptance receivables, leases or other financial assets transferred by the Company and its Subsidiaries, excluding the face value of accounts, notes or trade acceptance receivables, leases and other financial assets transferred pursuant to clauses (i), (ii), (iii) and (iv) above, since June 30th of the preceding calendar year, does not exceed Fifteen Million Dollars ($15,000,000) or the equivalent thereof in any Alternative Currency; provided, however, that in the case of all sales, transfers, assignments or reallocations permitted under this Section 8.9, no Default or Event of Default shall have occurred and be continuing (both before and after giving effect thereto) and BOTH BEFORE AND AFTER GIVING EFFECT TO SUCH DISPOSITION (AND TAKING INTO ACCOUNT ANY REDUCTION IN THE INDEBTEDNESS WITH THE PROCEEDS OF SUCH DISPOSITION AS REQUIRED HEREUNDER), THE COMPANY SHALL BE IN COMPLIANCE WITH THE BORROWING BASE LIMITATION, AS CONFIRMED BY A BORROWING BASE CERTIFICATE (AND ANY SUPPORTING INFORMATION REASONABLY REQUIRED BY THE AGENT) SUBMITTED BY THE COMPANY NOT LESS THAN FIVE (5) BUSINESS DAYS PRIOR TO THE DATE OF SUCH DISPOSITION, AND DATED AS OF THE PROPOSED DATE OF SUCH DISPOSITION, AND BY AN UPDATED BORROWING BASE CERTIFICATE (TO BE PROVIDED WITHIN 10 BUSINESS DAYS OF THE DATE OF SUCH DISPOSITION).

8.10 Transactions with Affiliates. Enter into any transaction with any of its stockholders or officers or its Affiliates (including without limitation affiliated Dealers), except in the ordinary course of business and on terms not materially less favorable than would be usual and customary in similar transactions between Persons dealing at arm's length.

8.11 No Further Negative Pledges. Enter into or become subject to any agreement (other than loan documents evidencing or otherwise related to the Senior Debt, the Future Debt, the

Permitted CAC UK Debt, or unsecured overdraft lines of credit or similar credit arrangements maintained by the Subsidiaries in the ordinary course of business (but limited to the applicable Subsidiary or the property and assets of the applicable Subsidiary)or any purchase money Debt permitted under this Agreement or the other Loan Documents, but only to the extent of the property acquired with the proceeds of such purchase money Debt, and other than pursuant to any of the Securitization Documents, but only to the extent of the Advances to Dealers, Leased Vehicles, Installment Contracts or Leases or Specified Interests, and the other rights and property transferred or encumbered or otherwise disposed of in connection with the Permitted Securitization covered by such Securitization Documents) (i) prohibiting the guaranteeing by the Company or any Subsidiary of any obligations, (ii) prohibiting the creation or assumption of any lien or encumbrance upon the properties or assets of the Company or any Subsidiary, whether now owned or hereafter acquired, or (iii) requiring an obligation to become secured (or further secured) if another obligation is secured or further secured.

8.12 Prepayment of Debts. Except for Permitted Prepayments and for prepayments of Intercompany Loans made pursuant to the UK Restructuring or in accordance with the form of Intercompany Note, attached hereto, prepay, purchase, redeem or defease any Debt for money borrowed, excluding, subject to the terms hereof, the Indebtedness, and excluding paydowns from time to time of permitted working capital facilities or other revolving debt and mandatory payments, prepayments or redemptions for which Company or any Subsidiary is obligated as of the date hereof or, with respect only to the Senior Debt or for any Future Debt, for which Company or any Subsidiary becomes obligated after the date hereof or, with respect only to Permitted Securitizations, any payment pursuant to a Cleanup Call.

8.13 Amendment of Senior Debt or Future Debt Documents. Except with the prior written approval of Agent and the Majority Banks, amend, modify or otherwise alter (or suffer to be amended, modified or altered) or waive (or permit to be waived) in any material respect, any documents or instruments evidencing or otherwise related to Senior Debt or Future Debt so as to shorten the original maturity date or amortization schedule thereof, or amend, modify or otherwise alter (or suffer to be amended, modified or altered) any documents or instruments evidencing or otherwise related to Senior Debt or Future Debt to include (or enter into any Future Debt Documents which include) any covenants or other provisions, other than a provision not more onerous to the Company than Section 6.18 of the note purchase agreements governing the Senior Debt as in effect on the date hereof, that require, for the amendment of any term or provision of this Agreement, or the waiver of any term or provision hereof, the approval or consent of any other creditor of the Company; provided, however, that, solely for purposes of this Section 8.13, any Bank which fails, within fifteen (15) Business Days of receipt of a written notice from Company of its intent to make such amendment, modification or alteration (or waiver) in respect of the Senior Debt or Future Debt, as the case may be (accompanied by a summary, in reasonable detail, of the proposed terms and conditions thereof, captioned "notice of intent to amend Senior Debt or Future Debt" and stating that approval is deemed to be given if an objection is not made within fifteen (15) Business Days of receipt of such notice), to object in writing to such action shall be deemed to have given its approval of such amendment, modification, alteration or waiver.

8.14 Amendment of Subordinated Debt Documents. Amend, modify or otherwise alter (or suffer to be amended, modified or altered) any of the material terms and conditions of those documents or instruments evidencing or otherwise related to Subordinated Debt (once approved by the requisite Banks) or waive (or permit to be waived) any such provision thereof in any material respect, without the prior written approval of Agent and the Majority Banks. For purposes of those documents and instruments evidencing or otherwise related to the Subordinated Debt, any increase in the original interest rate or principal amount, any shortening of the original amortization, any change in any default, remedial or other repayment terms, any change in or waiver of conditions contained therein which are required under or necessary for compliance with this Agreement or the other Loan Documents or any change in the subordination provisions contained therein, shall (without reducing the scope of this Section 8.14) be deemed to be material.

8.15 Limitation on Dividends. Declare, make or otherwise set apart, directly or indirectly, any funds or other property for, or incur any liability to make any dividend or other distribution, direct or indirect and whether payable in cash or property, on account of any capital stock or other equity interest of the Company or any of its Subsidiaries, except to the extent that any such dividend or distribution (i) is payable to the Company or any of its Subsidiaries or (ii) is payable solely in capital stock or other equity interests of the Company or any such Subsidiary (other than any Special Purpose Subsidiary), unless, at the time of such action (and giving effect thereto) no Default or Event of Default has occurred and is continuing.

8.16 Securitization Transaction; Amendments to Securitization Documents. Engage in a Securitization Transaction, other than a Permitted Securitization and, except in connection with a Permitted Securitization, allocate or reallocate Leases, Leased Vehicles or other financial assets to a Specified Interest, and once executed and delivered pursuant to a Permitted Securitization, amend, modify or otherwise alter any of the material terms and conditions of any Securitization Documents or waive (or permit to be waived) any such provision thereof in any material respect, adverse to the Company or any Subsidiary, without the prior written approval of Agent and the Majority Banks. For purposes of such documents and instruments, "material" and "materially" shall be deemed to relate solely to recourse, Cleanup Calls or any change in or waiver of conditions contained therein which are required under or necessary for compliance with this Agreement. For purposes of the Securitization Documents, the "material terms and conditions" thereof shall be deemed solely those terms or conditions with respect to servicer fees, servicer expenses, defaults, events of default, recourse to the Company or any Subsidiary (other than a Special Purpose Subsidiary), Cleanup Calls or conditions contained therein which are required under or necessary for compliance with this Agreement.

8.17 Amendments to Titling Subsidiary Agreements. Amend, modify or otherwise alter (or suffer to be amended, modified or altered) in any material respect adverse to the Banks, any of the Titling Subsidiary Agreements or any other documents or instruments relating to the establishment or operation of the Titling Subsidiary. For purposes of such documents or instruments, any amendments to or changes in the provisions relating to the creation or transfer of Specified Interests and the allocation or reallocation of financial assets or other property thereto, and any amendment, modification, resignation or removal whereby the Company shall cease to be the founding member

of or otherwise cease to control the Titling Subsidiary or cease to be the administrative agent under the Administrative Agency Agreement shall (without reducing the scope of this Section 8.13) be deemed to be materially adverse to the Banks.

9. DEFAULTS

9.1 Events of Default. Any of the following events is an "Event of Default":

(a) non-payment of the principal or interest, when due, under any of the Notes issued hereunder, or of any Letter of Credit Obligation in accordance with the terms thereof;

(b) Default in the payment of any money by Company or the Permitted Borrowers under this Agreement (other than as set forth in subsection (a), above), within three (3) days of the date the same is due and payable;

(c) default in the observance or performance of any of the other conditions, covenants or agreements set forth in this Agreement or any of the other Loan Documents by any party thereto (provided that, with respect to the covenants set forth in Sections 7.9, 7.11, 7.14, 7.15 and 7.16(a) hereof, such event has continued for thirty (30) consecutive days) or the occurrence of any other default or event of default, as the case may be, hereunder or thereunder;

(d) any representation or warranty made or deemed made by Company or a Permitted Borrower herein or in any instrument submitted pursuant hereto or by any other party to the Loan Documents proves untrue in any material adverse respect when made or deemed made;

(e) any provision of the Company Guaranty, the Domestic Guaranty or the Foreign Guaranty or any of the Collateral Documents shall at any time for any reason (other than in accordance with its terms or the terms of this Agreement) cease to be valid and binding and enforceable against the Company, or any Significant Subsidiary which is a party thereto, as applicable, or the validity, binding effect or enforceability thereof shall be contested by any Person, or the Company, or any Significant Subsidiary which is a party thereto shall deny that it has any or further liability or obligation under the Company Guaranty, the Domestic Guaranty or the Foreign Guaranty OR ANY OF THE COLLATERAL DOCUMENTS, AS APPLICABLE, OR THE COMPANY GUARANTY, THE DOMESTIC GUARANTY OR THE FOREIGN GUARANTY OR ANY OF THE COLLATERAL DOCUMENTS shall be terminated, invalidated, revoked or set aside or in any way cease to give or provide to the Banks and the Agent the benefits purported to be created thereby;

(f) default in the payment of any other obligation of Company, its Subsidiaries or any of the Permitted Borrowers for borrowed money in an aggregate amount in excess of Five Million Dollars ($5,000,000), or the equivalent thereof in an Alternative Currency; or default in the observance or performance of any conditions, covenants or agreements related or given with respect to any other obligations for borrowed money in an aggregate amount in excess of Five Million Dollars ($5,000,000), or the equivalent thereof in an Alternative Currency, sufficient to permit the holder thereof to accelerate the maturity of such obligation or, with respect to the Securitization

Documents, (i) the occurrence (beyond any applicable period of grace or cure) of any "servicer event of default" thereunder or (ii) the occurrence of any other default (beyond any applicable period of grace or cure) by Company or any of its Subsidiaries, including any Special Purpose Subsidiary, under the Securitization Documents, which can be reasonably expected to result in recourse liability against the Company or any of its Subsidiaries (other than a Special Purpose Subsidiary) in an aggregate amount exceeding $5,000,000 or, with respect to the Administrative Agency Agreement, the occurrence (beyond any applicable period of grace or cure) of any "administrative agent event of default" thereunder relating to or otherwise enforceable by the holder of a Specified Interest.

(g) a final judgment or final judgments for the payment of money aggregating in excess of Five Million Dollars ($5,000,000), or the equivalent thereof in an Alternative Currency, shall be outstanding against any one or more of the Company and its Subsidiaries and any one of such judgments shall have been outstanding for more than thirty (30) days from the date of its entry, except to the extent that any such judgment is being contested in good faith by appropriate proceedings which provide for a stay of any enforcement action against the Company or such Subsidiary during the pendency of such proceedings and for which adequate reserves have been established and where nonpayment of such judgment could not reasonably be expected to have a Material Adverse Effect on the Company and its Subsidiaries taken as a whole;

(h) any Person shall engage in any Prohibited Transaction involving any Pension Plan, (ii) any accumulated funding deficiency (as defined in Section 6.18 hereof), whether or not waived, shall exist with respect to any Pension Plan or any Lien in favor of the PBGC or a Pension Plan shall arise on the assets of the Company or any ERISA Affiliate, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed or a trustee shall be appointed to administer, or to terminate, any Single Employer Plan, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA or (v) the Company or any ERISA Affiliate shall, or in the reasonable opinion of the Majority Banks is likely to, incur any liability in connection with a withdrawal from, or the insolvency, bankruptcy or reorganization of, a Multiemployer Plan and in each case in clauses (i) through (v) above, (x) a period of sixty (60) days, or more, has elapsed from the occurrence of such event or condition and (y) such event or condition, together with all other such events or conditions, if any, could reasonably be expected to subject the Company or any of its Subsidiaries to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations, property or financial or other condition of the Company and its Subsidiaries taken as a whole;

(i) Donald Foss, his wife and children or trust(s) established for his or their benefit cease to own legal or beneficial title to thirty-five percent (35%) or more of the voting stock of Company, or Donald Foss, his wife and children or trust(s) established for his or their benefit otherwise lose the practical, beneficial or effective control of the Company, whether by reason of debt, merger, consolidation, sale or purchase of stock or assets or otherwise, or the occurrence of a "Change in Control" under the documents relating to the Senior Debt (if then outstanding) or any Future Debt then outstanding; or

(j) a receiver, liquidator, custodian or trustee of the Company or any Subsidiary, or of all or any part of the property of the Company or any Subsidiary, shall be appointed by court order and such order shall remain in effect for more than sixty (60) days, or an order for relief shall be entered with respect to the Company or any Subsidiary, or the Company or any Subsidiary shall be adjudicated a bankrupt or insolvent; or any of the property of the Company or any Subsidiary shall be sequestered by court order and such order shall remain in effect for more than sixty (60) days; or a petition shall be filed against the Company or any Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and shall not be dismissed within sixty (60) days after such filing; or the Company or any Subsidiary shall file a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or shall consent to the filing of any petition against it under any such law; or the Company or any Subsidiary shall make an assignment for the benefit of its creditors, or shall admit in writing its inability, or shall fail, to pay its debts generally as they become due, or shall consent to the appointment of a receiver, liquidator or trustee of the Company or any Subsidiary or of all or any part of the property of the Company or any Subsidiary.

9.2 Exercise of Remedies. If an Event of Default has occurred and is continuing hereunder: (a) the Agent shall, if directed to do so by the Majority Banks, declare any commitment of the Banks to extend credit hereunder immediately terminated; (b) the Agent shall, if directed to do so by the Majority Banks, declare the entire unpaid Indebtedness, including the Notes, immediately due and payable, without presentment, notice or demand, all of which are hereby expressly waived by Company and the Permitted Borrowers; (c) upon the occurrence of any Event of Default specified in Section 9.1(j) above, and notwithstanding the lack of any declaration by Agent under the preceding clause (a) or (b), the Banks' commitments to extend credit hereunder shall immediately and automatically terminate and the entire unpaid Indebtedness, including the Notes, shall become automatically due and payable without presentment, notice or demand; (d) the Agent shall, upon being directed to do so by the Majority Banks, demand immediate delivery of cash collateral, and the Company and each Account Party agree to deliver such cash collateral upon demand, in an amount equal to the maximum amount that may be available to be drawn at any time prior to the stated expiry of all outstanding Letters of Credit, and (e) the Agent shall, if directed to do so by the Majority Banks or the Banks, as applicable (subject to the terms hereof), exercise any remedy permitted by this Agreement, the other Loan Documents, including without limitation any of the Collateral Documents.

9.3 Rights Cumulative. No delay or failure of Agent and/or Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other power, right or privilege. The rights of Banks under this Agreement are cumulative and not exclusive of any right or remedies which Banks would otherwise have.

9.4 Waiver by Company and Permitted Borrowers of Certain Laws. To the extent permitted by applicable law, Company and each of the Permitted Borrowers hereby agree to waive,

and do hereby absolutely and irrevocably waive and relinquish the benefit and advantage of any valuation, stay, appraisement, extension or redemption laws now existing or which may hereafter exist, which, but for this provision, might be applicable to any sale made under the judgment, order or decree of any court, on any claim for interest on the Notes, AND FURTHER HEREBY IRREVOCABLY AGREE TO WAIVE THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY AND ALL ACTIONS OR PROCEEDINGS IN WHICH AGENT OR THE BANKS (OR ANY OF THEM), ON THE ONE HAND, AND THE COMPANY OR ANY OF THE PERMITTED BORROWERS, ON THE OTHER HAND, ARE PARTIES, WHETHER OR NOT SUCH ACTIONS OR PROCEEDINGS ARISE OUT OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, OR OTHERWISE. These waivers have been voluntarily given, with full knowledge of the consequences thereof.

9.5 Waiver of Defaults. No Event of Default shall be waived by the Banks except in a writing signed by an officer of the Agent in accordance with Section 13.11 hereof. No single or partial exercise of any right, power or privilege hereunder, nor any delay in the exercise thereof, shall preclude any other or further exercise of the Banks' rights by Agent. No waiver of any Event of Default shall extend to any other or further Event of Default. No forbearance on the part of the Agent in enforcing any of the Banks' rights shall constitute a waiver of any of their rights. Company and the Permitted Borrowers expressly agree that this Section may not be waived or modified by the Banks or Agent by course of performance, estoppel or otherwise.

9.6 Cross-Default. In addition to the other Events of Default specified herein, any failure to perform and discharge when due, after allowance for any applicable cure period, any of the obligations, covenants and agreements required to be performed under the provisions of any instruments securing any other present and future borrowings of Company or the Permitted Borrowers from the Banks (or from Agent) in renewal or extension of, or related to, this Agreement or any of the other Loan Documents, or any security agreements in relation thereto, shall be an Event of Default under the provisions of this Agreement entitling Agent, at the direction or with the concurrence of the Majority Banks (without notice or any cure period except as expressly provided herein or therein), to exercise any and all rights and remedies provided hereby. Any Event of Default shall also constitute a default under all other instruments securing this or any other present or future borrowings, or any agreements in relation thereto, entitling Agent and the Banks to exercise any and all rights and remedies provided therein.

10. PAYMENTS, RECOVERIES AND COLLECTIONS.

10.1 Payment Procedure.

(a) All payments by Company and/or by any of the Permitted Borrowers of principal of, or interest on, the Term Notes, the Revolving Credit Notes or the Swing Line Notes or of Letter of Credit Obligations or Fees shall be made without setoff or counterclaim on the date specified for payment under this Agreement not later than 11:00 a.m. (Detroit time) in Dollars in immediately available funds to Agent, for the ratable account of the Banks, at Agent's office located at One Detroit Center, Detroit, Michigan 48226, in respect of Domestic Advances or Fees payable in Dollars. Payments made in respect of any Advance in any Alternative Currency or any Fees payable in any Alternative Currency shall be made in such Alternative Currency in immediately available funds for the account of Agent's Eurocurrency Lending Office, at the Agent's Correspondent, for the ratable account of the Banks, not later than 11:00 a.m. (the time of Agent's Correspondent). Upon receipt of each such payment, the Agent shall make prompt payment to each Bank, or, in respect of Eurocurrency-based Advances, such Bank's Eurocurrency Lending Office, in like funds and currencies, of all amounts received by it for the account of such Bank.

(b) Unless the Agent shall have been notified by the Company prior to the date on which any payment to be made by the Company or any of the Permitted Borrowers is due that the Company or such Permitted Borrower does not intend to remit such payment, the Agent may, in its discretion, assume that the Company or such Permitted Borrower has remitted such payment when so due and the Agent may, in reliance upon such assumption, make available to each Bank on such payment date an amount equal to such Bank's share of such assumed payment. If the Company or any of the Permitted Borrowers has not in fact remitted such payment to the Agent, each Bank shall forthwith on demand repay to the Agent in the applicable currency the amount of such assumed payment made available to such Bank, together with the interest thereon, in respect of each day from and including the date such amount was made available by the Agent to such Bank to the date such amount is repaid to the Agent at a rate per annum equal to (i) for Prime-based Advances, the federal funds rate (daily average), as the same may vary from time to time, and (ii) with respect to Eurocurrency-based Advances, Agent's aggregate marginal cost (including the cost of maintaining any required reserves or deposit insurance and of any fees, penalties, overdraft charges or other costs or expenses incurred by Agent) of carrying such amount.

(c) Whenever any payment to be made hereunder (other than payments in respect of any Eurocurrency-based Advance or a Quoted Rate Advance) shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, in connection with such payment. Whenever any payment of principal of, or interest on, a Eurocurrency-based Advance or a Quoted Rate Advance shall be due on a day which is not a Business Day the date of payment thereof shall be extended to the next succeeding Business Day unless as a result thereof it would fall in the next calendar month, in which case it shall be shortened to the next preceding Business Day and, in the case of a payment of principal, interest thereon shall be payable for such extended or shortened time, if any.

(d) All payments to be made by the Company or the Permitted Borrowers under this Agreement or any of the Notes (including without limitation payments under the Swing Line Notes) shall be made without set-off or counterclaim, as aforesaid, and without deduction for or on account of any present or future withholding or other taxes of any nature imposed by any governmental authority or of any political subdivision thereof or any federation or organization of which such governmental authority may at the time of payment be a member, unless Company or any of the Permitted Borrowers, as the case may be, is compelled by law to make payment subject to such tax. In such event, Company and such Permitted Borrower shall:

(i) pay to the Agent for Agent's own account and/or, as the case may be, for the account of the Banks (and, in the case of any Swing Line Advances, pay to the Swing Line Bank which funded such Advances) such additional amounts as may be necessary to ensure that the Agent and/or such Bank or Banks receive a net amount in the applicable Permitted Currency equal to the full amount which would have been receivable had payment not been made subject to such tax; and

(ii) remit such tax to the relevant taxing authorities according to applicable law, and send to the Agent or the applicable Bank (including the Swing Line Bank) or Banks, as the case may be, such certificates or certified copy receipts as the Agent or such Bank or Banks shall reasonably require as proof of the payment by the Company or such Permitted Borrower of any such taxes payable by the Company or such Permitted Borrower.

As used herein, the terms "tax", "taxes" and "taxation" include all taxes, levies, imposts, duties, charges, fees, deductions and withholdings and any restrictions or conditions resulting in a charge together with interest thereon and fines and penalties with respect thereto which may be imposed by reason of any violation or default with respect to the law regarding such tax, assessed as a result of or in connection with the transactions in any Alternative Currency hereunder, or the payment and/or receipt of funds in any Alternative Currency hereunder, or the payment or delivery of funds into or out of any jurisdiction other than the United States (whether assessed against Company, the Permitted Borrower, Agent or any of the Banks).

10.2 Application of Proceeds. Notwithstanding anything to the contrary in this Agreement, after an Event of Default, the proceeds of any offsets, voluntary payments by the Company or the Permitted Borrowers or others, the proceeds of any Collateral and any other sums received or collected in respect of the Indebtedness (net of Agent's reasonable costs and expenses), shall be applied, first, to Indebtedness evidenced by the Notes or under Hedging Agreements in such order and manner as determined by the Majority Banks (subject, however, to the applicable Percentages of the Revolving Credit and of the Term Loan held by each of the Banks and provided, however, that the maximum amount of those proceeds which may be applied to Indebtedness in respect of Hedging Agreements shall not exceed the maximum amount of the Hedging Reserve stated in the definition thereof), next, to any other Indebtedness on a pro rata basis, and then, if there is any excess, to the Company or the Permitted Borrowers, as the case may be. The application of such proceeds and

other sums to the applicable Indebtedness shall be based on each Bank's Percentage of such Indebtedness.

10.3 Pro-rata Recovery. If any Bank shall obtain any payment or other recovery (whether voluntary, involuntary, by application of offset or otherwise) on account of principal of, or interest on, any of the Notes (or on account of its participation in any Letter of Credit) in excess of its pro rata share of payments then or thereafter obtained by all Banks upon principal of and interest on all Notes (or such participation), such Bank shall purchase from the other Banks such participations in the Notes (or subparticipations in the Letters of Credit) held by them as shall be necessary to cause such purchasing Bank to share the excess payment or other recovery ratably in accordance with the Percentages of the Revolving Credit or of the Term Loan, as the case may be, with each of them; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing holder, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

10.4 Deposits and Accounts. In addition to and not in limitation of any rights of any Bank or other holder of any of the Notes under applicable law, each Bank and each other such holder shall, upon acceleration of the indebtedness under the Notes and without notice or demand of any kind, have the right to appropriate and apply to the payment of the Notes owing to it (whether or not then due) any and all balances, credits, deposits, accounts or moneys of Company or the Permitted Borrowers then or thereafter with such Bank or other holder; provided, however, that any such amount so applied by any Bank or other holder on any of the Notes owing to it shall be subject to the provisions of Section 10.3 hereof.

11. CHANGES IN LAW OR CIRCUMSTANCES; INCREASED COSTS.

11.1 Reimbursement of Prepayment Costs. If Company or any Permitted Borrower makes any payment of principal with respect to any Eurocurrency-based Advance or Quoted Rate Advance on any day other than the last day of the Interest Period applicable thereto (whether voluntarily, by acceleration, or otherwise), or converts or refunds (or attempts to convert or refund) any such Advance; or if Company or any Permitted Borrower fails to borrow, refund or convert into any Eurocurrency-based Advance or Quoted Rate Advance after notice has been given by Company or such Permitted Borrower to Agent in accordance with the terms hereof requesting such Advance, or if Company or any Permitted Borrower fails to make any payment of principal or interest in respect of a Eurocurrency-based Advance or Quoted Rate Advance when due, Company shall reimburse Agent and Banks, as the case may be, on demand for any resulting loss, cost or expense incurred by Agent and Banks, as the case may be as a result thereof, including, without limitation, any such loss, cost or expense incurred in obtaining, liquidating, employing or redeploying deposits from third parties, whether or not Agent and Banks, as the case may be, shall have funded or committed to fund such Advance. Such amount payable by Company to Agent and Banks, as the case may be may include, without limitation, an amount equal to the excess, if any, of (a) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, refunded or converted, for the period from the date of such prepayment or of such failure to borrow, refund or convert, through the last day of the relevant Interest Period, at the applicable rate of interest for said Advance(s) provided under this Agreement, over (b) the amount of interest (as reasonably determined by Agent and Banks, as the case may be) which would have accrued to Agent and Banks, as the case may be, on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurocurrency market. Calculation of any amounts payable to any Bank under this paragraph shall be made as though such Bank shall have actually funded or committed to fund the relevant Advance through the purchase of an underlying deposit in an amount equal to the amount of such Advance and having a maturity comparable to the relevant Interest Period; provided, however, that any Bank may fund any Eurocurrency-based Advance or Quoted Rate Advance, as the case may be, in any manner it deems fit and the foregoing assumptions shall be utilized only for the purpose of the calculation of amounts payable under this paragraph. Upon the written request of Company, Agent and Banks shall deliver to Company a certificate setting forth the basis for determining such losses, costs and expenses, which certificate shall be conclusively presumed correct, absent manifest error.

11.2 Eurocurrency Lending Office. For any Advance to which the Eurocurrency-based Rate is applicable, if Agent or a Bank, as applicable, shall designate a Eurocurrency Lending Office which maintains books separate from those of the rest of Agent or such Bank, Agent or such Bank, as the case may be, shall have the option of maintaining and carrying the relevant Advance on the books of such Eurocurrency Lending Office.

11.3 Availability of Alternative Currency. The Agent and the Banks shall not be required to make any Advance in an Alternative Currency if, at any time prior to making such Advance, the Agent or the Majority Banks (after consultation with Agent) shall determine, in its or their sole discretion, that (i) deposits in the applicable Alternative Currency in the amounts and maturities required to fund such Advance will not be available to the Agent and the Banks; (ii) a fundamental change has occurred in the foreign exchange or interbank markets with respect to the applicable

Alternative Currency (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls); or (iii) it has become otherwise materially impractical for the Agent or the Banks, as applicable, to make such Advance in the applicable Alternative Currency. The Agent or the applicable Bank, as the case may be, shall promptly notify the Company and Banks of any such determination.

11.4 Refunding Advances in Same Currency. If pursuant to any provisions of this Agreement, the Company or any of the Permitted Borrowers repays one or more Advances and on the same day borrows an amount in the same currency, the Agent (or the Swing Line Bank, in the case of a Swing Line Advance) shall apply the proceeds of such new borrowing to repay the principal of the Advance or Advances being repaid and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be remitted by the Agent to the Company or such Permitted Borrower, or by the Company or such Permitted Borrower to the Agent, as the case may be.

11.5 Circumstances Affecting Eurocurrency-based Rate Availability. If with respect to any Interest Period, Agent or the Majority Banks (after consultation with Agent) shall determine that, by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in eurodollars or in any applicable Alternative Currency, as the case may be, in the applicable amounts are not being offered to the Agent or such Banks for such Interest Period, then Agent shall forthwith give notice thereof to the Company and the Permitted Borrowers. Thereafter, until Agent notifies Company and the Permitted Borrowers that such circumstances no longer exist, (i) the obligation of Banks to make Eurocurrency-based Advances (other than in any applicable Alternative Currency with respect to which deposits are available, as required hereunder), and the right of Company and the Permitted Borrowers to convert an Advance to or refund an Advance as a Eurocurrency-based Advance, as the case may be (other than in any applicable Alternative Currency with respect to which deposits are available, as required hereunder), shall be suspended, and (ii) the Company and the Permitted Borrowers shall repay in full (or cause to be repaid in full) the then outstanding principal amount of each such Eurocurrency-based Advance covered hereby in the applicable Permitted Currency, together with accrued interest thereon, any amounts payable under Sections 11.1 and 11.8 hereof, and all other amounts payable hereunder on the last day of the then current Interest Period applicable to such Advance. Upon the date for repayment as aforesaid and unless Company notifies Agent to the contrary within two (2) Business Days after receiving a notice from Agent pursuant to this Section, such outstanding principal amount shall be converted to a Prime-based Advance as of the last day of such Interest Period.

11.6 Laws Affecting Eurocurrency-based Advance Availability. If, after the date of this Agreement, the introduction of, or any change in, any applicable law, rule or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) of any such authority, shall make it unlawful or impossible for any of the Banks (or any of their respective Eurocurrency Lending Offices) to honor its obligations hereunder to make or maintain any Advance with interest at the Eurocurrency-based Rate, or in an Alternative Currency, such Bank shall

forthwith give notice thereof to Company and to Agent. Thereafter, (a) the obligations of Banks to make Eurocurrency-based Advances or Advances in any such Alternative Currency and the right of Company or any Permitted Borrower to convert an Advance into or refund an Advance as a Eurocurrency-based Advance or as an Advance in any such Alternative Currency shall be suspended and thereafter Company and the Permitted Borrowers may select as Applicable Interest Rates or as Alternative Currencies only those which remain available and which are permitted to be selected hereunder, and (b) if any of the Banks may not lawfully continue to maintain an Advance to the end of the then current Interest Period applicable thereto as a Eurocurrency-based Advance or in such Alternative Currency, the applicable Advance shall immediately be converted to a Prime-based Advance (in the Dollar Amount thereof) and the Prime-based Rate shall be applicable thereto for the remainder of such Interest Period. For purposes of this Section, a change in law, rule, regulation, interpretation or administration shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation or administration presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation or administration.

11.7 Increased Cost of Eurocurrency-based Advances. If the adoption after the date of this Agreement of, or any change after the date of this Agreement in, any applicable law, rule or regulation of or in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent or any of the Banks (or any of their respective Eurocurrency Lending Offices) with any request or directive (whether or not having the force of law) made by any such authority, central bank or comparable agency after the date hereof:

(a) shall subject any of the Banks (or any of their respective Eurocurrency Lending Offices) to any tax, duty or other charge with respect to any Advance or any Note or shall change the basis of taxation of payments to any of the Banks (or any of their respective Eurocurrency Lending Offices) of the principal of or interest on any Advance or any Note or any other amounts due under this Agreement in respect thereof (except for changes in the rate of tax on the overall net income of any of the Banks or any of their respective Eurocurrency Lending Offices imposed by the jurisdiction in which such Bank's principal executive office or Eurocurrency Lending Office is located); or

(b) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any of the Banks (or any of their respective Eurocurrency Lending Offices) or shall impose on any of the Banks (or any of their respective Eurocurrency Lending Offices) or the foreign exchange and interbank markets any other condition affecting any Advance or any of the Notes;

and the result of any of the foregoing is to increase the costs to any of the Banks of maintaining any part of the Indebtedness hereunder as a Eurocurrency-based Advance or as an Advance in any Alternative Currency or to reduce the amount of any sum received or receivable by any of the Banks under this Agreement or under the Notes in respect of a Eurocurrency-based Advance or any

Advance in an Alternative Currency, whether with respect to Advances to Company or to any of the Permitted Borrowers, then such Bank shall promptly notify Agent (or, in the case of a Swing Line Advance, shall notify Company and the applicable Permitted Borrower directly, with a copy of such notice to Agent), and Agent (or such Bank, as aforesaid) shall promptly notify Company and Permitted Borrowers of such fact and demand compensation therefor and, within fifteen (15) days after such notice, Company agrees to pay to such Bank such additional amount or amounts as will compensate such Bank or Banks for such increased cost or reduction. Agent will promptly notify Company and the Permitted Borrowers of any event of which it has knowledge which will entitle Banks to compensation pursuant to this Section, or which will cause Company or Permitted Borrowers to incur additional liability under Sections 11.1 and 11.8 hereof, provided that Agent shall incur no liability whatsoever to the Banks, Company or Permitted Borrowers in the event it fails to do so. A certificate of Agent (or such Bank, if applicable) setting forth the basis for determining such additional amount or amounts necessary to compensate such Bank or Banks shall be conclusively presumed to be correct save for manifest error. For purposes of this Section, a change in law, rule, regulation, interpretation, administration, request or directive shall include, without limitation, any change made or which becomes effective on the basis of a law, rule, regulation, interpretation, administration, request or directive presently in force, the effective date of which change is delayed by the terms of such law, rule, regulation, interpretation, administration, request or directive.

11.8 Indemnity. The Company will indemnify Agent and each of the Banks against any loss or expense which may arise or be attributable to the Agent's and each Bank's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain the Advances (a) as a consequence of any failure by the Company or any of the Permitted Borrowers to make any payment when due of any amount due hereunder in connection with a Eurocurrency-based Advance, (b) due to any failure of the Company or any Permitted Borrower to borrow, refund or convert on a date specified therefor in a Request for Advance or request for Swing Line Advance or (c) due to any payment, prepayment or conversion of any Eurocurrency-based Advance on a date other than the last day of the Interest Period for such Advance. Such loss or expense shall be calculated based upon the present value, as applicable, of payments due from the Company or such Permitted Borrower with respect to a deposit obtained by the Agent or any of the Banks in order to fund such Advance to the Company or to such Permitted Borrower. The Agent's and each Bank's, as applicable, calculations of any such loss or expense shall be furnished to the Company and shall be conclusive, absent manifest error.

11.9 Judgment Currency. The obligation of the Company and Permitted Borrowers to make payments of the principal of and interest on the Notes and any other amounts payable hereunder in the currency specified for such payment herein or in the Notes shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any other currency, except to the extent that such tender or recovery shall result in the actual receipt by each of the Banks of the full amount of the particular Permitted Currency expressed to be payable herein or in the Notes. The Agent (or the Swing Line Bank, as applicable) shall, using all amounts obtained or received from the Company and from Permitted Borrowers pursuant to any such tender or recovery in payment of principal of and interest on the Notes, promptly purchase the applicable Permitted Currency at the most favorable spot exchange rate determined by the Agent to

be available to it. The obligation of the Company and the Permitted Borrowers to make payments in the applicable Permitted Currency shall be enforceable as an alternative or additional cause of action solely for the purpose of recovering in the applicable Permitted Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Permitted Currency expressed to be payable herein or in the Notes.

11.10 Other Increased Costs. In the event that at any time after the date of this Agreement any change in law such as described in Section 11.7 hereof, shall, in the opinion of the Agent or any of the Banks (as certified to Agent in writing by such Bank) require that the Revolving Credit, the Swing Line, or any other Indebtedness or commitment under this Agreement or any of the other Loan Documents be treated as an asset or otherwise be included for purposes of calculating the appropriate amount of capital to be maintained by each of the Banks or any corporation controlling such Banks, as the case may be (or shall increase the amount of capital required under such law, as of the date hereof, to be so maintained), the Agent, in consultation with the Banks, shall notify the Company. The Company and the Agent shall thereafter negotiate in good faith an agreement to increase the Revolving Credit Facility Fee, or other fees payable to the Agent, for the benefit of the Banks under this Agreement, which in the opinion of the Agent (in consultation with the Banks), will adequately compensate the Banks for the costs associated with such change in law. If such increase is approved in writing by the Company within thirty (30) days from the date of the notice to the Company from the Agent, the Revolving Credit Facility Fee or other fees (if applicable) payable by the Company under this Agreement shall, effective from the date of such agreement, include the amount of such agreed increase. If the Company and the Agent (in consultation with the Banks) are unable to agree on such an increase within thirty (30) days from the date of the notice to the Company, the Company shall have the option, exercised by written notice to the Agent within forty-five (45) days from the date of the aforesaid notice to the Company from the Agent, to terminate the Revolving Credit and the Swing Line, as the case may be, or other commitments if applicable, in which event, all sums then outstanding to Banks and to Agent hereunder shall be due and payable in full. If (a) the Company and the Agent (in consultation with the Banks) fail to agree on an increase in the Revolving Credit Facility Fee or other fees (if applicable), and (b) the Company fails to give timely notice that it has elected to exercise its option to terminate the Revolving Credit or other commitments, if applicable, as set forth above, then the Revolving Credit and the Swing Line, and such other commitments shall automatically terminate as of the last day of the aforesaid forty-five (45) day period, in which event all sums then outstanding to Banks and to Agent hereunder shall be due and payable in full.

11.11. Margin Adjustments. Adjustments to the Applicable Margin based on Schedule 1.1 hereto (to the extent required in said Schedule), shall be implemented as follows:

(a) Such adjustments to the Applicable Margin shall be given prospective effect only, effective (i) as to all Prime-based Advances outstanding hereunder, immediately upon any change in the Rating Level then in effect, and (ii) as to each Eurocurrency-based Advance outstanding hereunder, effective upon the expiration of the applicable Interest Period(s), if any, in effect on the date of the obtaining and/or any change in the Rating Level in effect hereunder, in each case with no retroactivity or claw-back.

(b) With respect to Eurocurrency-based Advances outstanding hereunder, an adjustment hereunder, after becoming effective, shall remain in effect only through the end of the applicable Interest Period(s) for such Eurocurrency-based Advances if any; provided, however, that upon any change in the Rating Level then in effect, as aforesaid, or the occurrence of any other event which under the terms hereof causes such adjustment no longer to be applicable, then any such subsequent adjustment or no adjustment, as the case may be, shall be effective (and said pricing shall thereby be adjusted up or down, as applicable) with the commencement of each Interest Period following such change or event, all in accordance with the preceding subparagraph.

11.12 Right of Banks to Fund through Branches and Affiliates. Each Bank (including without limitation the Swing Line Bank) may, if it so elects, fulfill its commitment as to any Advance hereunder by designating a branch or Affiliate of such Bank to make such Advance; provided that (a) such Bank shall remain solely responsible for the performances of its obligations hereunder and (b) no such designation shall result in any material increased costs to the applicable Borrower. Comerica Bank, in its capacity as a Bank and as Swing Line Bank, hereby designates its Canadian Affiliate to make Advances hereunder in C$.

12. AGENT

12.1 Appointment of Agent. Each Bank and the holder of each Note appoints and authorizes Agent to act on behalf of such Bank or holder under the Loan Documents and to exercise such powers hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto. Each Bank agrees (which agreement shall survive any termination of this Agreement) to reimburse Agent for all reasonable out-of-pocket expenses (including house and outside attorneys' fees) incurred by Agent hereunder or in connection herewith or with an Event of Default or in enforcing the obligations of Company or any of the Permitted Borrowers under this Agreement or the other Loan Documents or any other instrument executed pursuant hereto, and for which Agent is not reimbursed by Company or such Permitted Borrower, pro rata according to such Bank's Percentage, but excluding any such expenses resulting from Agent's gross negligence or willful misconduct. Agent shall not be required to take any action under the Loan Documents, or to prosecute or defend any suit in respect of the Loan Documents, unless indemnified to its satisfaction by the Banks against loss, costs, liability and expense (excluding liability resulting from its gross negligence or willful misconduct). If any indemnity furnished to Agent shall become impaired, it may call for additional indemnity and cease to do the acts indemnified against until such additional indemnity is given.

12.2 Deposit Account with Agent. Each of Company and the Permitted Borrowers hereby authorizes Agent to charge its general deposit account, if any, maintained with Agent for the amount of any principal, interest, or other amounts or costs due under this Agreement when the same becomes due and payable under the terms of this Agreement or the Notes.

12.3 Exculpatory Provisions. Agent agrees to exercise its rights and powers, and to perform its duties, as Agent hereunder and under the other Loan Documents in accordance with its

usual customs and practices in bank-agency transactions, but only upon and subject to the express terms and conditions of this Section 12 (and no implied covenants or other obligations shall be read into this Agreement against the Agent); neither Agent nor any of its directors, officers, employees or agents shall be liable to any Bank for any action taken or omitted to be taken by it or them under this Agreement or any document executed pursuant hereto, or in connection herewith or therewith, except for its or their own willful misconduct or gross negligence, nor be responsible for any recitals or warranties herein or therein, or for the effectiveness, enforceability, validity or due execution of this Agreement or any document executed pursuant hereto, or any security thereunder, or to make any inquiry respecting the performance by Company, any of its Subsidiaries or any of the Permitted Borrowers of its obligations hereunder or thereunder. Agent shall not have, or be deemed to have, a fiduciary relationship with any Bank by reason of this Agreement. Agent shall be entitled to rely upon advice of counsel concerning legal matters and upon any notice, consent, certificate, statement or writing which it believes to be genuine and to have been presented by a proper person.

12.4 Successor Agents. Agent may resign as such at any time upon at least 30 days prior notice to Company and all Banks. If Agent at any time shall resign or if the office of Agent shall become vacant for any other reason, Majority Banks shall, by written instrument, appoint a successor Agent (consisting of the Syndication Agent, or of any other Bank or financial institution satisfactory to such Majority Banks) which shall thereupon become Agent hereunder and shall be entitled to receive from the prior Agent such documents of transfer and assignment as such successor Agent may reasonably request. Such successor Agent shall succeed to all of the rights and obligations of the retiring Agent as if originally named. The retiring Agent shall duly assign, transfer and deliver to such successor Agent all moneys at the time held by the retiring Agent hereunder after deducting therefrom its expenses for which it is entitled to be reimbursed. Upon such succession of any such successor Agent, the retiring agent shall be discharged from its duties and obligations hereunder, except for its gross negligence or willful misconduct arising prior to its retirement hereunder, and the provisions of this Section 12 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

12.5 Loans by Agent. Agent shall have the same rights and powers with respect to the credit extended by it and the Notes held by it as any Bank and may exercise the same as if it were not Agent, and the term "Bank" and, when appropriate, "holder" shall include Agent in its individual capacity.

12.6 Credit Decisions. Each Bank acknowledges that it has, independently of Agent and each other Bank and based on the financial statements of Company, the Permitted Borrowers and the Subsidiaries and such other documents, information and investigations as it has deemed appropriate, made its own credit decision to extend credit hereunder from time to time. Each Bank also acknowledges that it will, independently of Agent and each other Bank and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any document executed pursuant hereto.

12.7 Notices by Agent. Agent shall give prompt notice to each Bank of its receipt of each notice or request required or permitted to be given to Agent by Company or a Permitted Borrower pursuant to the terms of this Agreement and shall promptly distribute to the Banks any reports received from the Company or any of its Subsidiaries or any of the Permitted Borrowers under the terms hereof, or other material information or documents received by Agent, in its capacity as Agent, from the Company, its Subsidiaries or the Permitted Borrowers.

12.8 Agent's Fees. Commencing on July 1, 2001 and on the first day of each calendar quarter thereafter until the Indebtedness has been repaid and no commitment to fund any loan hereunder is outstanding, the Company and the Permitted Borrower, jointly and severally, shall pay to Agent an agency fee set forth (or to be set forth from time to time) in a letter agreement between or among Company, Permitted Borrowers and Agent. The Agent's Fees described in this Section 12.8 shall not be refundable under any circumstances.

12.9 Nature of Agency. The appointment of Agent as agent is for the convenience of Banks, Company and the Permitted Borrowers in making Advances of the Revolving Credit or any other Indebtedness of Company or the Permitted Borrowers hereunder, and collecting fees and principal and interest on the Indebtedness. No Bank is purchasing any Indebtedness from Agent and this Agreement is not intended to be a purchase or participation agreement.

12.10 Authority of Agent to Enforce Notes and This Agreement. Each Bank, subject to the terms and conditions of this Agreement (including, without limitation, any required approval or direction of the Majority Banks or the Banks, as applicable, to be obtained by or given to the Agent hereunder), authorizes the Agent with full power and authority as attorney-in-fact to institute and maintain actions, suits or proceedings for the collection and enforcement of the Notes and to file such proofs of debt or other documents as may be necessary to have the claims of the Banks allowed in any proceeding relative to the Company, any of its Subsidiaries, any of the Permitted Borrowers or its creditors or affecting its properties, and to take such other actions which Agent considers to be necessary or desirable for the protection, collection and enforcement of the Notes, this Agreement or the other Loan Documents, but in each case only to the extent of any required approval or direction of the Majority Banks or the Banks, as applicable, obtained by or given to the Agent hereunder.

12.11 Indemnification. The Banks agree to indemnify the Agent in its capacity as such, to the extent not reimbursed by the Company or the Permitted Borrowers, pro rata according to their respective Percentages, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, and reasonable out-of-pocket expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any of the other Loan Documents or any action taken or omitted to be taken or suffered in good faith by the Agent hereunder, provided that no Bank shall be liable for any portion of any of the foregoing items resulting from the gross negligence or willful misconduct of the Agent or any of its officers, employees, directors or agents.

12.12 Knowledge of Default. It is expressly understood and agreed that the Agent (whether in its capacity as issuing bank, Swing Line Bank or otherwise) shall be entitled to assume that no Default or Event of Default has occurred and is continuing, unless the officers of the Agent

immediately responsible for matters concerning this Agreement shall have actual (rather than constructive) knowledge of such occurrence or shall have been notified in writing by a Bank that such Bank considers that a Default or an Event of Default has occurred and is continuing, and specifying the nature thereof. Upon obtaining actual knowledge of any Default or Event of Default as described above, the Agent shall promptly, but in any event within three (3) Business Days after obtaining knowledge thereof, notify each Bank of such Default or Event of Default and the action, if any, the Agent proposes be taken with respect thereto.

12.13 Agent's Authorization; Action by Banks. Except as otherwise expressly provided herein, whenever the Agent is authorized and empowered hereunder on behalf of the Banks to give any approval or consent, or to make any request, or to take any other action, on behalf of the Banks (including without limitation the exercise of any right or remedy hereunder or under the other Loan Documents), the Agent shall be required to give such approval or consent, or to make such request or to take such other action only when so requested in writing by the Majority Banks or the Banks, as applicable hereunder. Action that may be taken by Majority Banks or all of the Banks, as the case may be (as provided for hereunder), may be taken (i) pursuant to a vote at a meeting (which may be held by telephone conference call) as to which all of the Banks have been given reasonable advance notice (subject to the requirement that amendments, waivers or consents under Section 13.11 hereof be made in writing by the Majority Banks or all the Banks, as applicable), or (ii) pursuant to the written consent of the requisite Percentages of the Banks as required hereunder, provided that all of the Banks are given reasonable advance notice of the requests for such consent.

12.14 Enforcement Actions by the Agent. Except as otherwise expressly provided under this Agreement or in any of the other Loan Documents and subject to the terms hereof, Agent will take such action, assert such rights and pursue such remedies under this Agreement and the other Loan Documents as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct. Except as otherwise expressly provided in any of the Loan Documents, Agent will not (and will not be obligated to) take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in violation or contravention of any express direction or instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). Agent may refuse (and will not be obligated) to take any action, assert any rights or pursue any remedies under this Agreement or any of the other Loan Documents in the absence of the express written direction and instruction of the Majority Banks or all of the Banks, as the case may be (as provided for hereunder). In the event Agent fails, within a commercially reasonable time, to take such action, assert such rights, or pursue such remedies as the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall direct in conformity with this Agreement, the Majority Banks or all of the Banks, as the case may be (as provided for hereunder), shall have the right to take such action, to assert such rights, or pursue such remedies on behalf of all of the Banks unless the terms hereof otherwise require the consent of all the Banks to the taking of such actions (in which event all of the Banks must join in such action). Except as expressly provided above or elsewhere in this Agreement or the other Loan Documents, no Bank (other than the Agent, acting in its capacity as Agent) shall be entitled to take any enforcement action of any kind under any of the Loan Documents.

12.15 Lead Arranger. Banc of America Securities, LLC has been designated by the Company as "Lead Arranger" (and sole book manager) under this Agreement. Other than its rights and remedies as a Bank hereunder, the Lead Arranger shall have no administrative, collateral or other rights or responsibilities, provided, however, that the Lead Arranger shall be entitled to the benefits afforded to Agent under Sections 12.5, 12.6 and 12.11 hereof.

12.16 Collateral Matters. (a) The Agent is authorized on behalf of all the Banks, without the necessity of any notice to or further consent from the Banks (but subject to the Intercreditor Agreement), from time to time to take any action with respect to any Collateral or the Collateral Documents which may be necessary to perfect and maintain a perfected security interest in and Liens upon the Collateral granted pursuant to the Loan Documents.

(b) The Banks irrevocably authorize the Agent, at its option and in its discretion (but subject to the Intercreditor Agreement), to release any Lien granted to or held by the Agent upon any Collateral (i) upon termination of the Revolving Credit Maximum Amount and payment in full of all Indebtedness payable under this Agreement and under any other Loan Document; (ii) constituting property sold or to be sold or disposed of as part of or in connection with any disposition not otherwise prohibited hereunder; (iii) constituting property in which Company or any Subsidiary owned no interest at the time the Lien was granted or at any time thereafter; or (iv) if approved, authorized or ratified in writing by the Majority Banks, the Supermajority of the Banks or all the Banks, as the case may be, as provided in Section 13.11. Upon request by the Agent at any time, the Banks will confirm in writing the Agent's authority to release particular types or items of Collateral pursuant to this Section 12.16(b).

13. MISCELLANEOUS

13.1 Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP.

13.2 Consent to Jurisdiction. Each of the Company and the Permitted Borrowers hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or Michigan state court sitting in Detroit in any action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents and each of the Company and the Permitted Borrowers hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal or Michigan state court. Each of the Permitted Borrowers irrevocably appoints the Company as its agent for service of process. Each of the Company and the Permitted Borrowers irrevocably consents to the service of any and all process in any such action or proceeding brought in any court in or of the State of Michigan by the delivery of copies of such process to the Company at its address specified on the signature page hereto or by certified mail directed to such address. Nothing in this Section shall affect the right of the Banks and the Agent to serve process in any other manner permitted by law or limit the right of the Banks or the

Agent (or any of them) to bring any such action or proceeding against the Company or the Permitted Borrowers or any of its or their property in the courts of any other jurisdiction. Each of the Company and the Permitted Borrowers hereby irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts.

13.3 Law of Michigan. This Agreement and the Notes have been delivered at Detroit, Michigan, and shall be governed by and construed and enforced in accordance with the laws of the State of Michigan, except as and to the extent expressed to the contrary in any of the Loan Documents. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

13.4 Interest. (a) In the case of any of the Company and the Permitted Borrowers other than CAC Canada: in the event the obligation of the Company or any of the Permitted Borrowers to pay interest on the principal balance of the Notes is or becomes in excess of the maximum interest rate which the Company or each Permitted Borrower is permitted by law to contract or agree to pay, giving due consideration to the execution date of this Agreement, then, in that event, the rate of interest applicable with respect to such Bank's Percentage of the Revolving Credit or of the Term Loan, as applicable, shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not of interest.

(b) In the case of CAC Canada: If any provision of this Agreement or any of the other Loan Documents would obligate CAC Canada to make any payment of interest or other amount payable to any Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Bank of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)) then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by that Bank of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (a) firstly, by reducing the amount or rate of interest required to be paid to the affected Bank under this Agreement; and (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the affected Bank which would constitute interest for purposes of Section 347 of the Criminal Code (Canada). Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Bank shall have received an amount in excess of the maximum permitted by Section 347 of the Criminal Code (Canada), then CAC Canada making such payment, shall be entitled, by notice in writing to the affected Bank, to obtain reimbursement from that Bank in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Bank to CAC Canada. Any amount or rate of interest referred to in this Agreement shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any Advance remains outstanding on the assumption that any charges, fees or expenses that fall within the meaning of

"interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the Effective Date to the Revolving Credit Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by Agent shall be conclusive for the purposes of such determination.

13.5 Closing Costs; Other Costs. To the extent not restricted by any financial assistance provisions of any applicable law, Company and each of the Permitted Borrowers, jointly and severally, shall pay or reimburse (a) Agent for payment of, on demand, all reasonable closing costs and expenses, including, by way of description and not limitation, reasonable in-house and outside attorney fees and advances, appraisal and accounting fees, lien search fees, and required travel costs, incurred by Agent in connection with the commitment, consummation and closing of the loans contemplated hereby, or in connection with any refinancing or restructuring of the loans or Advances provided under this Agreement or the other Loan Documents, or any amendment thereof requested by Company or the Permitted Borrowers, and (b) Agent and each of the Banks, as the case may be, for all stamp and other taxes and duties payable or determined to be payable in connection with the execution, delivery, filing or recording of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby, and any and all liabilities with respect to or resulting from any delay in paying or omitting to pay such taxes or duties. Furthermore, all reasonable costs and expenses, including without limitation attorney fees, incurred by Agent and, after the occurrence and during the continuance of an Event of Default, by the Banks in revising, preserving, protecting, exercising or enforcing any of its or any of the Banks' rights against Company or the Permitted Borrowers, or otherwise incurred by Agent and the Banks in connection with any Event of Default or the enforcement of the loans (whether incurred through negotiations, legal proceedings or otherwise), including by way of description and not limitation, such charges in any court or bankruptcy proceedings or arising out of any claim or action by any person against Agent or any Bank which would not have been asserted were it not for Agent's or such Bank's relationship with Company and the Permitted Borrowers hereunder or otherwise, shall also be paid by Company and the Permitted Borrower. All of said amounts required to be paid by Company and Permitted Borrowers hereunder and not paid forthwith upon demand, as aforesaid, shall bear interest, from the date incurred to the date payment is received by Agent, at the Prime-based Rate, plus two percent (2%).

13.6 Notices. Except as otherwise provided herein, all notices or demand hereunder to the parties hereto shall be sufficient if made in writing and delivered by messenger or deposited in the mail (certified or registered mail (or the equivalent thereof), postage prepaid), and addressed to the parties as set forth on Schedule 13.6 of this Agreement and to Permitted Borrowers at the Company's address as set forth on Schedule 13.6 or at such other address as such party may, by written notice received by the other parties hereto, have designated as its address for such purpose. Any notice or demand given to the Company hereunder shall be deemed given to each of the Permitted Borrowers, whether or not said notice or demand is addressed to or received by such Permitted Borrower.

13.7 Further Action. Company and the Permitted Borrowers, from time to time, upon written request of Agent will make, execute, acknowledge and deliver or cause to be made, executed,

acknowledged and delivered, all such further and additional instruments, and take all such further action, as may be required to carry out the intent and purpose of this Agreement, and to provide for Advances under and payment of the Notes, according to the intent and purpose herein and therein expressed.

13.8 Successors and Assigns; Assignments and Participations.

(a) This Agreement shall be binding upon and shall inure to the benefit of Company and the Permitted Borrowers and the Banks and their respective successors and assigns.

(b) The foregoing shall not authorize any assignment by Company or any of the Permitted Borrowers, of its rights or duties hereunder, and no such assignment shall be made (or effective) without the prior written approval of the Banks.

(c) The Company, Permitted Borrowers and Agent acknowledge that each of the Banks may at any time and from time to time, subject to the terms and conditions hereof, assign or grant participations in such Bank's rights and obligations hereunder and under the other Loan Documents to any commercial bank, savings and loan association, insurance company, pension fund, mutual fund, commercial finance company or other similar financial institution, the identity of which institution is approved by Company and Agent, such approval not to be unreasonably withheld or delayed; provided, however, that (i) the approval of Company shall not be required upon the occurrence and during the continuance of a Default or Event of Default and (ii) the approval of Company and Agent shall not be required for any such sale, transfer, assignment or participation to the Affiliate of an assigning Bank, any other Bank or any Federal Reserve Bank. The Company and each of the Permitted Borrowers authorize each Bank to disclose to any prospective assignee or participant, once approved by Company and Agent, any and all financial information in such Bank's possession concerning the Company and such Permitted Borrower which has been delivered to such Bank pursuant to this Agreement; provided that each such prospective participant shall have executed a confidentiality agreement consistent with the terms of Section 13.13 hereof.

(d) Each assignment by a Bank of any portion of its rights and obligations hereunder and under the other Loan Documents, other than assignments to such Bank's Affiliates under Section 13.8(f) hereof, shall be made pursuant to an Assignment Agreement ("Assignment Agreement") substantially (as determined by Agent), in the form attached hereto as Exhibit G (with appropriate insertions acceptable to Agent) and shall be subject to the terms and conditions hereof, and to the following restrictions:

(i) each assignment shall cover all of the Notes issued by Company and the Permitted Borrowers hereunder to the assigning Bank (and not any particular Note or Notes), and shall be for a fixed and not varying percentage thereof, with the same percentage applicable to each such Note;

(ii) each assignment shall be in a minimum amount of Five Million Dollars ($5,000,000);

(iii) no assignment shall violate any "blue sky" or other securities law of any jurisdiction or shall require the Company, any Permitted Borrower or any other Person to file a registration statement or similar application with the United States Securities and Exchange Commission (or similar state regulatory body) or to qualify under the "blue sky" or other securities laws of any jurisdiction; and

(iv) each assignment shall be accompanied by the assignee's joinder to the Intercreditor Agreement, if then in effect; and

(v) no assignment shall be effective unless Agent has received from the assignee (or from the assigning Bank) an assignment fee of $3,500 for each such assignment.

In connection with any assignment subject to this Section 13.8(d), Company, each of the Permitted Borrowers and Agent shall be entitled to continue to deal solely and directly with the assigning Bank in connection with the interest so assigned until (x) the Agent shall have received a notice of assignment duly executed by the assigning Bank and an Assignment Agreement (with respect thereto) duly executed by the assigning Bank and each assignee; and (y) the assigning Bank shall have delivered to the Agent the original of each Note held by the assigning Bank under this Agreement. From and after the date on which the Agent shall notify Company and the Bank which has accepted an assignment subject to this Section 13.8(d) that the foregoing conditions shall have been satisfied and all consents (if any) required shall have been given, the assignee thereunder shall be deemed to be a party to this Agreement. To the extent that rights and obligations hereunder shall have been assigned to such assignee as provided in such notice of assignment (and Assignment Agreement), such assignee shall have the rights and obligations of a Bank under this Agreement and the other Loan Documents (including without limitation the right to receive fees payable hereunder in respect of the period following such assignment). In addition, the assigning Bank, to the extent that rights and obligations hereunder shall have been assigned by it as provided in such notice of assignment (and Assignment Agreement), but not otherwise, shall relinquish its rights and be released from its obligations under this Agreement and the other Loan Documents.

Within five (5) Business Days following Company's receipt of notice from the Agent that Agent has accepted and executed a notice of assignment and the duly executed Assignment Agreement, Company and the Permitted Borrowers shall, to the extent applicable, execute and deliver to the Agent in exchange for any surrendered Note, new Note(s) payable to the order of the assignee in an amount equal to the amount assigned to it pursuant to such notice of assignment (and Assignment Agreement), and with respect to the portion of the Indebtedness retained by the assigning Bank, to the extent applicable, new Note(s) payable to the order of the assigning Bank in an amount equal to the amount retained by such Bank hereunder shall be executed and delivered by the Company and the Permitted Borrowers. Agent, the Banks and the Company and the Permitted Borrowers acknowledge and agree that any such new Note(s) shall be given in renewal and replacement of the surrendered Notes and shall not effect or constitute a novation or discharge of the Indebtedness evidenced by any surrendered Note, and each such new Note may contain a provision confirming such agreement. In addition, promptly following receipt of such Notes, Agent shall prepare and

distribute to Company, the Permitted Borrowers and each of the Banks a revised Exhibit D to this Agreement setting forth the applicable new Percentages of the Banks (including the assignee Bank), taking into account such assignment.

(e) Each Bank agrees that any participation agreement permitted hereunder shall comply with all applicable laws and shall be subject to the following restrictions (which shall be set forth in the applicable participation agreement):

(i) such Bank shall remain the holder of its Notes hereunder, notwithstanding any such participation;

(ii) except as expressly set forth in this Section 13.8(e) with respect to rights of setoff and the benefits of Section 11 hereof, a participant shall have no direct rights or remedies hereunder;

(iii) a participant shall not reassign or transfer, or grant any sub-participations in its participation interest hereunder or any part thereof; and

(iv) such Bank shall retain the sole right and responsibility to enforce the obligations of the Company and Permitted Borrowers relating to the Notes and the other Loan Documents, including, without limitation, the right to proceed against any Guaranties, or cause Agent to do so (subject to the terms and conditions hereof), and the right to approve any amendment, modification or waiver of any provision of this Agreement without the consent of the participant (other than a participant which is an Affiliate of such Bank), except for those matters covered by Section 13.11(a) through (e) and (h) hereof (provided that a participant may exercise approval rights over such matters only on an indirect basis, acting through such Bank, and Company, Permitted Borrowers, Agent and the other Banks may continue to deal directly with such Bank in connection with such Bank's rights and duties hereunder).

Company and each of the Permitted Borrowers each agrees that each participant shall be deemed to have the right of setoff under Section 10.4 hereof in respect of its participation interest in amounts owing under this Agreement and the other Loan Documents to the same extent as if the Indebtedness were owing directly to it as a Bank under this Agreement, shall be subject to the pro rata recovery provisions of Section 10.3 hereof and shall be entitled to the benefits of Section 11 hereof. The amount, terms and conditions of any participation shall be as set forth in the participation agreement between the issuing Bank and the Person purchasing such participation, and none of the Company, none of the Permitted Borrowers, the Agent and the other Banks shall have any responsibility or obligation with respect thereto, or to any Person to whom any such participation may be issued. No such participation shall relieve any issuing Bank of any of its obligations under this Agreement or any of the other Loan Documents (including without limitation the Collateral Documents), and all actions hereunder shall be conducted as if no such participation had been granted.

(f) Each assignment by a Bank to its Affiliates of all or any portion of the Notes, or any Advances thereunder, may be made on such terms and conditions as determined by such Bank (rather than pursuant to Section 13.8(d) hereof), provided however that (i) following each such assignment, the assigning Bank shall remain responsible for the performance of its obligations under this Agreement and the other Loan Documents (including without limitation its obligations in respect of any Notes and Advances thereunder so assigned), and each such Affiliate assignee shall not be deemed a "Bank" hereunder, (ii) Company, the Permitted Borrowers and the Agent shall be entitled to continue to deal solely and directly with such assigning Bank in connection with such Bank's rights and obligations under this Agreement and the other Loan Documents, (iii) such assigning Bank shall retain the sole right and responsibility to enforce the obligations of Company and the Permitted Borrowers (including Company or the applicable Permitted Borrower whose Notes or Advances thereunder have been so assigned) under this Agreement and the other Loan Documents. In connection with assignments to its Affiliates under this Section 13.8(f), an assigning Bank shall act as agent for its Affiliates having received assignments hereunder, and may appoint such Affiliates as such Bank's applicable Eurocurrency Lending Office. Furthermore with respect to such assignments under this Section 13.8(f), it is expressly acknowledged that the assignment fee provided for in Section 13.8(d)(iv) shall not apply.

(g) Nothing in this Agreement, the Notes or the other Loan Documents, expressed or implied, is intended to or shall confer on any Person other than the respective parties hereto and thereto and their successors and assignees and participants permitted hereunder and thereunder any benefit or any legal or equitable right, remedy or other claim under this Agreement, the Notes or the other Loan Documents.

13.9 Indulgence. No delay or failure of Agent and the Banks in exercising any right, power or privilege hereunder shall affect such right, power or privilege nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights of Agent and the Banks hereunder are cumulative and are not exclusive of any rights or remedies which Agent and the Banks would otherwise have.

13.10 Counterparts. This Agreement may be executed in several counterparts, and each executed copy shall constitute an original instrument, but such counterparts shall together constitute but one and the same instrument.

13.11 Amendment and Waiver. No amendment or waiver of any provision of this Agreement or any other Loan Document, or consent to any departure by the Company or the Permitted Borrowers therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Banks (or signed by the Agent at the direction of the Majority Banks), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, (X) that no amendment, waiver or consent shall increase the Percentage or the stated commitment amounts applicable to any Bank unless approved, in writing, by the affected Bank and (Y) that no amendment, waiver or consent shall, unless in writing and signed by all the Banks (or signed by Agent at the direction of all of the Banks), do any of the following: (a) increase the Revolving Credit Maximum Amount, except in accordance with

Section 2.18 hereof, (b) reduce the principal of, or interest on, the Notes or any Fees or other amounts payable hereunder, (c) postpone any date fixed for any payment of principal of, or interest on, the Notes or any Fees or other amounts payable hereunder, (d) waive any Event of Default specified in Section 9.1(a) or (b) hereof, (e) release or defer the granting or perfecting of a lien or security interest in any collateral or release any guaranty or similar undertaking provided by any Person, except as shall be otherwise expressly provided in this Agreement, the Intercreditor Agreement or any other Loan Document, (f) take any action which requires the signing of all Banks pursuant to the terms of this Agreement or any other Loan Document, (g) change the aggregate unpaid principal amount of the Notes which shall be required for the Banks or any of them to take any action under this Agreement or any other Loan Document, (h) change this Section 13.11, or (i) change the definition of "Majority Banks," "Supermajority of the Banks," "Percentage" or "Borrowing Base Limitation," and provided further, however, that (x) no amendment, waiver, or consent shall, unless in writing and signed by the Agent in addition to all the Banks, affect the rights or duties of the Agent under this Agreement or any other Loan Document, whether in its capacity as Agent, issuing bank or Swing Line Bank and (y) no amendment, waiver, or consent shall, unless in writing and signed by the Lead Arranger in addition to all the Banks, affect the rights or duties of the Lead Arranger under this Agreement or any other Loan Document. All references in this Agreement to "Banks" or "the Banks" shall refer to all Banks, unless expressly stated to refer to Majority Banks.

13.12 Taxes and Fees. Should any tax (other than a tax based upon the net income of any Bank or Agent by any jurisdiction where a Bank or Agent is located), recording or filing fee become payable in respect of this Agreement or any of the other Loan Documents or any amendment, modification or supplement hereof or thereof, the Company and each of the Permitted Borrowers, jointly and severally, agrees to pay the same together with any interest or penalties thereon and agrees to hold the Agent and the Banks harmless with respect thereto.

13.13 Confidentiality. Each Bank agrees that without the prior consent of Company, it will not disclose (other than to its employees, to another Bank or to its auditors or counsel) any information with respect to the Company or any of its Subsidiaries or any of the Permitted Borrowers which is furnished pursuant to the terms and conditions of this Agreement or any of the other Loan Documents or which is designated (in writing) by Company or any of the Permitted Borrowers to be confidential; provided that any Bank may disclose any such information (a) as has become generally available to the public or has been lawfully obtained by such Bank from any third party under no duty of confidentiality to the Company or such Permitted Borrower known to such Bank after reasonable inquiry, (b) as may be required or appropriate in any report, statement or testimony submitted to, or in respect of any inquiry by, any municipal, state or federal regulatory body having or claiming to have jurisdiction over such Bank, including the Board of Governors of the Federal Reserve System of the United States or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or appropriate in respect of any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation or ruling applicable to such Bank, and (e) to any permitted transferee or assignee or to any approved participant of, or with respect to, the Notes, as aforesaid, which has signed a confidentiality agreement consistent with the terms of this Section 13.13 hereof.

13.14 Withholding Taxes. If any Bank is not a United States person within the meaning of Section 7701(a)(30) of the Internal Revenue Code, such Bank shall promptly (but in any event prior to the initial payment of interest hereunder) deliver to the Agent two executed copies of (i) Internal Revenue Service Form W-8BEN or any successor form specifying the applicable tax treaty between the United States and the jurisdiction of such Bank's domicile which provides for the exemption from withholding on interest payments to such Bank, (ii) Internal Revenue Service Form W-8ECI or any successor form evidencing that the income to be received by such Bank hereunder is effectively connected with the conduct of a trade or business in the United States or (iii) other evidence satisfactory to the Agent that such Bank is exempt from United States income tax withholding with respect to such income; provided, however, that such Bank shall not be required to deliver to Agent the aforesaid forms or other evidence with respect to (i) Advances to any Foreign Subsidiary which is or becomes a Permitted Borrower hereunder or (ii) with respect to Advances to the Company or any Domestic Subsidiary which subsequently becomes a Permitted Borrower hereunder, if such Bank has assigned its entire interest in the Revolving Credit (including any outstanding Advances thereunder and participations in Letters of Credit issued hereunder), Swing Line and the Term Loans and any Notes issued to it by the Company, or any Domestic Subsidiary which subsequently becomes a Permitted Borrower hereunder, to an Affiliate which is incorporated under the laws of the United States or a state thereof, and so notifies the Agent. Such Bank shall amend or supplement any such form or evidence as required to insure that it is accurate, complete and non-misleading at all times. Promptly upon notice from the Agent of any determination by the Internal Revenue Service that any payments previously made to such Bank hereunder were subject to United States income tax withholding when made, such Bank shall pay to the Agent the excess of the aggregate amount required to be withheld from such payments over the aggregate amount actually withheld by the Agent. In addition, from time to time upon the reasonable request and at the sole expense of the Company or the Permitted Borrowers, each Bank and the Agent shall (to the extent it is able to do so based upon applicable facts and circumstances), complete and provide the Company or the Permitted Borrowers with such forms, certificates or other documents as may be reasonably necessary to allow the Company or the Permitted Borrowers, as applicable, to make any payment under this Agreement or the other Loan Documents without any withholding for or on the account of any tax under Section 10.1(d) hereof (or with such withholding at a reduced rate), provided that the execution and delivery of such forms, certificates or other documents does not adversely affect or otherwise restrict the right and benefits (including without limitation economic benefits) available to such Bank or the Agent, as the case may be, under this Agreement or any of the other Loan Documents, or under or in connection with any transactions not related to the transactions contemplated hereby.

13.15 Effective Upon Execution. This Agreement shall become effective upon the execution hereof by Banks, Agent, the Company and the Permitted Borrowers signatory hereto, and the issuance by the Company and such Permitted Borrowers, as applicable, of the Revolving Credit Notes and the Swing Line Notes hereunder, and shall remain effective until the Indebtedness has been repaid and discharged in full and no commitment to extend any credit hereunder remains outstanding. Those Permitted Borrowers not signatories to this Agreement on the effective date thereof shall become obligated hereunder (and shall be deemed parties to this Agreement) upon their execution and delivery, according to the terms hereof, of the aforesaid Notes.

13.16 Severability. In case any one or more of the obligations of the Company or any of the Permitted Borrowers under this Agreement, the Notes or any of the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Company or such Permitted Borrower shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Company or such Permitted Borrower under this Agreement, the Notes or any of the other Loan Documents in any other jurisdiction.

13.17 Table of Contents and Headings. The table of contents and the headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof.

13.18 Construction of Certain Provisions. If any provision of this Agreement or any of the other Loan Documents refers to any action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

13.19 Independence of Covenants. Each covenant hereunder shall be given independent effect (subject to any exceptions stated in such covenant) so that if a particular action or condition is not permitted by any such covenant (taking into account any such stated exception), the fact that it would be permitted by an exception to, or would be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or such condition exists.

13.20 Reliance on and Survival of Various Provisions. All terms, covenants, agreements, representations and warranties of the Company or any party to any of the Loan Documents made herein or in any of the other Loan Documents or in any certificate, report, financial statement or other document furnished by or on behalf of the Company, any such party in connection with this Agreement or any of the other Loan Documents shall be deemed to have been relied upon by the Banks, notwithstanding any investigation heretofore or hereafter made by any Bank or on such Bank's behalf, and those covenants and agreements of the Company and the Permitted Borrowers set forth in Section 11.8 hereof (together with any other indemnities of the Company or the Permitted Borrowers contained elsewhere in this Agreement or in any of the other Loan Documents, including but not limited to Sections 7.14, 11.1, 11.7, 11.10, 13.5 and 13.12) and of Banks set forth in Sections 12.1, 12.12 and 13.13 hereof shall, notwithstanding anything to the contrary contained in this Agreement, survive the repayment in full of the Indebtedness and the termination of any commitments to make Advances hereunder.

13.21 Complete Agreement; Amendment and Restatement. This Agreement, the Notes, any Requests for Advance or Letters of Credit hereunder, the other Loan Documents and any agreements, certificates, or other documents given to secure the Indebtedness, contain the entire agreement of the parties hereto, and none of the parties hereto shall be bound by anything not expressed in writing. This Agreement constitutes an amendment and restatement of the Prior Credit Agreement, which

Prior Credit Agreement is fully superseded and amended and restated in its entirety hereby; provided, however, that the Indebtedness governed by the Prior Credit Agreement shall remain outstanding and in full force and effect and provided further that this Agreement does not constitute a novation of such Indebtedness.

13.22 Bank Act (Canada) Disclosure. CAC Canada confirms and discloses the following:

(a) CAC Canada is not a member institution of Canada Deposit Insurance Corporation;

(b) the liability incurred by CAC Canada through Advances and under the Foreign Guaranty and the other Loan Documents to which CAC Canada is a party is not a deposit; and

(c) CAC Canada is not regulated as a financial institution in Canada.

[SIGNATURES FOLLOW ON SUCCEEDING PAGES]

WITNESS the due execution hereof as of the day and year first above written.

COMPANY:

CREDIT ACCEPTANCE CORPORATION

By: /S/ Douglas W. Busk

Its: Chief Financial Officer

AGENT:

COMERICA BANK, As Agent

By: /S/ Scottie S. Knight

Its: Vice President

PERMITTED BORROWERS:

CREDIT ACCEPTANCE CORPORATION UK LIMITED

By: /S/ Brett A. Roberts

Its: Chief Financial Officer

CAC OF CANADA LIMITED

BY: /S/ Douglas W. Busk

ITS: Chief Financial Officer

CREDIT ACCEPTANCE CORPORATION IRELAND LIMITED

BY: /S/ Brett A. Roberts

ITS: Chief Financial Officer

BANKS:

COMERICA BANK

By: /S/ Scottie S. Knight

Its: Vice President

BANK OF AMERICA, N.A.

By: /S/ Mary P. Riggins

Its: Principal

LASALLE BANK NATIONAL
ASSOCIATION

BY: /S/DAN GARCES

ITS: ASSISTANT VICE PRESIDENT

SIGNATURE PAGE FOR AMENDED AND RESTATED
CREDIT ACCEPTANCE CORPORATION CREDIT AGREEMENT

HARRIS TRUST AND SAVINGS BANK

BY: /S/ MICHEAL CAMELLI

ITS: VICE PRESIDENT

NATIONAL CITY BANK OF
MINNEAPOLIS

BY: /S/ STEVE BERGLUND

ITS: VICE PRESIDENT

SIGNATURE PAGE FOR AMENDED AND RESTATED
CREDIT ACCEPTANCE CORPORATION CREDIT AGREEMENT

NATIONAL CITY BANK OF
MICHIGAN/ILLINOIS

BY: /S/ ROBERT S. BERAR

ITS: VICE PRESIDENT

SIGNATURE PAGE FOR AMENDED AND RESTATED
CREDIT ACCEPTANCE CORPORATION CREDIT AGREEMENT

Attachment 1

SCHEDULE 1.1*/

PRICING MATRIX

	THE APPLICABLE MARGIN FOR			APPLICABLE FEE PERCENTAGE FOR	
NOTWITHSTANDING THE COMPANY'S RATING LEVEL:	ADVANCES AT THE PRIME-BASED RATE SHALL BE	ADVANCES OF THE REVOLVING CREDIT CARRIED AT THE EUROCURRENCY-BASED RATE SHALL BE	ADVANCES OF THE TERM LOAN CARRIED AT THE EUROCURRENCY-BASED RATE SHALL BE	REVOLVING CREDIT FACILITY FEE	LETTER OF CREDIT FEE
	0%	1.40%	2.00%	.6000%	1.525% (inclusive of facing fee)
APPLICABLE FEE PERCENTAGE FOR UTILIZATION FEE	If Utilization is < 50% of RCMA,**/0% -- If Utilization is > 50%, 0.25% -				

- --------

*/All terms as defined in the Agreement.

**/"RCMA" shall mean the Revolving Credit Maximum Amount as determined hereunder,or, in the event the Company has elected to convert the outstandings under the Revolving Credit to a Term Loan pursuant to Section 4.1, "RCMA" shall mean the Revolving Credit Maximum Amount as in effect immediately prior to such conversion. All other capitalized terms shall be defined as in the Agreement.

4(e)(08)

SEVENTH AMENDMENT TO NOTE PURCHASE AGREEMENT
RE:
CREDIT ACCEPTANCE CORPORATION
SECOND AMENDED AND RESTATED
9.27% SENIOR NOTES DUE OCTOBER 1, 2001

Dated as of June 7, 2001

To the Noteholders listed on Annex I hereto

Ladies and Gentlemen:

Credit Acceptance Corporation, a Michigan corporation (together with its successors and assigns, the "Company"), hereby agrees with you as follows:

SECTION 1. INTRODUCTORY MATTERS.

1.1 DESCRIPTION OF OUTSTANDING NOTES. The Company currently has outstanding its Second Amended and Restated 9.27% Senior Notes due October 1, 2001 (collectively, the "Notes") which it issued pursuant to the separate Note Purchase Agreements, each dated as of March 25, 1997 (collectively, as amended by the First Amendment to Note Purchase Agreement, dated as of December 12, 1997, the Second Amendment to Note Purchase Agreement, dated as of July 1, 1998, the Third Amendment to Note Purchase Agreement, dated as of April 13, 1999, the Fourth Amendment, dated as of December 1, 1999, the Fifth Amendment, dated as of April 27, 2000, and the Sixth Amendment, dated as of March 8, 2001, the "Agreement"), entered into by the Company with each of the original holders of the Notes listed on Annex 1 thereto, respectively. Terms used herein but not otherwise defined herein shall have the meanings assigned thereto in the Agreement, as amended hereby.

1.2 PURPOSE OF AMENDMENT. The Company and you desire to amend the Agreement as set forth in Section 2 hereof.

SECTION 2. AMENDMENT TO THE AGREEMENT.

Pursuant to Section 10.5 of the Agreement, the Company hereby agrees with you that the Agreement shall be amended by this Sixth Amendment to Note Purchase Agreement (this "Seventh Amendment") in the following respects:

2.1 SECTION 6.6. Subclause (D) of Section 6.6(a)(i) is amended by adding the words", CAC of Canada Limited and Credit Acceptance Corporation Ireland Limited" immediately after the words "CAC UK" in such subclause (D).

2.2 SECTION 9.1. The definition of "Total Restricted Subsidiary Debt" in Section 9.1 is hereby amended by adding the following at the end thereof (before the "."):

> ; and (iii) Total Restricted Subsidiary Debt does not include the amount of Debt of any Restricted Subsidiary attributable to any liabilities secured by any Lien on assets owned by such Restricted Subsidiary if such Lien is granted in favor of the "Collateral Agent" (as defined in the Intercreditor Agreement) for the benefit of the Banks, the holders of Notes and "Future Debt Holders" (as defined in the Intercreditor Agreement) and subject to the Intercreditor Agreement

SECTION 3. MISCELLANEOUS

3.1 COUNTERPARTS. This Seventh Amendment may be executed in any number of counterparts, each executed counterpart constituting an original, but all together only one Seventh Amendment.

3.2 HEADINGS. The headings of the sections of this Seventh Amendment are for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

3.3 GOVERNING LAW. This Seventh Amendment shall be governed by and construed in accordance with the internal laws of the State of New York.

3.4 EFFECT OF AMENDMENT. Except as expressly provided herein (a) no other terms and provisions of the Agreement shall be modified or changed by this Seventh Amendment and (b) the terms and provisions of the Agreement, as amended by this Seventh Amendment, shall continue in full force and effect. The Company hereby acknowledges and reaffirms all of its obligations and duties under the Agreement, as modified by this Seventh Amendment, and the Notes.

3.5 REFERENCES TO THE AGREEMENT. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution of the Seventh Amendment may refer to the Agreement without making specific reference to this Seventh Amendment but nevertheless all such references shall be deemed to include, to the extent applicable, this Seventh Amendment unless the context shall otherwise require.

3.6 COMPLIANCE. The Company certifies that all necessary actions have been taken by the Company to authorize the execution and delivery of this Seventh Amendment, and immediately before and after giving effect to this Seventh Amendment, no Default or Event of Default exists or would exist after giving effect hereto.

3.7 EFFECTIVENESS OF AMENDMENTS. The amendments to the Agreement contemplated by Section 2 hereof shall (in accordance with Section 10.5(a) of the Agreement) become effective, if at all, at such time as the Company and the Required Holders of the Notes shall have indicated their written consent to such amendments by executing and delivering the applicable counterparts of this Seventh Amendment. It is understood that any holder of Notes may withhold its consent for any reason, including, without limitation, any failure of the Company to satisfy all of the following conditions:

(a) This Seventh Amendment shall have been executed and delivered by the Company and each of the Required Holders of the Notes.

(b) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's Second Amended and Restated 9.49% Senior Notes due July 1, 2001 issued under Note Purchase Agreements dated as of August 1, 1996, containing an amendment to such Note Purchase Agreements identical in substance to the amendment set forth in Section 2 hereof.

(c) The execution, delivery and effectiveness of an agreement, signed by the Company and the requisite holders of the Company's Second Amended and Restated 10.37% Senior Notes due November 1, 2001 issued under Note Purchase Agreements dated as of October 1, 1994, containing an amendment to such Note Purchase Agreements identical in substance to the amendment set forth in Section 2 hereof.

(d) The Company shall have paid the statement for reasonable fees and disbursements of Bingham Dana LLP, your special counsel, presented to the Company on or prior to the effective date of this Seventh Amendment.

3.8 FULL DISCLOSURE. The Company warrants and represents to you that, as of the effective date hereof, none of the written statements, documents or other written materials furnished by, or on behalf of, the Company to you in connection with the negotiation, execution and delivery of this Seventh Amendment contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein not misleading in light of the circumstances in which they were made. There is no fact of which any of the Company's executive officers has actual knowledge which the Company has not disclosed to you which materially affects adversely or, so far as the Company can now reasonably foresee, will materially affect adversely the business, prospects, profits, Properties or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or the ability of the Company to perform its obligations set forth in the Agreement (after giving effect to this Seventh Amendment) and the Notes.

[Remainder of page intentionally blank. Next page is signature page.]

If this Seventh Amendment is satisfactory to you, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the Company, whereupon this Seventh Amendment shall become binding between us in accordance with its terms.

Very truly yours,

CREDIT ACCEPTANCE CORPORATION

By /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: Chief Financial Officer

[Signature Page to Seventh Amendment to Note Purchase Agreement in respect of 9.27% Senior Notes Due October 1, 2001 of Credit Acceptance Corporation]

ACCEPTED:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR AMERICAN
PIONEER LIFE INSURANCE COMPANY OF
NEW YORK

By /S/ Kathy Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR AMERICAN
PROGRESSIVE LIFE AND HEALTH
INSURANCE COMPANY OF NEW YORK

By /S/ Kathy Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR FEDERATED
RURAL ELECTRIC INSURANCE CORP.

By /S/ Kathy Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR TOWER
LIFE INSURANCE COMPANY

By /S/ Kathy Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR MUTUAL
PROTECTIVE INSURANCE COMPANY

By /S/ Kathy Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR PHYSICIANS
LIFE INSURANCE COMPANY VISTA 500

By /S/ Kathy Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR WORLD
INSURANCE COMPANY

By /S/ Kathy Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR VESTA
FIRE INSURANCE CORPORATION

By /S/ Kathy Lange

Name: Kathy Lange
Title:

ASSET ALLOCATION & MANAGEMENT
COMPANY AS AGENT FOR MEDICO
LIFE INSURANCE COMPANY

By /S/ Kathy Lange

Name: Kathy Lange
Title:

[Signature Page to Seventh Amendment to Note Purchase Agreement in respect of 9.27% Senior Notes Due October 1, 2001 of Credit Acceptance Corporation]

ANNEX I
SECOND AMENDED AND RESTATED 9.27% SENIOR NOTES
DUE OCTOBER 1, 2001

American Pioneer Life Insurance Company of New York
American Progressive Life and Health Insurance Company of New York
Federated Rural Electric Insurance Corp.
Tower Life Insurance Company
Physicians Life Insurance Company Vista 500
World Insurance Company
Vesta Fire Insurance Corporation
Mutual Protective Insurance Company
Medico Life Insurance Company

AMENDMENT NO. 5 TO NOTE PURCHASE AGREEMENT

AMENDMENT NO. 5 TO NOTE PURCHASE AGREEMENT (this "Amendment"), dated as of July 20, 2001, among KITTY HAWK FUNDING CORPORATION, a Delaware corporation, as a secured party (together with its successors and assigns, the "Company"), CAC FUNDING CORP., a Nevada corporation, as issuer (together with its successors and assigns, the "Issuer") and BANK OF AMERICA, N.A., a national banking association ("Bank of America"), individually and as agent for the Company and the Bank Investors (together with its successors and assigns in such capacity, the "Agent"), amending that certain Note Purchase Agreement (as amended to the date hereof, the "Note Purchase Agreement"), dated as of July 7, 1998, among the Company, the Issuer and Bank of America (known under the Note Purchase Agreement as "NationsBank, N.A."), individually and as the Agent.

WHEREAS, on the terms and conditions set forth herein, the parties thereto wish to amend the Note Purchase Agreement as provided herein.

NOW, THEREFORE, the parties HEREBY AGREE AS FOLLOWS:

SECTION 1. DEFINED TERMS. AS USED IN THIS AMENDMENT CAPITALIZED TERMS HAVE THE SAME MEANINGS ASSIGNED THERETO IN THE NOTE PURCHASE AGREEMENT.

SECTION 2. AMENDMENTS.

(1) SECTION 1.1 OF THE NOTE PURCHASE AGREEMENT IS HEREBY AMENDED BY DELETING THE REFERENCE TO "MARCH 11, 2002" IN THE DEFINITION OF "COMMITMENT TERMINATION DATE" AND REPLACING SUCH REFERENCE WITH "JULY 19, 2002".

(2) Section 1.1 of the Note Purchase Agreement is hereby amended by deleting THE REFERENCE TO "MARCH 11, 2002" IN CLAUSE (VIII) OF THE DEFINITION OF "TERMINATION DATE" AND REPLACING SUCH REFERENCE WITH "JULY 19, 2002".

(3) Section 2.1(e)(i)(4) of the Note Purchase Agreement is hereby amended by deleting the reference to "June 30, 2009" and replacing such reference with "October 30, 2009".

SECTION 3. Representations and Warranties. The Issuer hereby makes to the Agent, the Company and the Bank Investors, on and as of the date hereof, all of the representations and warranties set forth in Section 4.1 of the Note Purchase Agreement and Sections 3.1 and 3.2 of the Security Agreement, except that to the extent that any of such representations and warranties expressly relate to an earlier date, such representations and warranties shall be true and correct as of such earlier date.

SECTION 4. Effectiveness. This Amendment shall become effective on July 20, 2001.

SECTION 5. CONDITION PRECEDENT TO SUBSEQUENT FUNDING. PRIOR TO THE SUBSEQUENT FUNDING ON OR NEXT SUCCEEDING THE DATE HEREOF, THE DEBTOR SHALL OBTAIN AND, UNLESS OTHERWISE CONSENTED TO BY THE AGENT, HAVE AT ALL TIMES IN EFFECT, AN INTEREST RATE CAP AGREEMENT (THE "INTEREST RATE CAP") WITH A FINANCIAL INSTITUTION (THE "CAP COUNTERPARTY"), WHICH SHALL AT ALL TIMES DURING THE TERM OF THE INTEREST RATE CAP BE ACCEPTABLE TO THE AGENT AND SHALL HAVE AT ALL TIMES A RATING OF AT LEAST "A3" FROM MOODY'S AND "A-" FROM STANDARD & POOR'S AND WHICH HAS IRREVOCABLY AND UNCONDITIONALLY AGREED THAT, PRIOR TO THE DATE WHICH IS ONE YEAR AND ONE DAY AFTER THE PAYMENT IN FULL OF ALL COMMERCIAL PAPER ISSUED BY THE COMPANY, IT WILL NOT ACQUIESCE, PETITION OR OTHERWISE INVOKE OR CAUSE THE DEBTOR TO INVOKE THE PROCESS OF ANY GOVERNMENTAL AUTHORITY FOR THE PURPOSE OF COMMENCING OR SUSTAINING A CASE AGAINST THE DEBTOR UNDER ANY FEDERAL OR STATE BANKRUPTCY, INSOLVENCY OR SIMILAR LAW OR APPOINTING A RECEIVER, LIQUIDATOR, ASSIGNEE, TRUSTEE, CUSTODIAN, SEQUESTRATOR OR OTHER SIMILAR OFFICIAL OF THE DEBTOR OR ANY SUBSTANTIAL PART OF ITS PROPERTY OR ORDERING THE WINDING-UP OR LIQUIDATION OF THE AFFAIRS OF THE DEBTOR. THE INTEREST RATE CAP SHALL BE IN FORM AND SUBSTANCE ACCEPTABLE TO THE AGENT AND SHALL PROVIDE (I) THAT ALL AMOUNTS PAYABLE THEREUNDER SHALL BE PAID BY THE CAP COUNTERPARTY DIRECTLY TO THE COLLECTION ACCOUNT, (II) THAT THE DEBTOR'S RIGHTS THEREUNDER HAVE BEEN IRREVOCABLY ASSIGNED TO, AND A SECURITY INTEREST THEREIN HAS BEEN GRANTED TO, THE COLLATERAL AGENT FOR THE BENEFIT OF THE SECURED PARTIES, (III) FOR A STRIKE RATE OF NOT MORE THAN 7.50% PER ANNUM, AND (IV) THAT IT COVERS A NOTIONAL AMOUNT CORRESPONDING TO AN AMORTIZATION SCHEDULE PROVIDED BY THE COLLATERAL AGENT AND ATTACHED HERETO AS EXHIBIT A. NOTHING IN THIS SECTION SHALL BE INTERPRETED AS LIMITING IN ANY WAY THE OTHER CONDITIONS TO FUNDING IN THE NOTE PURCHASE AGREEMENT OR THE SECURITY AGREEMENT.

SECTION 6. COSTS AND EXPENSES. THE ISSUER SHALL PAY ALL OF THE COMPANY'S, THE BANK INVESTORS' AND THE AGENT'S COST AND EXPENSES (INCLUDING OUT OF POCKET EXPENSES AND REASONABLE ATTORNEYS FEES AND DISBURSEMENTS) INCURRED BY THEM IN CONNECTION WITH THE PREPARATION, EXECUTION AND DELIVERY OF THIS

AMENDMENT.

SECTION 7. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 8. SEVERABILITY; COUNTERPARTS. THIS AMENDMENT 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 INSTRUMENT. ANY PROVISIONS OF THIS AMENDMENT WHICH ARE PROHIBITED OR UNENFORCEABLE IN ANY JURISDICTION SHALL, AS TO SUCH JURISDICTION, BE INEFFECTIVE TO THE EXTENT OF SUCH PROHIBITION OR UNENFORCEABILITY WITHOUT INVALIDATING THE REMAINING PROVISIONS HEREOF, AND ANY SUCH PROHIBITION OR UNENFORCEABILITY IN ANY JURISDICTION SHALL NOT INVALIDATE OR RENDER UNENFORCEABLE SUCH PROVISION IN ANY OTHER JURISDICTION.

SECTION 9. CAPTIONS. THE CAPTIONS IN THIS AMENDMENT ARE FOR CONVENIENCE OF REFERENCE ONLY AND SHALL NOT DEFINE OR LIMIT ANY OF THE TERMS OR PROVISIONS HEREOF.

SECTION 10. RATIFICATION. EXCEPT AS EXPRESSLY AFFECTED BY THE PROVISIONS HEREOF, THE NOTE PURCHASE AGREEMENT AS AMENDED SHALL REMAIN IN FULL FORCE AND EFFECT IN ACCORDANCE WITH ITS TERMS AND RATIFIED AND CONFIRMED BY THE PARTIES HERETO. ON AND AFTER THE DATE HEREOF, EACH REFERENCE IN THE NOTE PURCHASE AGREEMENT TO "THIS AGREEMENT", "HEREUNDER", "HEREIN" OR WORDS OF LIKE IMPORT SHALL MEAN AND BE A REFERENCE TO THE AGREEMENT AS AMENDED BY THIS AMENDMENT.

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IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED AND DELIVERED THIS AMENDMENT NO. 5 TO THE NOTE PURCHASE AGREEMENT AS OF THE DATE FIRST WRITTEN ABOVE.

CAC FUNDING CORP., AS ISSUER

BY: /S/ DOUGLAS W. BUSK

NAME: CHIEF FINANCIAL OFFICER

KITTY HAWK FUNDING CORPORATION,
AS COMPANY

BY: /S/ ANDY YAN

NAME: ANDY YAN
TITLE: VICE PRESIDENT

BANK OF AMERICA, N.A., INDIVIDUALLY AND
AS COLLATERAL AGENT

BY: /S/ CHRISTOPHER G. YOUNG

NAME: CHRISTOPHER G. YOUNG
TITLE: VICE PRESIDENT

AMENDMENT NO. 6 TO
NOTE PURCHASE AGREEMENT

AMENDMENT NO. 6 TO NOTE PURCHASE AGREEMENT (this "Amendment"), dated as of July 20, 2001, among KITTY HAWK FUNDING CORPORATION, a Delaware corporation, as a secured party (together with its successors and assigns, the "Company"), CAC FUNDING CORP., a Nevada corporation, as issuer (together with its successors and assigns, the "Issuer") and BANK OF AMERICA, N.A., a national banking association ("Bank of America"), individually and as agent for the Company and the Bank Investors (together with its successors and assigns in such capacity, the "Agent"), amending that certain Note Purchase Agreement (as amended to the date hereof, the "Note Purchase Agreement"), dated as of July 7, 1998, among the Company, the Issuer and Bank of America (known under the Note Purchase Agreement as "NationsBank, N.A."), individually and as the Agent.

WHEREAS, on the terms and conditions set forth herein, the parties thereto wish to amend the Note Purchase Agreement as provided herein.

NOW, THEREFORE, the parties hereby agree as follows:

SECTION 1. Defined Terms. As used in this Amendment capitalized terms have the same meanings assigned thereto in the Note Purchase Agreement.

SECTION 2. Amendments.

(a) Section 1.1 of the Note Purchase Agreement is hereby amended by adding the following definition of "Release Date":

"Release Date" shall have the meaning specified in the Security Agreement."

(b) The introductory paragraph of Section 4.1 of the Note Purchase Agreement is hereby amended to read as follows (solely for convenience of reference added or changed language is italicized):

> "Representations and Warranties of the Issuer. The Issuer represents and warrants to and covenants with the Company and the Bank Investors as of the Closing Date and, except as otherwise provided herein, as of any Subsequent Funding Date and as of any Release Date that:"

SECTION 3. Representations and Warranties. The Issuer hereby makes to the Agent, the Company and the Bank Investors, on and as of the date hereof, all of the representations and warranties set forth in Section 4.1 of the Note Purchase Agreement and Sections 3.1 and 3.2 of the Security Agreement, except that to the extent that any of such representations and warranties expressly relate to an earlier date, such representations and warranties shall be true and correct as of such earlier date.

SECTION 4. Effectiveness. This Amendment shall become effective on July 20, 2001.

SECTION 5. Costs and Expenses. The Issuer shall pay all of the Company's, the Bank Investors' and the Agent's cost and expenses (including out of pocket expenses and reasonable attorneys fees and disbursements) incurred by them in connection with the preparation, execution and delivery of this Amendment.

SECTION 6. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Severability; Counterparts. This Amendment 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 instrument. Any provisions of this Amendment which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 8. Captions. The captions in this Amendment are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 9. Ratification. Except as expressly affected by the provisions hereof, the Note Purchase Agreement as amended shall remain in full force and effect in accordance with its terms and ratified and confirmed by the parties hereto. On and after the date hereof, each reference in the Note Purchase Agreement to "this Agreement", "hereunder", "herein" or words of like import shall mean and be a reference to the Agreement as amended by this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment No. 6 to the Note Purchase Agreement as of the date first written above.

CAC FUNDING CORP., as Issuer
By: /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: Chief Financial Officer

KITTY HAWK FUNDING CORPORATION,
as Company
By: /S Andy Yan

Name: Andy Yan
Title: Vice President

BANK OF AMERICA, N.A., Individually and
as Collateral Agent
By: /S/ Christopher G. Young

Name: Christopher G. Young
Title: Vice President

AMENDED AND RESTATED SECURITY AGREEMENT

AMENDED AND RESTATED SECURITY AGREEMENT (this "Agreement"), dated as of July 20, 2001 among KITTY HAWK FUNDING CORPORATION, a Delaware corporation, as a secured party (together with its successors and assigns, the "Company"), CAC FUNDING CORP., a Nevada corporation, as debtor (together with its successors and assigns, the "Debtor"), CREDIT ACCEPTANCE CORPORATION, a Michigan corporation, individually and as servicer (together with its successors and assigns, the "Servicer"), and BANK OF AMERICA, N.A., a national banking association ("Bank of America"), individually and as collateral agent (together with its successors and assigns in such capacity, the "Collateral Agent").

W I T N E S S E T H :

WHEREAS, the Company, the Debtor, the Servicer and Bank of America (formerly NationsBank, N.A.) have entered into a Security Agreement dated as of July 7, 1998 (the "Original Agreement");

WHEREAS, the the Company, the Debtor, the Servicer and Bank of America desire that the Original Agreement be amended and restated on the terms and conditions set forth herein;

WHEREAS, subject to the terms and conditions of this Agreement, the Debtor desires to grant a security interest in and to the Loans and related property (including the Debtor's interest in the Contracts securing payment of such Loans) and the Collections derived therefrom during the full term of this Agreement;

WHEREAS, pursuant to the Note Purchase Agreement, the Debtor has issued the Note to the Company and will be obligated to the holder of such Note to pay the principal of and interest on such Note in accordance with the terms thereof;

WHEREAS, the Debtor is granting a security interest in the Collateral to the Collateral Agent, for the benefit of the Secured Parties, to secure the payment and performance of the Debtor of its obligations under the Note, the Note Purchase Agreement and this Agreement;

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1 Definitions. All capitalized terms used herein shall have the meanings herein specified, and shall include in the singular number the plural and in the plural number the singular:

"Accrued Interest Component" shall mean, for any Collection Period, the Interest Component of all Related Commercial Paper outstanding at any time during such Collection Period which has accrued from the first day through the last day of such Collection Period, whether or not such Related Commercial Paper matures during such Collection Period. For purposes of the immediately preceding sentence, the portion of the Interest Component of Related Commercial Paper accrued in a Collection Period in which Related Commercial Paper has a stated maturity date that succeeds the last day of such Collection Period shall be computed based on the actual number of days that such Related Commercial Paper was outstanding during such Collection Period.

"Adjusted LIBOR Rate" means, with respect to any Collection Period, a rate per annum equal to the sum (rounded upwards, if necessary, to the next higher 1/100 of 1%) of (A) the rate obtained by dividing (i) the applicable LIBOR Rate by (ii) a percentage equal to 100% minus the reserve percentage used for determining the maximum reserve requirement as specified in Regulation D (including, without limitation, any marginal, emergency, supplemental, special or other reserves) that is applicable to the Agent during such Collection Period in respect of eurocurrency or eurodollar funding, lending or liabilities (or, if more than one percentage shall be so applicable, the daily average of such percentage for those days in such Collection Period during which any such percentage shall be applicable) plus (B) the then daily net annual assessment rate (rounded upwards, if necessary, to the nearest 1/100 of 1%) as estimated by the Agent for determining the current annual assessment payable by the Agent to the Federal Deposit Insurance

Corporation in respect of eurocurrency or eurodollar funding, lending or liabilities.

"Administrative Agent" shall mean Bank of America, N.A., as administrative agent for the Company.

"Administrative Expenses" shall mean, with respect to any Collection Period, the sum of: (a) the reasonable expenses incurred by the Debtor in the ordinary course of business, (b) the reasonable expenses of the Debtor relating to the maintenance of the Collateral, and (c) all other expenses of the Debtor relating to the issuance of the Note pursuant to this Agreement, including legal fees and expenses of counsel and accountants; provided, that Administrative Expenses shall not exceed $25,000 in any given calendar year.

"Affiliate" shall mean, with respect to a Person, any other Person which directly or indirectly controls, is controlled by or is under common control with such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agent" shall have the meaning specified in the Note Purchase Agreement.

"Aggregate Outstanding Eligible Loan Balance" shall mean, with respect to any date of determination, the aggregate Outstanding Balance under all Eligible Loans at the end of such day.

"Agreement" shall mean this Amended and Restated Security Agreement, as it may from time to time be amended, supplemented or otherwise modified in accordance with the terms hereof.

"Available Cash" shall mean the Accrued Interest Component of Related Commercial Paper which is distributed to the Agent pursuant to Section 5.1(a)(iii),

with respect to which such Related Commercial Paper did not mature during the related Collection Period.

"Available Collections" shall mean, with respect to each Remittance Date, all Collections received by the Servicer, from whatever source, including amounts paid by the Debtor under Section 3.2(e) during or with respect to the prior Collection Period.

"Bank Investors" shall have the meaning specified in the Note Purchase Agreement.

"Base Rate" means, a rate per annum equal to the greater of (i) the prime rate of interest announced by the Liquidity Provider (or, if more than one Liquidity Provider, then by Bank of America, N.A.) from time to time, changing when and as said prime rate changes (such rate not necessarily being the lowest or best rate charged by the Liquidity Provider (or Bank of America, N.A. as applicable)) and (ii) the sum of (a) 1.50% and (b) the rate equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Liquidity Provider (or, if more than one Liquidity Provider, then by Bank of America, N.A.) from three Federal funds brokers of recognized standing selected by it.

"Blended Advance Rate" shall mean, as applicable, either (i) the percentage designated by the Company, in its sole discretion, on the day of the most recent Funding as the Blended Advance Rate applicable to the Loans which are the subject of such Funding, or (ii) the percentage designated by the Company, in its sole discretion (using methodology similar to that utilized in determining Blended Advance Rates in connection with Fundings that occurred prior to the date of this Amended and Restated Agreement), on the day funds are released to

the Debtor pursuant to the Release Provisions as the Blended Advance Rate applicable to the Loans which are the subject of such release. As of the Closing Date, the Blended Advance Rate will be 72.77%.

"Business Day" shall mean any day excluding Saturday, Sunday and any day on which banks in New York, New York, Charlotte, North Carolina or Detroit, Michigan are authorized or required by law to close.

"CAC" shall mean Credit Acceptance Corporation, a Michigan corporation, and its successors and assigns.

"Carrying Costs" shall mean, with respect to any Collection Period, the sum (without duplication) of (i) the sum of the dollar amount of the obligations of the Company and any related Program Support Providers for such Collection Period determined on an accrual basis in accordance with generally accepted accounting principles consistently applied (a) to pay interest accrued during such Collection Period with respect to the Note pursuant to the Liquidity Provider Agreement and amounts outstanding under the Program Support Agreement at any time during such Collection Period, whether or not such interest is payable during such Collection Period, and (b) to pay the Accrued Interest Component of Related Commercial Paper with respect to such Collection Period, and (ii) the sum of (a) amounts payable in respect of the Note by the Debtor pursuant to Article V of the Note Purchase Agreement, and (b) to pay all fees payable pursuant to the Fee Letter accrued from the first day of such Collection Period through the last day of such Collection Period to the extent not paid by the Debtor in accordance with the provisions of the Note Purchase Agreement and such Fee Letter. During any Collection Period during which the Bank Investors have (x) advanced funds with respect to a Funding or (y) acquired an interest in the Note, in lieu of the amounts described in clause (i)(b) above, Carrying Costs shall include interest on the daily average Net Investment for the related Collection Period at the Adjusted LIBOR Rate, or if such rate is unavailable, at the Base Rate, or if a Termination Event (other than a Termination Event described in

clauses (vii) and (viii) of Section 6.1) shall have occurred and be continuing, at the Base Rate plus 2.00%.

"Closing Date" shall mean July 7, 1998.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time (including any successor statute), and the regulations promulgated and the rulings issued thereunder.

"Collateral" shall have the meaning set forth in Section 2.1 of this Agreement.

"Collateral Agent" shall mean Bank of America, N.A., or any successor thereto, as Collateral Agent hereunder.

"Collection Account" shall mean the account established pursuant to Section 4.7 of this Agreement.

"Collection Guidelines" shall mean policies and procedures of the Servicer, relating to the collection of amounts due on contracts for the sale of automobiles and/or light-duty trucks, as in effect on the Cut-Off Date and as amended from time to time in accordance herewith and with the other Transaction Documents.

"Collection Period" shall mean, with respect to any Remittance Date, the period from and including the first day of the calendar month immediately preceding the calendar month in which such Remittance Date occurs through and including the last day of such immediately preceding calendar month; provided, that the first Collection Period shall begin on the Cut-Off Date and shall end on the 31st day of the calendar month following the month containing the Cut-Off Date.

"Collections" shall mean all payments (including Recoveries, credit-related insurance proceeds, Interest Rate Cap proceeds and proceeds of Related Security) received by the Servicer, CAC or the Debtor on or after the Cut-Off Date in respect of the Loans in the form of cash, checks, wire transfers or other form of

payment in accordance with the Loans and the Dealer Agreements (including any additional amounts received from pools of contracts for a given Dealer pursuant to a Dealer Agreement which are applied to reduce the balance of the Loans).

"Commercial Paper" shall mean promissory notes of the Company issued by the Company in the commercial paper market.

"Company" shall mean Kitty Hawk Funding Corporation, a Delaware corporation, together with its successors and assigns.

"Consolidated Income Available for Fixed Charges" shall mean, for any period, the sum of (i) Consolidated Net Income, plus (ii) the aggregate amount of income taxes, depreciation, amortization and Consolidated Fixed Charges (to the extent, and only to the extent, that such aggregate amount was reflected in the computation of Consolidated Net Income for such period), determined on a Consolidated basis for such Persons in accordance with generally accepted accounting principles.

"Consolidated Tangible Net Worth" shall mean the total preferred shareholders' investment and common shareholders' investment (common stock, paid-in-capital and retained earnings) as computed under generally accepted accounting principles, less assets properly classified as intangible assets according to generally accepted accounting principles."

"Contract" shall mean each retail installment sales contract, in substantially one of the forms attached hereto as Exhibit A, relating to the sale of a new or used automobile or light-duty truck originated by a Dealer and in which CAC shall have been granted a security interest and shall have acquired certain other ownership rights under the related Dealer Agreement to secure the related dealer's obligation to repay one or more Loans.

"Contribution Agreement" shall mean a Contribution Agreement, dated as of July 7, 1998, substantially in the form of Exhibit B hereto between CAC and the Debtor, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Credit Guidelines" shall mean policies and procedures of CAC, relating to the extension of credit to automobile and light-duty truck dealers in respect of retail installment contracts for the sale of automobiles and/or light-duty trucks, including, without limitation, the policies and procedures for determining the creditworthiness of such dealers and relating to this extension of credit to such dealers and the maintenance of installment sale contracts, as in effect on the Cut-Off Date and as amended from time to time in accordance herewith and with the other Transaction Documents.

"Cut-Off Date" shall mean June 30, 1998.

"Date of Processing" shall mean, with respect to any transaction relating to a Loan or a Contract, the date on which such transaction is first recorded on the Servicer's master servicing file (without regard to the effective date of such recordation).

"Dealer" shall mean any new or used automobile and/or light-duty truck dealer who has entered into a Dealer Agreement with CAC.

"Dealer Agreement" shall mean each agreement between CAC and any Dealer, in substantially the form attached hereto as Exhibit C.

"Dealer Collections" shall have the meaning specified in Section 5.1(e).

"Dealer Concentration Limit" shall mean 3%.

"Debtor" shall mean CAC Funding Corp., a Nevada corporation, and its successors and assigns.

"Debtor Relief Law" shall mean the Bankruptcy Code of the United States of America, and any successor to such code, and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshaling of assets or similar debtor relief laws of the United States, any state or any foreign country from time to time in effect affecting the rights of creditors generally.

"Defaulted Contract" shall mean each Contract for which the amounts due thereunder should be charged off as uncollectible in accordance with the Servicer's accounting policies in effect from time to time. A Contract shall become a Defaulted Contract on the day on which the amounts due under such Contract are recorded as charged off on the Servicer's master file of Contracts, but, in any event, shall be deemed a Defaulted Contract no later than the earliest of (x) the day it becomes 270 days delinquent, based on the date the last payment thereon was received by the Servicer and (y) the day on which it is identified by the Servicer as uncollectible. Notwithstanding any other provision of this Agreement, any amount due under a Defaulted Contract which is an Ineligible Contract shall be treated as an amount due under an Ineligible Contract rather than as an amount due under a Defaulted Contract.

"Determination Date" shall mean the eighth day of each calendar month or, if such eighth day is not a Business Day, the next succeeding Business Day.

"Dissolution Event" shall mean CAC, the Servicer or the Debtor voluntarily seeking, consenting to or acquiescing in the benefit or benefits of any Debtor Relief Law or similar proceeding or becoming a party to (or be made the subject of) any proceeding provided for by any Debtor Relief Law or similar proceedings of or relating to CAC, the Servicer or the Debtor, or relating to all or substantially all of their respective properties, other than as a creditor or claimant, and in the event such proceeding is involuntary, the petition instituting the same is not dismissed within 60 days of

its filing; or CAC, the Servicer or the Debtor, as applicable, shall admit in writing its inability to pay its debts generally as they become due, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations.

"Dollar," "Dollars" and the symbol "$" shall mean lawful money of the United States of America.

"Duff & Phelps" shall mean Duff & Phelps Credit Rating Company.

"Eligible Contract" shall mean each Contract:

(a) which satisfies the requirements for "Qualified Receivable" set forth in the related Dealer Agreement and is not a Defaulted Contract;

(b) which is not a lease;

(c) which at the time it was created, the Obligor had provided to the dealer an address within the United States;

(d) with respect to which the original Contract term was 48 months or less, provided, however, that up to 2.5% of Eligible Contracts may have had original terms greater than 48 months up to and including 72 months,

"Eligible Dealer Agreement" means, each Dealer Agreement:

(1) which was originated in compliance with all applicable requirements of law and which complies with all applicable requirements of law;

(2) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Debtor, CAC or by the Servicer in connection with the origination of such Dealer Agreement or the execution,

delivery and performance by the Debtor, CAC or by the Servicer of such Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(3) as to which at the time of the transfer of rights thereunder to the Collateral Agent and the Secured Parties, the Debtor will have good and marketable title thereto, free and clear of all Liens (other than the interests of the applicable Dealer thereunder);

(4) The rights under which have been the subject of a valid grant of a first priority perfected security interest in such rights and in the proceeds thereof;

(5) which will at all times be the legal, valid and binding obligation of the Dealer thereof (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Dealer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or inequity);

(6) which constitutes either a "general intangible" or "chattel paper" under and as defined in Article 9 of the UCC as in effect in the Relevant UCC State;

(7) which, at the time of the pledge of the rights to payment thereunder to the Collateral Agent and the Secured Parties, has not been waived or modified;

(8) which is not subject to any right of rescission, setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency,

reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(9) as to which CAC, the Servicer and the Debtor have satisfied all obligations to be fulfilled at the time the rights to payment thereunder are pledged to the Collateral Agent and the Secured Parties;

(10) as to which the related Dealer has not asserted that such agreement is void or unenforceable;

(11) as to which the related Dealer is not bankrupt or insolvent to the best of CAC's knowledge; and

(12) as to which none of CAC, the Servicer nor the Debtor has done anything, at the time of its pledge to the Collateral Agent and Secured Parties, to impair the rights of the Collateral Agent and Secured Parties therein.

"Eligible Institution" shall mean the Collateral Agent or any other depository institution organized under the laws of the United States or any one of the States thereof including the District of Columbia, the deposits in which are insured by the FDIC and which at all times has a short-term unsecured debt rating of at least "A-1+" and "P-1" from Standard & Poor's and Moody's, respectively, and of at least "D-1+" from Duff & Phelps, if such institution is rated by Duff & Phelps, and of at least "F-1+" from Fitch, if such institution is rated by Fitch.

"Eligible Investments" shall mean (a) negotiable instruments or securities represented by instruments in bearer or registered or in book-entry form which evidence (i) obligations fully guaranteed by the United States of America; (ii) time deposits in, or bankers acceptances issued by, any depository institution or trust company incorporated under the laws of the United States of America or any state thereof (or any domestic branch or agency of any foreign bank) and

subject to supervision and examination by Federal or state banking or depository institution authorities; provided, however, that at the time of the investment or contractual commitment to invest therein, the certificates of deposit or short-term deposits, if any, or long-term unsecured debt obligations (other than any such obligation whose rating is based on collateral or on the credit of a Person other than such institution or trust company) of such depository institution or trust company shall have a credit rating from Moody's and Standard & Poor's of at least "P-1" and "A-1+", respectively, and from Duff & Phelps of at least "D-1+", if such investment is rated by Duff & Phelps, and from Fitch of at least "F-1+", if such investment is rated by Fitch, in the case of the certificates of deposit or short-term deposits, or a rating not lower than one of the two highest investment categories granted by Moody's and Standard & Poor's and Duff & Phelps, if such investment is rated by Duff & Phelps, and Fitch, if such investment is rated by Fitch; (iii) certificates of deposit having, at the time of the investment or contractual commitment to invest therein, a rating from Moody's and Standard & Poor's of at least "P-1" and "A-1+", respectively, and from Duff & Phelps of at least "D-1+", if such certificates of deposit are rated by Duff & Phelps, and from Fitch of at least "F-1", if such certificates of deposit are rated by Fitch; or (iv) investments in money market funds rated in the highest investment category, (b) demand deposits in the name of the Secured Parties or the Collateral Agent on behalf of the Secured Parties in any depository institution or trust company referred to in (a)(ii) above, (c) commercial paper (having original or remaining maturities of no more than 30 days) having, at the time of the investment or contractual commitment to invest therein, a credit rating from Moody's and Standard & Poor's of at least "P-1" and "A-1+", respectively, and from Duff & Phelps of at least "D-1+", if such commercial paper is rated by Duff & Phelps, and from Fitch of at least "F-1", if such commercial paper is rated by Fitch, (d) Eurodollar time deposits having a credit rating from Moody's and Standard & Poor's of at least "P-1" and "A-1+", respectively, and from Duff & Phelps of at least "D-1+", if such deposits are rated by

Duff & Phelps, and from Fitch of at least "F-1", if such deposits are rated by Fitch, and (e) repurchase agreements involving any of the Eligible Investments described in clauses (a)(i), (a)(iii) and (d) hereof so long as the other party to the repurchase agreement has at the time of the investment therein, a rating from Moody's and Standard & Poor's of at least "P-1" and "A-1+", respectively, and from Duff & Phelps of at least "D-1+", if such party is rated by Duff & Phelps, and from Fitch of at least "F-1", if such party is rated by Fitch.

"Eligible Loan" means, each Loan:

(13) which has arisen under a Dealer Agreement that, on the day the Loan was created, qualified as an Eligible Dealer Agreement;

(14) which was created in compliance with all applicable requirements of law and pursuant to a Dealer Agreement which complies with all applicable requirements of law;

(15) with respect to which all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority required to be obtained, effected or given by the Debtor or by the original creditor, if not the Debtor, in connection with the creation of such Loan or the execution, delivery and performance by the Debtor or by the original creditor, if not the Debtor, of the related Dealer Agreement have been duly obtained, effected or given and are in full force and effect;

(16) as to which at the time of the pledge of such Loan to the Collateral Agent and the Secured Parties, the Debtor will have good and marketable title thereto, free and clear of all Liens;

(17) which has been the subject of a grant to the Collateral Agent of a valid first priority perfected security interest in such Loan and in the proceeds thereof;

(18) which will at all times be the legal, valid and binding payment obligation of the Obligor thereof (it being understood that recourse for such payment obligation shall be limited to the extent set forth in the Dealer Agreement), enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or equity);

(19) which constitutes a "general intangible" under and as defined in Article 9 of the UCC as in effect in the Relevant UCC State;

(20) the financing of which with the proceeds of commercial paper would constitute a "current transaction" within the meaning of Section 3(a)(3) of the Securities Act;

(21) which is denominated and payable in United States dollars;

(22) which, at the time of its pledge to the Collateral Agent and the Secured Parties, has not been waived or modified;

(23) which is not subject to any right of rescission (subject to the rights of the dealer to repay the outstanding balance of the Loan and terminate the related Dealer Agreement), setoff, counterclaim or other defense (including the defense of usury), other than defenses arising out of applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general;

(24) as to which CAC, the Servicer and the Debtor have satisfied all obligations to be fulfilled at the time it is pledged to the Collateral Agent and the Secured Parties;

(25) as to which the related Dealer has not asserted that the related Dealer Agreement is void or unenforceable;

(26) as to which the related Dealer is not bankrupt or insolvent to the best of CAC's knowledge;

(27) as to which none of CAC, the Servicer nor the Debtor has done anything, at the time of its pledge to the Collateral Agent and the Secured Parties, to impair the rights of the Collateral Agent and the Secured Parties;

(28) the ratio of the outstanding advance to the gross contract balance securing such Loan is less than or equal to 45%; provided, that Loans which otherwise satisfy the definition of Eligible Loan but with regard to which such ratio is greater than 45% (but in no event greater than 100%) shall be considered Eligible Loans but only to the extent the Outstanding Balance of such Loans does not exceed 22.5% of the Aggregate Outstanding Eligible Loan Balance (not giving effect to this clause (p)); and

(29) the proceeds of which were used to finance the purchases of new or used automobiles and/or light-duty trucks and related products.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean with respect to the Debtor, at any time, each trade or business (whether or not incorporated) that would, at the time, be treated together with the Debtor as a single employer under Section 4001 of ERISA or Sections 414(b), (c), (m) or (o) of the Code.

"Excluded Loan Balance" shall mean, with respect to any date of determination, the sum, without duplication, of the aggregate for all Dealers of the amount by which (A) the aggregate Outstanding Balance of

all Loans made to each such Dealer exceeds (B) the product of the Dealer Concentration Limit and the Aggregate Outstanding Eligible Loan Balance.

"Face Amount" shall mean (i) with respect to Commercial Paper issued on a discount basis, the face amount stated therein, and (ii) with respect to Commercial Paper which is interest-bearing, the principal amount of and interest accrued and to accrue on such Commercial Paper to its stated maturity.

"Fee Letter" shall mean the letter agreement, dated the Closing Date, among the Company, the Administrative Agent and the Debtor in respect of the payment by the Debtor of certain fees.

"Fitch" shall mean Fitch IBCA, Inc.

"Funding" shall have the meaning specified in the Note Purchase Agreement.

"Governmental Authority" shall mean 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.

"Guaranty" shall mean any agreement, undertaking or arrangement by which any Person guarantees, endorses, or otherwise becomes contingently liable (whether directly, or indirectly by way of agreement, contingent or otherwise, or purchase, to provide funds for payment, to supply funds to or otherwise invest in the debtor, or otherwise to assure the creditor against loss) upon, the indebtedness, obligation or liability of any Person, or guarantees the payment of dividends or other distributions upon the stock of any corporation.

"Income Collections" shall mean all Collections received in respect of any dealer servicing fee, as stated in, and determined in accordance with, each

respective Dealer Agreement, plus all investment earnings on amounts on deposit in the Collection Account.

"Ineligible Contract" shall mean each Contract other than an Eligible Contract.

"Ineligible Loan" shall mean each Loan other than an Eligible Loan.

"Initial Funding" shall have the meaning specified in the Note Purchase Agreement.

"Initial Funding Optional Clean-Up Event" shall mean, with respect to the Initial Funding, any day on which the Net Investment relating to the Initial Funding is equal to or less than 5% of the amount of the highest Net Investment relating to the Initial Funding on any preceding day.

"Instruments" shall mean "instruments" as defined in Section 9-105 of the UCC.

"Interest Component" shall mean, with respect to Commercial Paper issued (i) on a discount basis, the portion of the Face Amount of such Commercial Paper representing the discount incurred in respect thereof and (ii) on an interest-bearing basis, the interest payable on such Commercial Paper at its maturity provided, however, that if any component of such rate is a discount rate in calculating the Interest Component, the rate used to calculate such component of such rate shall be a rate resulting from converting such discount rate to an interest bearing equivalent rate per annum.

"Interest Rate Cap" shall have the meaning specified in Section 3.3(q).

"Investment Company Act" shall mean the Investment Company Act of 1940, as amended.

"July 2001 Funding" means the Funding that occurred on July 20, 2001.

"KHFC Collateral Agent" shall mean Bank of America, N.A. as collateral agent in respect of the Company's Commercial Paper program.

"Law" shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body.

"LIBOR Rate" means, with respect to any Collection Period, the rate determined by Bank of America, N.A. ("Bank of America") to be (i) the per annum rate for deposits in U.S. Dollars for a term of one month which appears on the Telerate Page 3750 Screen on the day that is two London Business Days prior to the first day of such Collection Period except, that if such first day of the Collection Period is not a Business Day, then the first preceding day that is a Business Day (rounded upwards, if necessary, to the nearest 1/100,000 of 1%), (ii) if such rate does not appear on the Telerate Page 3750 Screen, the term "LIBOR Rate" with respect to that Collection Period shall be the arithmetic mean (rounded upwards, if necessary, to the nearest 1/100,000 of 1%) of the offered quotations obtained by Bank of America from four major banks in the London interbank market selected by Bank of America (the "Reference Banks") for deposits in U.S. Dollars to leading banks in the London interbank market as of approximately 11:00 a.m. (London time) on the day that is two London Business Days prior to the first day of such Collection Period, unless such first day of the Collection Period is not a Business Day, in which case, the first preceding day that is a Business Day or (iii) if fewer than two Reference Banks provide Bank of America with such quotations, the LIBOR Rate shall be the rate per annum which Bank of America determines to be the arithmetic mean (rounded upwards, if necessary, to the nearest 1/100,000 of 1%) of the offered quotations which leading banks in New York City selected by Bank of America are quoting in the New York interbank market on such date for deposits in U.S. dollars to the Reference Banks or; if fewer than two such quotations are available, to leading European and Canadian Banks.

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, participation, deposit arrangement, encumbrance, lien (statutory or other), preference, priority, charge or other security agreement or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the Uniform Commercial Code (other than any such financing statement filed for informational purposes only) or comparable law of any jurisdiction to evidence any of the foregoing.

"Liquidity Agreement" shall mean the agreement between the Company and any Liquidity Provider evidencing the obligation of the Liquidity Provider to provide liquidity support to the Company in connection with the issuance of Commercial Paper.

"Liquidity Provider" shall have the meaning specified in the Note Purchase Agreement.

"Liquidity Provider Agreement" shall have the meaning specified in the Note Purchase Agreement.

"Loan" shall mean all amounts advanced, whether before or after the listing of such Loan on Exhibit D hereto, by CAC under a Dealer Agreement and payable from Collections, including servicing charges, insurance charges and service policies and all related finance charges, late charges, and all other fees and charges charged to customers; provided, however, that the term "Loan" shall, for the purposes of this Agreement, include only those Loans identified from time to time on Exhibit D hereto, as amended from time to time in accordance herewith.

"Loan Systems" means those computer applications which are related to or involved in the origination, collection, management or servicing of the Loans.

"London Business Day" shall mean any day which is a Business Day and also is a day on which commercial banks are open for international business (including dealings in U.S. Dollar deposits) in London.

"Mandatory Clean-Up Event" shall mean any day on which the Net Investment is $500,000 or less.

"Material Adverse Change" Any circumstance or event which in the reasonable judgment of the Collateral Agent (a) may be reasonably expected to cause a material adverse change to the validity or enforceability of this Agreement or the Servicing Agreement, (b) may be reasonably expected to be material and adverse to the financial condition, business, operations or property of the Servicer (other than a decline in the volume of vehicles sold in the United States automobile and light-duty truck market or a circumstance or event that has a material adverse effect on the United States financial markets) or (c) may be reasonably expected to materially impair the ability of the Servicer to fulfill its obligations under this Agreement or the Servicing Agreement.

"Material Adverse Effect" shall mean, with respect to any Person, a material adverse effect on (i) the financial condition or operations of such Person and its subsidiaries, as the case may be, taken as one enterprise, (ii) the ability of such Person to perform its obligations under this Agreement and the other Transaction Documents, (iii) the legality, validity or enforceability of this Agreement and the other Transaction Documents, (iv) the Collection Agent's interest in the aggregate amount of Loans and other Collateral or in any significant portion of the Loans and other Collateral, or (v) the collectibility of the aggregate amount of Loans or of any significant portion of the Loans, other than, in the case of clauses (i)-(v), such Material Adverse Effects which are the direct result of actions or omissions of the Collection Agent, the Company or their respective Affiliates.

"Monthly Servicer's Certificate" shall have the meaning specified in Section 4.5 hereof.

"Monthly Servicing Fee" shall mean, with respect to any Remittance Date, an amount equal to the product of (i) 6.00% and (ii) the Available Collections (excluding from Available Collections such amounts paid by the Debtor under Section 3.2(e) with respect to such Remittance Date and any proceeds received pursuant to the Interest Rate Cap).

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which contributions are or have been made by the Debtor or any ERISA Affiliate of the Debtor.

"Bank of America" shall mean Bank of America, N.A., a national banking association, and its successors and assigns.

"Net Investment" shall mean with respect to any Determination Date, (i) the amount of the Initial Funding plus any Subsequent Fundings less (ii) all Collections distributed to the Noteholder in reduction of the Net Investment pursuant to Section 5.1 hereof on or prior to such Determination Date less (iii) any draws from the Reserve Account distributed to the Noteholder in reduction of the Net Investment, less (iv) any amounts paid to the Noteholder allocable to principal pursuant to Section 3.2(e), and less (v) any other amounts applied in reduction of the Net Investment. When used with respect to a Funding, Net Investment shall mean the amount of such Funding less the amounts described in clauses (ii) through (v) above with respect to such Funding or with respect to Loans or Contracts related to such Funding, mutatis mutandis.

"Note" shall mean the note issued by the Debtor to the Company pursuant to Section 2.1(e) of the Note Purchase Agreement.

"Noteholder" shall mean the Company as holder of the Note or any assignee thereof.

"Note Interest" shall have the meaning specified in Section 5.1(c).

"Note Purchase Agreement" shall mean the Note Purchase Agreement dated as of July 7, 1998 among the Debtor, the Company and Bank of America, as Agent and as a Bank Investor, as such agreement may be amended, modified and supplemented from time to time.

"Obligor" shall mean, with respect to any Loan, Dealer Agreement or Contract, the Person or Persons obligated to make payments with respect to such Dealer Agreement, Loan or Contract, respectively, including any guarantor thereof.

"Official Body" shall mean any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

"Optional Clean-Up Event" shall mean either an Initial Funding Optional Clean-Up Event or a Subsequent Funding Optional Clean-Up Event, as applicable.

"Outstanding Balance" shall mean,

(i) with respect to any Contract, all amounts owing under such Contract (whether considered principal or as finance charges) from time to time. The Outstanding Balance with respect to a Contract shall be deemed to have been created at the end of the day on the Date of Processing of such Contract; and

(ii) with respect to any Loan, the aggregate amount advanced under such Loan plus all collection costs owed to CAC under and as defined in the related Dealer Agreement less all Collections applied in accordance with

the related Dealer Agreement to the reduction of the balance of such Loan.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any other entity succeeding to the functions currently performed by the Pension Benefit Guaranty Corporation.

"Person" shall mean any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity of similar nature.

"Plan" shall mean any employee pension benefit plan that (a) is or has been maintained by the Debtor or any ERISA Affiliate of the Debtor, or to which contributions by any such Person are or have been required to be made, (b) is subject to the provisions of Title IV of ERISA and (c) is not a Multiemployer Plan.

"Potential Termination Event" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Termination Event.

"Principal Collections" shall mean all Collections which are not Income Collections or Dealer Collections.

"Program Support Agreement" shall have the meaning specified in the Note Purchase Agreement.

"Program Support Provider" shall have the meaning specified in the Note Purchase Agreement.

"Records" shall mean the Dealer Agreements, Contracts and all other documents, books, records and other information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related contracts, records and other media for storage of information) maintained with respect to the Loans and the Contracts and the related Obligors.

"Recoveries" shall mean all amounts, if any, received or collected by the Servicer or CAC with respect to Defaulted Contracts.

"Recency Basis" shall mean the method of aging a Contract, which determines the delinquency of a Contract based upon the number of days elapsed since the date the last payment was received.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System, as the same may be amended, supplemented or otherwise modified and is in effect from time to time.

"Related Commercial Paper" shall mean Commercial Paper issued by the Company the proceeds of which were used to acquire, or refinance the acquisition of, an interest in the Net Investment with respect to the Debtor.

"Related Security" shall mean with respect to any Loan all of CAC's and the Debtor's interest in:

(i) the Dealer Agreements and Contracts securing payment of such Loan;

(ii) all security interests or liens purporting to secure payment of such Loan, whether pursuant to such Loan, the related Dealer Agreement or otherwise, together with all financing statements signed by the related Obligor describing any collateral securing such Loan and all other property obtained upon foreclosure of any security interest securing payment of such Loan or any related Contract; and

(iii) all guarantees, insurance (including insurance insuring the priority or perfection of any lien) or other agreements or arrangements of any kind from time to time supporting or securing payment of such Contract whether pursuant to such Contract or otherwise, including any of the foregoing relating to any Contract securing payment of such Loan.

"Release Date" shall mean a Remittance Date on which funds are released to the Debtor pursuant to the Release Provisions.

"Release Provisions" shall mean the provisions of Sections 5.1(a)(vi)(A) and 5.1(b)(iv)(A) hereof.

"Relevant UCC State" shall mean the States of New York and Michigan, as applicable.

"Remittance Date" shall mean the twelfth day of each calendar month, or, if such twelfth day is not a Business Day, the next succeeding Business Day.

"Reportable Event" shall mean any of the events set forth in section 4043(b) of ERISA, other than those events for which notice to the PBGC is waived under applicable PBGC regulations.

"Required Reserve Account Balance" shall mean an amount equal to the sum of (A) the product of (i) 1.45% and (ii) the Net Investment related to the Initial Funding (after application of funds pursuant to Section 5.1 on the related Remittance Date), (B) the product of (i) 1.00% and (ii) the Net Investment related to the sum of all Subsequent Fundings (after application of funds pursuant to Section 5.1 on the related Remittance Date), and (C) the Supplemental Reserve Requirement.

"Requirements of Law" for any Person shall mean the certificate of incorporation or articles of association and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or to which such Person is subject, whether Federal, state or local (including, without limitation, usury laws, the Federal Truth in Lending Act and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System).

"Reserve Account" shall mean the account established pursuant to Section 4.7(b) hereof.

"Reserve Advance" shall have the meaning specified in Section 5.1(c).

"S&P" shall mean Standard & Poor's Ratings Group, a Division of The McGraw-Hill Companies.

"Secured Parties" shall mean the Company, the Bank Investors and their respective successors and assigns.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Securities Intermediary" shall mean Bank of America, N.A. and any other entity acting in the capacity of a "securities intermediary" as defined in Section 8-102(14) of the UCC.

"Servicer" shall mean initially CAC and thereafter any Person appointed as Successor Servicer.

"Servicer Advance" shall have the meaning specified in Section 5.1(c).

"Servicer Event of Default" shall mean (a) the failure of the Servicer to make any payment, transfer or deposit as required hereunder, under the Note Purchase Agreement or the Servicing Agreement, (b) the failure of the Servicer to observe or perform in any material respect any other representation, warranty, covenant or agreements of the Servicer (including its Credit Guidelines) in the Servicing Agreement as reasonably determined by the Collateral Agent, (c) the occurrence of any Material Adverse Change, (d) an event of the type described in Section 6.1(ii) shall occur with respect to the Servicer, (e) on a Consolidated basis, the Servicer's Consolidated Tangible Net Worth is less than $205,000,000, plus the sum of (i) 75% of Consolidated Net Income for each fiscal quarter of the Servicer (A) beginning on or after January 1, 2000, (B) ending on or

before the applicable date of determination thereof, and (C) for which Consolidated Net Income as determined above is a positive amount, and (ii) the Equity Offering Adjustment, or (f) on a Consolidated basis, at the end of any fiscal quarter, the Fixed Charge Coverage Ratio is less than 1.75 to 1.0.

"Servicing Agreement" shall mean the Servicing Agreement, dated as of July 7, 1998, between CAC as servicer, and the Debtor, as such agreement may be amended, modified and supplemented from time to time, attached hereto as Exhibit E.

"Standard & Poor's" or "S&P" shall mean Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Structuring Agent" shall mean Banc of America Securities LLC.

"Subsequent Funding" shall have the meaning specified in the Note Purchase Agreement.

"Subsequent Funding Date" shall have the meaning specified in the Note Purchase Agreement.

"Subsequent Funding Optional Clean-Up Event" shall mean, with respect to any Subsequent Funding, any day on which the Net Investment relating to such Subsequent Funding or release is equal to or less than 15% of the amount of the highest Net Investment relating to such Subsequent Funding on any preceding day.

"Successor Servicer" shall have the meaning specified in Section 4.1(a).

"Supplemental Reserve Requirement" shall mean an amount equal to (i) as of December 15, 1999 through February 14, 2000, $800,000; (ii) as of February 14, 2000 and any date thereafter, provided that the Net Investment related to the Subsequent Funding taking place on December 15, 1999 is equal to or less than $43,500,000, $0.

"Termination Date" shall have the meaning specified in the Note Purchase Agreement.

"Termination Event" shall have the meaning specified in Section 6.1 hereof.

"Transaction Documents" shall mean this Agreement, the Contribution Agreement, the Note Purchase Agreement, the Note, the Servicing Agreement, the Fee Letter and the Interest Rate Cap.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York; provided, however, that if by reason of mandatory provisions of law, the perfection or non-perfection of a Lien in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or non-perfection.

"Weighted Average Advance Rate" shall mean the Aggregate Outstanding Eligible Loan Balance divided by the aggregate Outstanding Balance of all Eligible Contracts.

SECTION 1.2 Additional Definitions. The following definitions shall have the meanings assigned thereto in that certain Third Amended and Restated Credit Agreement, dated as of June 15, 1999, between Credit Acceptance Corporation, Comerica Bank, as administrative agent and collateral agent, Bank of America, N.A., as syndication agent and Banc of America Securities LLC, as sole lead arranger and sole book manager, as amended to the date hereof: Consolidated; Consolidated Fixed Charges; Consolidated Net Income; Equity Offering Adjustment; and Fixed Charge Coverage Ratio.

ARTICLE 2

GRANT OF SECURITY INTEREST

SECTION 2.1 Grant of Security Interest. As security for the prompt and complete payment of the Note and the performance of all of the Debtor's obligations under the Note, the Note Purchase Agreement and this Agreement, the Debtor hereby grants to the Collateral Agent, on behalf of the Secured Parties, a security interest in and continuing Lien on all of the Debtor's property, whether now owned or hereafter acquired and wherever located, including, without limitation, all of its right, title and interest in, to and under all accounts, contract rights, general intangibles, chattel paper, instruments, documents, money, cash, deposit accounts, certificates of deposit, goods, letters of credit, securities, investment property, financial assets or security entitlements (all of the foregoing, collectively, the "Collateral"). The foregoing pledge does not constitute an assumption by the Collateral Agent of any obligations of the Debtor to Obligors or any other Person in connection with the Collateral or under any agreement and instrument relating to the Collateral, including without limitation any obligation to make future advances to or on behalf of such Obligors.

In connection with such pledge, the Debtor agrees to record and file, at its own expense, financing statements with respect to the Collateral now existing and hereafter created for the pledge of chattel paper and general intangibles (each as defined in Article 9 of the UCC as in effect in the Relevant UCC State) meeting the requirements of applicable state law, and the Debtor shall take any other appropriate action in such manner and in such jurisdictions as are necessary to perfect the security interest in the Collateral to the Collateral Agent. The Debtor agrees to deliver a file-stamped copy of such financing statements or other evidence of such filing (which may, for purposes of this Section 2.1, consist of telephone confirmation of such filing) to the Collateral Agent on or prior to the Closing Date.

In connection with such pledge, the Debtor agrees to deliver to the Collateral Agent on the Closing Date, one or more computer files or microfiche lists containing true and complete lists of all Dealer Agreements and Loans securing the payment of the Note and all of the Debtor's obligations under the Note as of the Closing Date, and all Contracts securing all such Loans, identified by account number, dealer number, and pool number and Outstanding Balance as of the Cut-Off Date. Such file or list shall be marked as Exhibit D to this Agreement, shall be delivered to the Collateral Agent as confidential and proprietary, and is hereby incorporated into and made a part of this Agreement.

The Debtor further agrees to deliver to the Collateral Agent on each Subsequent Funding Date and Release Date, one or more computer files or microfiche lists containing true and complete lists of all Dealer Agreements and Loans securing the payment of the Note and all of the Debtor's obligations under the Note as of to such Subsequent Funding Date or Release Date, and all Contracts securing all such Loans, identified by account number, dealer number, and pool number and Outstanding Balance as of two days prior to such Subsequent Funding Date or Release Date, provided, however, that if a Loan securing payment of the Note is not secured by a closed pool of Contracts as of the Funding Date or Release Date with respect to such Loan and a complete computer file or microfiche list of the Contracts securing such Loan has not been delivered to the Collateral Agent as of such Funding Date or Release Date, then the Debtor shall deliver a complete computer file or microfiche list of the Contracts securing such Loan to the Collateral Agent within three (3) Business Days of the closing of such pool of Contracts. Such file or list shall be marked as Exhibit D to this Agreement, shall be delivered to the Collateral Agent as confidential and proprietary, and is hereby incorporated into and made a part of this Agreement.

In connection with such pledge, each of the Debtor, CAC and Servicer agrees, at the expense of the Debtor, to indicate clearly and unambiguously in its computer files, with respect to the Dealer Agreements listed on Exhibit D, that the rights to payment under such Dealer Agreements have been pledged to the Collateral Agent pursuant to this Agreement for the benefit of the Secured Parties.

In connection with such pledge, each of the Debtor, CAC and the Servicer also agrees, within twenty-one days of the Closing Date, to clearly mark each Dealer Agreement and Contract securing a Loan with the following legend: "THIS AGREEMENT HAS BEEN PLEDGED TO BANK OF AMERICA, N.A., AS COLLATERAL AGENT FOR THE BENEFIT OF CERTAIN SECURED PARTIES" Such legend shall be in bold, in type face at least as large as 12 point and shall be entirely in capital letters.

SECTION 2.2 Acceptance by Collateral Agent.

(1) The Collateral Agent hereby acknowledges its acceptance, on behalf of the Secured Parties, of the pledge by the Debtor of the Loans and all other Collateral. The Collateral Agent further acknowledges that, prior to or simultaneously with the execution and delivery of this Agreement, the Debtor delivered to the Collateral Agent the computer file or microfiche list represented by the Debtor to be the computer file or microfiche list described in the third paragraph of Section 2.1.

(2) The Collateral Agent hereby agrees not to disclose to any Person (including any Secured Party or Noteholder) any of the account numbers or other information contained in the computer files or microfiche lists delivered to the Collateral Agent by the Debtor pursuant to Section 2.1, except as is required in

connection with the performance of its duties hereunder or in enforcing the rights of the Secured Parties or to a Successor Servicer appointed pursuant to Section 4.1(a); provided, however, that notwithstanding anything to the contrary in this Agreement, the Collateral Agent may reply to a request from any Person for a list of Loans, Dealer Agreements, Contracts or other information referred to in any financing statement. The Collateral Agent agrees to take such measures as shall be necessary or reasonably requested by the Debtor to protect and maintain the security and confidentiality of such information. The Collateral Agent shall provide the Debtor with written notice five Business Days prior to any disclosure pursuant to this subsection 2.2(b).

ARTICLE 3

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 3.1 Representations and Warranties of the Debtor. The Debtor represents and warrants to and covenants with the Collateral Agent and the Secured Parties as of the Closing Date, each Subsequent Funding Date and as of each Release Date that:

(1) Organization and Good Standing. The Debtor is a corporation duly organized and validly existing in good standing under the laws of the State of Nevada, and has full corporate power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, to execute, deliver and perform its obligations under this Agreement.

(2) Due Qualification. The Debtor is duly qualified to do business and is in good standing (or is exempt from such requirement) in any state where such qualification is required in order to conduct business, and has obtained all necessary licenses and approvals in each jurisdiction in which the failure to obtain such licenses and approvals would have a material adverse effect on the conduct of its business or its ability to perform its obligations under this Agreement.

(3) Due Authorization. The execution and delivery of this Agreement and the consummation of the transactions provided for in this Agreement have been duly authorized by the Debtor by all necessary corporate action on the part of the Debtor.

(4) No Violation. The execution and delivery of this Agreement, the performance of the transactions contemplated by this Agreement and the fulfillment of the terms hereof will not conflict with, violate or result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any Requirement of Law applicable to the Debtor or any indenture,

contract, agreement, mortgage, deed of trust or other instrument to which the Debtor is a party or by which it or any of its properties are bound.

(5) No Proceedings. There are no proceedings or investigations pending or, to the best knowledge of the Debtor, threatened against the Debtor, before any court, regulatory body, administrative agency, arbitrator or other tribunal or governmental instrumentality (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the issuance of the Note or the consummation of any of the transactions contemplated by this Agreement, the Note Purchase Agreement or the Note, (iii) seeking any determination or ruling that, in the reasonable judgment of the Debtor, would materially and adversely affect the performance by the Debtor of its obligations under this Agreement, the Note Purchase Agreement or the Note, (iv) seeking any determination or ruling that would materially and adversely affect the validity or enforceability of this Agreement, the Note Purchase Agreement or the Note or (v) seeking to affect adversely the Federal income tax attributes of the Debtor.

(6) Eligibility of Loans. (i) Each Loan classified as an Eligible Loan (or included in any aggregation of balances of Eligible Loans) by the Debtor or the Servicer in any document or report delivered hereunder was an Eligible Loan as of the date so delivered, and (ii) each related Contract classified as an Eligible Contract (or included in any aggregation of balances of Eligible Contracts) by the Debtor or the Servicer in any document or report delivered hereunder was an Eligible Contract as of the date so delivered.

(7) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority required to be obtained on or prior to the date as of which this representation is being made in connection with the execution and delivery of this Agreement, the performance of the transactions contemplated hereby and

thereby and the fulfillment of the terms hereof and thereof have been obtained.

(8) Amount of Loans and Contracts; Computer File. As of the Cut-Off Date, as reported in the loan servicing system, (A) the Aggregate Outstanding Eligible Loan Balance was $69,712,673.71, and (B) the aggregate Outstanding Balance of the Contracts was $253,886,307.59. The computer file or microfiche list delivered pursuant to Section 2.1 hereof is complete and accurately reflects the information regarding the Loans, Dealer Agreements and Contracts in all material respects as of the applicable time referred to in Section 2.1.

(9) Investment Company. The Debtor is not an "investment company" within the meaning of the Investment Company Act or is exempt from the provisions of such act.

(10) Insolvency. No Dissolution Event with respect to CAC, the Servicer or the Debtor has occurred, and the pledge of the Loans and other Collateral by the Debtor to the Company has not been made in contemplation of the occurrence of any such event.

The representations and warranties set forth in this Section 3.1 shall survive the Debtor's pledge of the Collateral to the Collateral Agent and the termination of the rights and obligations of the Servicer. Upon discovery by the Debtor, CAC, the Servicer or the Collateral Agent of a breach of any of the representations and warranties set forth in this Section 3.1, the party discovering such breach shall give prompt written notice to the other parties of such breach.

SECTION .1 Representations and Warranties of the Debtor Relating to this Agreement, the Loans and the related Contracts.

(11) Eligible Loans; Eligible Contracts. The Debtor hereby represents and warrants to the Collateral Agent and the Secured Parties that (i) each Loan added to Exhibit D on the Closing Date was an

Eligible Loan as of the Closing Date; each Loan added to Exhibit D on any Subsequent Funding Date or Release Date was an Eligible Loan as of such Subsequent Funding Date or Release Date, and (ii) each Contract added to Exhibit D on the Closing Date was an Eligible Contract as of the Closing Date; each Contract added to Exhibit D on any Subsequent Funding Date or Release Date was an Eligible Contract as of such Subsequent Funding Date or Release Date.

(12) Binding Obligation; Valid Transfer and Assignment. The Debtor hereby represents and warrants to the Collateral Agent and the Secured Parties as of the Closing Date and each Subsequent Funding Date and on each Release Date, that:

(1) This Agreement constitutes a legal, valid and binding obligation of the Debtor, enforceable against the Debtor, in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(2) This Agreement constitutes a grant of a security interest (as defined in the UCC) in the Collateral and the proceeds thereof (to the extent set forth in Section 9-306 of the UCC) upon execution and delivery of this Agreement, it being understood that with respect to the security interests in the Contracts, this Agreement constitutes an assignment thereof. Upon the filing of the applicable financing statements, the Collateral Agent shall have a first priority perfected security interest in such property and the proceeds thereof (to the extent set forth in Section 9-306 of the UCC). Neither the Debtor nor any Person claiming through or under the Debtor shall have any claim to or interest in the Collection

Account, the Reserve Account or any other account or accounts maintained for the benefit of Secured Parties, except for the interest of the Debtor in such property as a debtor for purposes of the UCC.

(13) Eligibility of Loans. The Debtor hereby represents and warrants to the Collateral Agent and the Secured Parties as of the Closing Date and each Subsequent Funding Date and on each Release Date, that:

(1) each Loan classified as an "Eligible Loan" (or included in any aggregation of balances of "Eligible Loans") by the Debtor or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Loan on the date so delivered; each Contract classified as an "Eligible Contract" (or included in any aggregation of balances of "Eligible Contracts") by the Debtor or the Servicer in any document or report delivered hereunder satisfied the requirements contained in the definition of Eligible Contract on the date so delivered;

(2) all information with respect to the Dealer Agreements and the Loans and the Contracts and the other Collateral provided to the Collateral Agent by the Debtor or the Servicer was true and correct in all material respects as of the date such information was provided to the Collateral Agent;

(3) each Loan and all other Collateral (other than Records) has been pledged to the Collateral Agent free and clear of any Lien of any Person, other than the interests of a Dealer under the Dealer Agreements, and in compliance, in all material respects, with all Requirements of Law applicable to the Debtor;

(4) with respect to each Dealer Agreement and each Loan and Contract and all other

Collateral, all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by the Debtor, in connection with the pledge of such Contract or Collateral to the Collateral Agent have been duly obtained, effected or given and are in full force and effect;

(5) Exhibit D to this Agreement is and will be an accurate and complete listing of all Dealer Agreements and Loans in all material respects and all Contracts securing such Loans on the date each such Dealer Agreement, Contract and Loan was added to Exhibit D, and the information contained therein with respect to the identity of such Dealer Agreements and Loans and all Contracts securing such Loans and the Outstanding Balances thereunder and under the related Contracts is and will be true and correct in all material respects as of each such date; and

(6) no selection procedure believed by the Debtor to be adverse to the interests of the Secured Parties has been or will be used in selecting the Dealer Agreements or the Loans (it being expressly understood that the Loans consist of Loans under the related Dealer Agreements).

(14) Notice of Breach. The representations and warranties set forth in this Section 3.2 shall survive the pledge of the Collateral to the Collateral Agent and the termination of the rights and obligations of the Servicer. Upon discovery by the Debtor, CAC, the Servicer or the Collateral Agent of a breach of any of the representations and warranties set forth in this Section 3.2, the party discovering such breach shall give prompt written notice to the other parties of such breach.

(15) Payment in Respect of Ineligible Loans and Ineligible Contracts.

(1) In the event of a breach of any of the representations or warranties in Section 3.2(c) with respect to a Loan or Contract, as applicable, and such Loan or Contract (x) is an Ineligible Loan or Ineligible Contract, as applicable, or (y) as a result of such breach or event, such Loan or Contract becomes an Ineligible Loan or Ineligible Contract, as applicable, or the Debtor's or Collateral Agent's rights in, to or under such Loan or Contract or its proceeds are materially impaired or the proceeds of such Loan or Contract are not available for any reason to the Collateral Agent free and clear of any Lien, then the Debtor shall deposit into the Collection Account, on the next Business Day,(A) with respect to each such Loan, an amount equal to the sum of (1) the product of (x) the Outstanding Balance of such Loan and (y) the Blended Advance Rate relating to such Loan plus (2) the Accrued Interest Component relating to such Loan, and (B) with respect to each such Contract, an amount equal to (1) the product of (x) the Outstanding Balance of each such Contract and (y) the Weighted Average Advance Rate relating to such Contract divided by (2) .80. Such amounts shall be allocated between Income Collections and Principal Collections and distributed on the next succeeding Remittance Date in accordance with Sections 5.1(a) and (b). For purposes of this paragraph, Outstanding Balance shall be calculated as of the last day of the immediately preceding Collection Period.

(2) Upon the request of the Debtor, and after or simultaneously with the deposit of the amounts specified in Section 3.2(e)(i), the Collateral Agent shall release its security interest, on behalf of the Secured Parties, on the Loans and Contracts with respect to which the Debtor has made the specified deposits pursuant to Section 3.2(e)(i) and all other Collateral related exclusively to such Loans or Contracts; provided, however, that any Income Collections relating to any

such Loans accrued through the date of the release of the security interest in such Loans shall continue to be pledged to the Collateral Agent and the Secured Parties. The Collateral Agent shall execute such documents and instruments of termination prepared by, and at the expense of, the Debtor and take, at the Debtor's expense, such other actions as shall reasonably be requested by the Debtor to effect the release of the security interests in the Loans and Contracts pursuant to this Section 3.2(e). The obligation of the Debtor set forth in this subsection shall constitute the sole remedy respecting any breach of the representations and warranties set forth in the above-referenced subsections with regard to the Loans and Contracts with respect to which the Debtor has made the specified deposits pursuant to Section 3.2(e)(i).

(3) No Impairment. For the purposes of subsections 3.2(e) above, if CAC is the Servicer and the Servicer is otherwise permitted hereunder to hold Collections beyond the applicable period under Section 9-306(3) of the UCC, the proceeds of a Loan shall not be deemed to be impaired hereunder solely because such proceeds are held by the Servicer for more than the applicable period under Section 9-306(3) of the UCC.

SECTION 3.2 Covenants of the Debtor.

The Debtor hereby covenants to the Collateral Agent and the Secured Parties, until all amounts due under this Agreement, the Note Purchase Agreement and the Note have been paid in full, that:

(1) Corporate Existence; Conduct of Business. The Debtor will preserve and maintain its existence as a corporation duly organized and existing under the laws of the State of Nevada. The Debtor will carry on and conduct its business in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated, validly existing and in good standing in the jurisdiction

of its incorporation and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(2) Compliance with Requirements of Law. The Debtor shall duly satisfy in all material respects its obligations under or in connection with each Loan and Contract, will maintain in effect all material qualifications required under Requirements of Law, and will comply in all material respects with all other Requirements of Law in connection with each Loan and Contract the failure to comply with which would have a material adverse effect on the interests of the Secured Parties in the Collateral.

(3) Furnishing of Information and Inspection of Records. The Debtor will furnish to the Collateral Agent, from time to time, such information with respect to the Loans and Contracts as the Collateral Agent may reasonably request, including, without limitation, a computer file, microfiche list or other list identifying each Loan and Contract by pool number, account number and dealer number and by the Outstanding Balance and identifying the Obligor on such Loan or Contract. The Debtor will, at any time and from time to time during regular business hours, upon reasonable notice, permit the Collateral Agent, or its agents or representatives, to examine and make copies of and abstracts from all Records, to visit the offices and properties of the Debtor for the purpose of examining such Records, and to discuss matters relating to the Loans or Contracts or the Debtor's performance hereunder and under the other Transaction Documents to which such Person is a party with any of the officers, directors, employees or independent public accountants of the Debtor having knowledge of such matters; provided, however, that the Collateral Agent acknowledges that in exercising the rights and privileges conferred in this Section 3.3(c) it or its agents and representatives may, from time to time, obtain knowledge of information, practices, books, correspondence and records of a confidential nature and in which the Debtor has a proprietary interest. The Collateral Agent agrees that all such information,

practices, books, correspondence and records are to be regarded as confidential information and agrees that it shall retain in strict confidence and shall use its reasonable efforts to ensure that its agents and representatives retain in strict confidence, and will not disclose without the prior written consent of the Debtor, any such information, practices, books, correspondence and records furnished to them except that the Collateral Agent may disclose such information (i) to its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives (provided that such Persons are informed of the confidential nature of such information), (ii) to the extent such information has become available to the public other than as a result of a disclosure by or through the Collateral Agent or its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives, (iii) to the extent such information was available to the Collateral Agent on a nonconfidential basis prior to its disclosure to the Collateral Agent hereunder or (iv) to the extent the Collateral Agent should be (A) required in connection with any legal or regulatory proceeding or (B) requested by any bank regulatory authority to disclose such information, (v) to any Program Support Provider, (vi) to any Bank Investor or prospective Bank Investor, and (vii) to any prospective assignee of the Note; provided, that the Collateral Agent shall notify such assignee of the confidentiality provisions of this Section 3.3(c).

(4) Keeping of Records and Books of Account. The Debtor will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Loans and Contracts in the event of the destruction of the originals thereof), and keep and maintain, or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due under the Loans and Contracts (including, without limitation, records adequate to permit adjustments to amounts due under each existing Loan and Contract). The Debtor will give the Collateral Agent notice of any material change

in the administrative and operating procedures of the Debtor referred to in the previous sentence.

(5) Note Purchase Agreement. The Debtor will comply with the covenants set forth in Section 4.2 of the Note Purchase Agreement.

(6) Notice of Liens. The Debtor will advise the Collateral Agent promptly, in reasonable detail, (i) of any Lien asserted by a Person that is not an Obligor against any of the Loans or Contracts or other Collateral, (ii) after becoming aware of any Lien on any Loan or other Collateral other than the pledge hereunder or under the Contribution Agreement, (iii) of any breach by the Debtor or the Servicer of any of its representations, warranties and covenants contained herein or in the Note Purchase Agreement and (iv) of the occurrence of any other event which would have a material adverse effect on the Collateral Agent's interest in the Loans or Contracts or the collectability of amounts due thereunder. The Debtor shall notify the Collateral Agent promptly after becoming aware of any Lien on any Loan or Contract or other Collateral other than the conveyances under the Contribution Agreement.

(7) Protection of Interest in Collateral. The Debtor shall execute and file such continuation statements and any other documents reasonably requested by the Collateral Agent, the Agent, the Company or any Bank Investor or which may be required by law to fully preserve and protect the interest of the Collateral Agent and the Secured Parties in and to the Loans and the Contracts and the other Collateral. The Debtor shall further deliver to the Collateral Agent annually, on May 31st of each year, commencing May 31st, 1999, an opinion of counsel acceptable to the Collateral Agent stating whether that (i) no filings or other actions need to be taken from the date of the opinion until April 30th of the next year in order to continue the perfected status of the Collateral Agent's interest in the Collateral or (ii) setting forth the actions which need to be taken (and when) in order to continue the perfected status of

the Collateral Agent's interest in the Collateral beyond April 30th of the next year.

(8) No Sales, Liens, Etc. Except as otherwise permitted by the Note Purchase Agreement or any other Transaction Document, the Debtor will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Lien upon (or the filing of any financing statement with respect to), any of the Collateral. In addition, the Debtor will not, and will not permit CAC, the Servicer or any Obligor to, sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien on (or the filing of any financing statement with respect to) any inventory or goods, the sale of which may give rise to an amount payable with respect to a Loan or Contract, other than Liens on inventory which specifically exclude from the property subject to any such Lien Contracts and other property of the type included in the Collateral generated by sales of such inventory and the proceeds thereof. The Debtor will notify the Collateral Agent of the existence of any such Lien immediately upon discovery thereof.

(9) No Extension or Amendment. Except as otherwise permitted by the Note Purchase Agreement or any other Transaction Document, the Debtor will not extend, amend or otherwise modify the terms of any Loan or Contract, except to the extent that such extension, amendment or modification is done in accordance with the Collection Guidelines, is determined by the Servicer to be appropriate to maximize Collections and would not have a Material Adverse Effect on the Collateral Agent or either of the Secured Parties.

(10) No Merger or Consolidation. The Debtor shall not (i) consolidate or merge with or into any other Person, or (ii) except as otherwise permitted by the Note Purchase Agreement or any other Transaction Document, sell, lease, transfer or otherwise convey all or substantially all of its assets to any other Person.

(11) Change of Name, Etc. The Debtor will not, without providing 30 days' notice to the Collateral Agent and without filing such amendments to any previously filed financing statements as the Collateral Agent may reasonably require, (A) change the location of its principal executive office or the jurisdiction of its organization or the location of the offices where the records relating to the Loans or the Contracts are kept, and (B) change its name, identity or corporate structure in any manner which would, could or might make any financing statement or continuation statement filed by the Debtor in accordance with this Agreement seriously misleading within the meaning of Section 9-402(8) of the UCC.

(12) Amendment of Note Purchase Agreement. The Debtor will not amend, modify or supplement the Note Purchase Agreement or any other Transaction Document to which it is a party without the prior written consent of the Collateral Agent to the substance and form of any such amendment, modification or supplement and will not take any other action under this Agreement, the Note Purchase Agreement or any other Transaction Document to which it is a party that would have a material adverse effect on the Collateral Agent, the Company or any Bank Investor or which is inconsistent with the terms of this Agreement.

(13) Contribution Agreement. The Debtor, in its capacity under the Contribution Agreement, will at all times enforce the covenants and agreements of CAC in the Contribution Agreement (including the rights and remedies against the Dealers assigned to it thereunder). The Debtor will not enter into any amendment, modification or supplement to the Contribution Agreement without the prior written consent of the Collateral Agent.

(14) ERISA Matters. The Debtor will not (i) engage or permit any of its respective ERISA Affiliates to engage in any prohibited transaction (as defined in Section 4975 of the Internal Revenue Code and Section 406 of ERISA) for which an exemption is not

available or has not previously been obtained from the U.S. Department of Labor; (ii) permit to exist any accumulated funding deficiency (as defined in Section 302(a) of ERISA and Section 412(a) of the Internal Revenue Code) or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (iii) fail to make any payments to any Multiemployer Plan that the Debtor or any ERISA Affiliate of the Debtor is required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (iv) terminate any Benefit Plan so as to result in any liability; (v) permit to exist any occurrence of any Reportable Event which represents a material risk of a liability to the Debtor under ERISA or the Internal Revenue Code, or (vi) permit to exist any occurrence of any Reportable Event which represents a material risk of liability to any ERISA Affiliate of the Debtor under ERISA or the Internal Revenue Code, if, in the case of such ERISA Affiliate, such prohibited transactions, accumulated funding deficiencies, payments, terminations and Reportable Events occurring within any fiscal year of such ERISA Affiliate, in the aggregate, involve a payment of money or an incurrence of liability by the Debtor or any ERISA Affiliate of the Debtor in an amount in excess of $500,000.

(15) No Assignment. The Debtor shall not assign any of its rights or delegate any of its duties hereunder or under the Note Purchase Agreement or under any of the other Transaction Documents to which it is a party without the prior written consent of the Collateral Agent.

(16) Notice of Delegation of Servicer's Duties. The Debtor promptly shall notify the Collateral Agent of any delegation by the Servicer of any of the Servicer's duties under this Agreement or the Note Purchase which is not in the ordinary course of business of the Servicer.

(17) Interest Rate Cap. Prior to the Closing Date, the Debtor shall obtain and, unless otherwise consented to by the Agent, have at all times in

effect, an interest rate cap agreement (the "Interest Rate Cap") with a financial institution (the "Cap Counterparty"), which shall at all times during the term of the Interest Rate Cap be acceptable to the Agent and shall have at all times a rating of at least "A3" from Moody's and "A-" from Standard & Poor's and which has irrevocably and unconditionally agreed that, prior to the date which is one year and one day after the payment in full of all Commercial Paper issued by the Company, it will not acquiesce, petition or otherwise invoke or cause the Debtor to invoke the process of any Governmental Authority for the purpose of commencing or sustaining a case against the Debtor under any Federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Debtor or any substantial part of its property or ordering the winding-up or liquidation of the affairs of the Debtor. The Interest Rate Cap shall be in form and substance acceptable to the Agent and shall provide (i) that all amounts payable thereunder shall be paid by the Cap Counterparty directly to the Collection Account, (ii) that the Debtor's rights thereunder have been irrevocably assigned to, and a security interest therein has been granted to, the Collateral Agent for the benefit of the Secured Parties, (iii) for a strike rate of not more than 6.50% per annum, and (iv) that it covers a notional amount corresponding to an amortization schedule provided by the Collateral Agent and attached hereto as Exhibit F.

ARTICLE 4

SERVICING AND ADMINISTRATION; ACCOUNTS

SECTION 4.1 Servicing. (a) Pursuant to the Servicing Agreement, the Debtor has contracted with CAC to act as servicer to manage, collect and administer each of the Loans. Until such time as CAC is terminated as servicer under the Servicing Agreement, references to the Servicer herein shall refer to CAC as servicer under the terms of the Servicing Agreement. In the event of a Servicer Event of Default, the Collateral Agent shall have the right to cause the Debtor to terminate CAC as servicer thereunder. Upon termination of CAC as servicer of the Loans pursuant to Section 2.1 of the Servicing Agreement, the Collateral Agent shall have the right to appoint a successor servicer (the "Successor Servicer") and enter into a servicing agreement with such Successor Servicer at such time and exercise all of its rights under Section 4.3 hereof. In the event that the Successor Servicer is not appointed within 30 days of the Servicer Event of Default which led to the termination of the preceding Servicer, Bank of America, N.A. shall thereupon be appointed to act as Successor Servicer and Bank of America, N.A. agrees to so act. Such servicing agreement shall specify the duties and obligations of such Successor Servicer, and all references herein to the Servicer shall be deemed to refer to such Successor Servicer. Notwithstanding the above, Bank of America, N.A. may appoint any established financial institution having a net worth of not less than $50,000,000 and whose regular business includes the servicing of automobile installment sales contracts as the Successor Servicer hereunder.

(1) The Debtor shall cause the Servicer under the Servicing Agreement, and the Servicer hereby agrees, to deposit all Collections into the Collection Account no later than two Business Days after the Date of Processing.

(2) On or before one hundred twenty (120) days after the end of each fiscal year of the Servicer,

beginning with the fiscal year ending December 31, 1998, the Servicer shall cause a firm of independent public accountants (who may also render other services to the Servicer or the Debtor) to furnish a report to the Collateral Agent and the Secured Parties to the effect that they have (i) compared the information contained in the Monthly Servicer's Certificates delivered during such fiscal year, based on a sample size provided by the Collateral Agent, with the information contained in the Loans, the Contracts and the Servicer's records and computer systems for such period, and that, on the basis of such agreed upon procedures, such firm is of the opinion that the information contained in the Monthly Servicer's Certificates reconciles with the information contained in the Loans and the Contracts and the Servicer's records and computer system and that the servicing of the Loans and the Contracts has been conducted in compliance with this Agreement, (ii) verified the Aggregate Outstanding Eligible Loan Balance as of the end of each Collection Period during such fiscal year, and (iii) verified that a sample of Loans and Contracts treated by the Servicer as Eligible Loans and as Eligible Contracts, as applicable, in fact satisfied the requirements of the definition thereof contained herein and (iv) conducted a 'negative confirmation' of a sample of the Loans and Contracts and verified that the Servicer's records and computer system used in servicing the Loans and Contracts contained correct information with regard to due dates and outstanding balances, except, in each case for (a) such exceptions as such firm shall believe to be immaterial (which exceptions need not be enumerated) and (b) such other exceptions as shall be set forth in such statement.

SECTION 4.2 Duties of the Servicer.

(1) The Servicer shall take or cause to be taken all such action as may be necessary or advisable to collect all amounts due under the Loans and Contracts from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Collection Guidelines, it being understood that there shall be no

recourse to the Servicer with regard to the Loans and Contracts except as otherwise provided herein and in the other Transaction Documents. Each of the Debtor and the Secured Parties hereby appoints as its agent the Servicer, from time to time designated pursuant to Section 4.1, to enforce its respective rights and interests in and under the Collateral. So long as no Termination Event shall have occurred, the Servicer may, unless otherwise required by law, in accordance with the Collection Guidelines, extend the maturity of Loans and Contracts, as the Servicer may determine to be appropriate to maximize Collections thereof. The Servicer shall hold in trust for the Secured Parties all records which evidence or relate to all or any part of the Collateral. In the event that a Successor Servicer is appointed, the outgoing Servicer shall deliver to the Successor Servicer and the Successor Servicer shall hold in trust for the Debtor and the Secured Parties all records which evidence or relate to all or any part of the Collateral.

(2) If CAC or any affiliate thereof is not the Servicer, the Collateral Agent, with the consent of the Agent, may revise the percentage used to calculate the Monthly Servicing Fee. The Servicer, if other than CAC, shall as soon as practicable upon demand, deliver to the Debtor all records in its possession which evidence or relate to indebtedness of an Obligor which is not a Loan or a Contract.

SECTION 4.3 Rights After Designation of Successor Servicer. At any time following the designation of a Successor Servicer pursuant to Section 4.1:

(1) The Collateral Agent may intercept payments made by or on behalf of Obligors and direct that payment of all amounts payable under any Loan or Contract be made directly to the Collateral Agent or its designee; provided, that the Collateral Agent shall pay to any Dealer, to the extent to which such Dealer is entitled, all amounts

due to such Dealer under the related Dealer Agreement.

(2) The Debtor shall, at the Collateral Agent's request and at the Debtor's expense, give notice of the Collateral Agent's interest in the Loans and Contracts to each Obligor and direct that payments be made directly to the Collateral Agent or its designee.

(3) The Debtor shall, at the Collateral Agent's request, (A) assemble all of the records relating to the Collateral, including all Records with respect to the Loans and Contracts, and shall make the same available to the Collateral Agent at a place selected by the Collateral Agent or its designee, and (B) segregate all cash, checks and other instruments received by it from time to time constituting collections of Collateral in a manner acceptable to the Collateral Agent and shall, promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Collateral Agent or its designee.

(4) The Debtor hereby authorizes the Collateral Agent to take any and all steps in the Debtor's name and on behalf of the Debtor necessary or desirable, in the determination of the Collateral Agent, to collect all amounts due under any and all of the Collateral with respect thereto, including, without limitation, endorsing the Debtor's name on checks and other instruments representing Collections and enforcing the Loans and Contracts.

SECTION 4.4 Responsibilities of the Debtor. Anything herein to the contrary notwithstanding, the Debtor shall (i) perform all of its obligations under the Loans and Contracts to the same extent as if a security interest in such Loans and Contracts had not been granted hereunder and the exercise by the Collateral Agent of its rights hereunder shall not relieve the Debtor from such

obligations and (ii) pay when due any taxes, including without limitation, any sales taxes payable in connection with the Loans or Contracts and their creation and satisfaction. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability with respect to any Loan, nor shall any of them be obligated to perform any of the obligations of the Debtor thereunder.

SECTION 4.5 Monthly Servicer's Certificate. On each Determination Date, the Servicer shall deliver to the Agent, and the Collateral Agent a certificate in substantially the form of Exhibit G attached hereto (the "Monthly Servicer's Certificate") for the related Collection Period. The Agent shall provide to the Debtor, by the day prior to the related Determination Date in the calendar month following the Collection Period to which such Monthly Servicer's Certificate relates, information relating to the amount of each obligation of the Company which comprises Carrying Costs for such Collection Period. The Monthly Servicer's Certificate shall specify whether a Termination Event is deemed to have occurred with respect to the Collection Period preceding such Determination Date. Upon receipt of the Monthly Servicer's Certificate, the Collateral Agent shall rely (and shall be fully protected in so relying) on the information contained therein for the purposes of making distributions and allocations as provided for herein.

SECTION 4.6 Additional Representations and Warranties of CAC as Servicer. CAC, in its capacity as Servicer, represents and warrants to the Collateral Agent as of the Closing Date, and each Subsequent Funding Date, that the only material servicing computer systems and related software utilized by the Servicer to service the Loans and Contracts are (i) owned by it, or (ii) provided by Ontario Systems Corporation under an agreement (and related non-exclusive license) and related letter agreements dated November 15, 1989. Should the Servicer or any of its Affiliates develop or implement computer software for servicing that is owned by or exclusively licensed to the Servicer or an Affiliate and utilize such

software in the servicing of the Loans and Contracts, the Collateral Agent shall be entitled to compel a license or sublicense for the benefit of the Collateral Agent or its designee of any such rights to the extent the Collateral Agent deems reasonably necessary and appropriate to assure that it or a duly appointed Successor Servicer would be able to continue to service the Loans and Contracts should that be required in accordance with the Servicing Agreement.

SECTION 4.7 Establishment of Accounts. (a) There shall be established on the Closing Date and maintained, for the benefit of the Secured Parties in the name of the Collateral Agent, a segregated securities account (the "Collection Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Secured Parties. Subject to the terms hereof, the Collateral Agent shall possess all right, title and interest in and to all funds deposited from time to time in the Collection Account. The Collateral Agent will maintain the Collection Account at an Eligible Institution. If the Eligible Institution holding the Collection Account shall cease to be an Eligible Institution, the Collateral Agent shall have the right to direct the transfer of the Collection Account to an Eligible Institution. On each Remittance Date, all interest and earnings (net of losses and investment expenses) on funds on deposit in the Collection Account shall be included in Available Collections and be distributed pursuant to Section 5.1.

(1) There shall be established on the Closing Date and maintained, for the benefit of the Secured Parties in the name of the Collateral Agent, a segregated securities account (the "Reserve Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Secured Parties. Subject to the terms hereof, the Collateral Agent shall possess all right, title and interest in and to all funds deposited from time to time in the Reserve Account. The Collateral Agent shall maintain the Reserve Account at an Eligible Institution. If the Eligible Institution holding the Reserve Account shall

cease to be an Eligible Institution, the Collateral Agent shall have the right to direct the transfer of the Reserve Account to an Eligible Institution. Notwithstanding the foregoing, the Collateral Agent shall not withdraw any funds from, or otherwise exercise control over, the Reserve Account except as provided in this Agreement. All amounts on deposit in the Reserve Account shall be held by the Collateral Agent for the benefit of the Secured Parties.

(2) (1) Funds on deposit in the Collection Account and the Reserve Account shall be invested in Eligible Investments by or at the written direction of the Debtor, provided that if a Termination Event shall have occurred, such investments shall be made as directed by the Collateral Agent. Any such written directions shall specify the particular investment to be made and shall certify that such investment is an Eligible Investment and is permitted to be made under this Agreement.

(2) The Collateral Agent agrees that it shall not accept for credit to the Collection Account or the Reserve Account any investment as to which it has knowledge of any adverse claim thereto. Bank of America, N.A. hereby agrees (and any other Securities Intermediary holding the Reserve Account shall so agree) to comply with all Entitlement Orders (as defined in Section 8-102 of the 1994 Official Text of the Uniform Commercial Code) received by it with respect to the Collection Account or the Reserve Account from the Collateral Agent.

(3) Funds on deposit in the Reserve Account shall be so invested in Eligible Investments that mature such that such funds or the proceeds thereof will be available for withdrawal pursuant to Section 5.1(a), 5.1(b) and 5.1(c) on the maturity date of Related Commercial Paper; in any event the maturity of any Eligible Investment shall not exceed 30 days. Funds on deposit in the Collection Account shall be invested in Eligible Investments that will mature so that such funds will be available prior to the next Remittance Date, except that in the case of funds representing Collections

with respect to a succeeding Collection Period, such Eligible Investments may mature so that such funds will be available no later than the Business Day prior to the Remittance Date for such Collection Period. No Eligible Investment may be liquidated or disposed of prior to its maturity. All proceeds of any Eligible Investment shall be deposited in the Collection Account or the Reserve Account, as applicable. Investments may be made in either account on any date (provided such investments mature in accordance herewith), only after giving effect to deposits to and withdrawals from such account on such date. Realized losses, if any, on amounts invested in Eligible Investments shall be charged against investment earnings on amounts on deposit in the Collection Account or the Reserve Account, as applicable.

(4) The Debtor shall provide the Collateral Agent on the date hereof and from time to time an incumbency certificate or the substantial equivalent with respect to each officer of the Debtor that is authorized to provide instructions relating to investments in Eligible Investments.

(5) Eligible Investments shall be maintained by the Collateral Agent in such manner as may be necessary to maintain the first priority perfected security interest in favor of the Collateral Agent on behalf of the Secured Parties. Bank of America, N.A. agrees (and any other Securities Intermediary holding the Reserve Account shall so agree) that it shall not agree to comply with Entitlement Orders (as defined in Section 8-102 of the 1994 version of the Official Text of Article 8 of the Uniform Commercial Code) with respect to the Collection Account or the Reserve Account given to it by any Person other than the Collateral Agent.

ARTICLE 5

ALLOCATION AND APPLICATION
OF COLLECTIONS

SECTION 5.1 Collections. (a) On each Remittance Date, the Collateral Agent shall determine by reference to the Monthly Servicer's Certificate for each group of Loans which are the subject of a Funding, the portion of Available Collections which are Income Collections with respect to such Remittance Date and such group of Loans and shall withdraw such amount of Income Collections from the Collection Account and allocate and pay (or release) such amounts in the following order of priority:

(1) an amount equal to unpaid Servicer Advances and Reserve Advances for the related Collection Period, in each case made in respect of the Net Investment related to such Funding or such release, if any, shall be paid to the Servicer or deposited into the Reserve Account, as applicable, to repay such Servicer Advances or reinstate such Reserve Advances, respectively;

(2) to the Servicer, an amount equal to the Monthly Servicing Fee in respect of such group of Loans for the related Collection Period;

(3) to the Agent, for the account of the Company or the Bank Investors an amount equal to the Carrying Costs for the related Collection Period due on such Remittance Date (less the amount of any such Carrying Costs that has been paid by a Servicer Advance or a Reserve Advance), plus the amount of any Carrying Costs previously due but not paid on a prior Remittance Date, in each case made in respect of the Net Investment released to such Funding or such release;

(4) to the application of amounts described in clauses (i) through (iii) above

on such date with respect to all other groups of Loans or the related Net Investment to the extent such amounts are not fully paid with Income Collections attributable to such other groups of Loans, pro rata among such groups of Loans (or related Net Investment) on the basis of such amounts not fully paid.

(5) to the Debtor for Administrative Expenses, pro rata on the basis of the Net Investment related to such group of Loans;

(6) (A) with respect to Income Collections as of each Remittance Date up to and including the January 2002 Remittance Date that relate to the July 2001 Funding, to the Debtor, provided that (a) a Termination Date shall not have occurred and a Potential Termination Event or a Termination Event shall not have occurred or be continuing, (b) after giving effect to such release to the Debtor, the Net Investment related to any Funding will not be greater than the product of (x) the applicable Aggregate Outstanding Eligible Loan Balance minus the applicable Excluded Loan Balance and (y) the applicable Blended Advance Rate, (c) additional Loans which are satisfactory to the Agent are being conveyed to the Debtor on such Remittance Date as described in Section 5.5 hereof, and, (d) the Required Reserve Account Balance is deposited in the Reserve Account or the Debtor shall have given irrevocable instructions to the Collateral Agent to withhold from the proceeds of such release and to deposit in the Reserve Account, an amount equal to the amount necessary to cause the amount on deposit in the Reserve Account as of such Remittance Date (after giving effect to any deposits or withdrawals to occur on

such date) to at least equal the Required Reserve Account Balance after giving effect to such release of funds; otherwise (B) to the Noteholder to reduce the Net Investment, until the Net Investment has been reduced to zero (it being understood that to the extent the conditions provided for in part (A) above are not satisfied such that all amounts that could have been released under this clause (vi) are eligible for release to the Debtor, then only those funds eligible for release shall be paid to the Debtor and the remainder shall be paid to the Noteholder);

(7) to the Agent, for the account of the Persons entitled thereto, an amount equal to all other amounts owed under the Note Purchase Agreement; and

(8) the remainder, if any, to the Debtor.

(2) On each Remittance Date, the Collateral Agent shall determine by reference to the Monthly Servicer's Certificate for each group of Loans which are the subject of a Funding, the portion of Available Collections which are Principal Collections with respect to such Remittance Date and such group of Loans and shall withdraw such amount of Principal Collections from the Collection Account and allocate and pay such amounts in the following order of priority:

(1) to the Agent, for the account of the Company or the Bank Investors, an amount equal to any Carrying Costs for the related Collection Period due on such Remittance Date but which were not paid pursuant to Section 5.1(a) (whether or not in respect of the Net Investment related to such group of Loans);

(2) to the Noteholder to reduce the related Net Investment to an amount equal to the product of (x) the applicable Blended Advance Rate (with respect to the July 2001 Funding, the weighted average Blended Advance Rate for such Funding and all releases related thereto) and (y) (a) the applicable Aggregate Outstanding Eligible Loan Balance determined as of the last day of the related Collection Period minus (b) the applicable Excluded Loan Balance;

(3) to the application of amounts described in clause (ii) above on such date with respect to the Net Investment related to all other Fundings to the extent such amounts are not fully paid with Principal Collectors attributable to such other groups of Loans, pro rata among such other groups of Loans (or related Net Investments) on the basis of such amounts not fully paid;

(4) (A) with respect to Principal Collections as of each Remittance Date up to and including the January 2002 Remittance Date that relate to the July 2001 Funding, to the Debtor, provided that (a) a Termination Date shall not have occurred and a Potential Termination Event or a Termination Event shall not have occurred or be continuing, (b) additional Loans which are satisfactory to the Agent are being conveyed to the Debtor on such Remittance Date as described in Section 5.5 hereof, and (c) the Required Reserve Account Balance is deposited in the Reserve Account or the Debtor shall have given irrevocable instructions to the Collateral Agent to withhold from the proceeds of such release and to deposit in the Reserve Account, an amount equal to the amount necessary to cause the amount on deposit in the Reserve Account as of such Remittance Date (after

giving effect to any deposits or withdrawals to occur on such date) to at least equal the Required Reserve Account Balance after giving effect to such release of funds; otherwise (B) to the Noteholder to reduce the related Net Investment, until the related Net Investment has been reduced to zero, then to any other Net Investment(s) until reduced to zero (it being understood that to the extent the conditions provided for in part (A) above are not satisfied such that all amounts that could have been released under this clause (iv) are eligible for release to the Debtor, then only those funds eligible for release shall be paid to the Debtor and the remainder shall be paid to the Noteholder);

(5) to the Agent, for the account of the Persons entitled thereto, an amount equal to all other amounts owed under the Note Purchase Agreement; and

(6) the remainder, if any, to the Debtor.

(3) On any date that a tranche of Related Commercial Paper matures whether or not such date is a Remittance Date (each, an "Interest Payment Date"), the Interest Component of matured or maturing Related Commercial Paper due and payable on such day shall be payable as interest on the Note ("Note Interest"). Accordingly, the Collateral Agent, acting upon notice from the Administrative Agent, shall, to the extent the Note Interest exceeds Available Cash, withdraw such amount from funds on deposit in the Collection Account, to the extent of Collections on deposit therein, and remit such amount to the Agent for the account of the Company. To the extent that amounts withdrawn by the Agent, as specified above are insufficient to pay such costs, the Servicer, acting upon notice from the Administrative Agent, shall make an advance in an amount equal to such

costs due and payable on such day (a "Servicer Advance") and remit to the Agent for the account of the Company, the amount of such advance; provided, however, that the Servicer shall not be obligated to make any such advance except to the extent that the Servicer reasonably expects to be reimbursed for such advance on a succeeding Remittance Date pursuant to Section 5.1(a)(i); provided further, that the Servicer, from the period beginning on the Closing Date and ending on July 31, 1998, shall not be obligated to make Servicer Advances such that the aggregate amount of outstanding Servicer Advances would be in excess of $750,000 at any time during such time period. To the extent that amounts advanced by the Servicer are insufficient to pay such costs and the Debtor fails to make a payment to the Collateral Agent on such day in the amount of such shortfall, the Collateral Agent shall withdraw the amount of such remaining shortfall from the Reserve Account, to the extent of amounts on deposit therein, and remit such amount to the Agent (such amount, a "Reserve Advance"), for the account of the Company. Amounts required to be remitted pursuant to this Section 5.1(c) to the Agent or the Collateral Agent shall be remitted in immediately available funds to the Agent's account no later than 12:00 noon, New York City time, on the date due.

(4) If the Available Collections in respect of a Remittance Date are insufficient to pay the sum of the amounts to be distributed pursuant to clauses (i) through (iii) of Section 5.1(a) or clauses (i) and (ii) of Section 5.1(b), the Collateral Agent shall withdraw the amount of such shortfall from the Reserve Account, to the extent of amounts on deposit therein, and apply such amount to the payment of the items described in clauses (i), (ii) and (iii) of Section 5.1(a) and clauses (i) and (ii) of Section 5.1(b), in that order of priority.

(5) Allocation of Collections Between Principal Collections and Income Collections. The Servicer will allocate Collections monthly in accordance with the actual amount of Income Collections and Principal Collections processed. The Servicer shall

determine each month the amount of Collections processed during such month which constitutes amounts which, pursuant to the terms of any Dealer Agreement, are required to be remitted to the applicable Dealer (such collections, "Dealer Collections"). Notwithstanding any other provision hereof, the Servicer shall distribute to the Debtor on each Remittance Date an amount equal to the aggregate amount of Dealer Collections received during or with respect to the prior Collection Period prior to the distribution of Available Collections pursuant to this Section 5.1.

SECTION 5.2 Remittances to the Secured Parties. On each Remittance Date, the Collateral Agent shall remit all applicable amounts to each Secured Party in accordance with the provisions of Section 5.1. The foregoing notwithstanding, the final remittance in respect of the Note shall be made in the applicable manner specified above only upon presentation and surrender of the Note at the office of the Debtor specified by it in the notice of such final remittance or repurchase.

SECTION 5.3 Reserve Account.

(1) On or prior to any Funding, the Debtor shall deposit or cause to be deposited in the Reserve Account, the Required Reserve Account Balance (calculated as if such Funding had occurred). The Debtor shall deposit into the Reserve Account all amounts which are required to be deposited therein by this Agreement. The Collateral Agent shall promptly withdraw from the Reserve Account all amounts required to be withdrawn therefrom pursuant to Sections 5.1(c), 5.1(d) and 5.4 hereof, and shall either (i) pay such amounts to the Agent, for the account of the Company or the Bank Investors (in the case of withdrawals pursuant to Section 5.1(c) or 5.4) or (ii) deposit such amounts to the credit of the Collection Account (in the case of withdrawals therefrom pursuant to Section 5.1(d)).

(2) To the extent that amounts on deposit in the Reserve Account on any Remittance Date, after

giving effect to any required withdrawals therefrom on such day, exceed the Required Reserve Account Balance, such excess amounts shall be withdrawn from the Reserve Account by the Collateral Agent and used to reduce the Net Investment; provided, that any such excess amounts attributable to a decrease in the Supplemental Reserve Requirement shall be paid to the Structuring Agent by wire transfer in immediately available funds to: Account # 1093601650000; ABA # 053000196: Reference:CAC Reserve Release.

(3) If and to the extent that the aggregate Net Investment has been reduced to zero and all amounts owed by the Debtor to the Secured Parties hereunder, under the Note Purchase Agreement, the Note and any other Transaction Document have been paid in full, any amounts on deposit in the Reserve Account shall be released to the Debtor.

SECTION 5.4 Optional Clean-Up Event; Mandatory Clean-Up Event. Upon the occurrence of an Optional Clean-Up Event, the Debtor may, and upon the occurrence of a Mandatory Clean-Up Event, the Debtor shall, deposit into the Collection Account on the day preceding the next Remittance Date, an amount which, when taken together with the amount then on deposit in the Collection Account and the Reserve Account (before giving effect to any deposit required by this Section 5.4), shall be sufficient to pay all amounts outstanding under the Note Purchase Agreement, the Note and any other Transaction Document in the case of a Mandatory Clean-Up Event or, in the case of an Optional Clean-Up Event, to pay all amounts outstanding that relate to the Funding to which such Optional Clean-Up Event applies under the Note Purchase Agreement, the Note and any other Transaction Document; provided that such deposit by the Debtor does not constitute or result in a violation of any material agreement related to the indebtedness of the Debtor. If such deposit (or any part of such deposit) is made into the Collection Account pursuant to this Section 5.4, the Collateral Agent shall withdraw on the next Remittance Date (i) in the case of a Mandatory Clean-Up Event, all funds on deposit in the Collection Account and the

Reserve Account, and (ii) in the case of an Optional Clean-Up Event, the funds in the Collection Account and, if necessary, the Reserve Account, that relate to the Funding to which such Optional Clean-Up Event applies, and in each case pay such amounts to the Company, the Bank Investors and any Noteholder, as applicable.

SECTION 5.5 Conditions Precedent to Releases to Debtor. It shall be a condition precedent to any release to the Debtor pursuant to the Release Provisions that the aggregate amount released on such date shall not exceed the product of (x) the Aggregate Outstanding Eligible Loan Balance minus the Excluded Loan Balance (in each case with respect to the group of Loans being funded by such release and conveyed to the Debtor on or as of such date) and (y) the Blended Advance Rate in respect of such group of Loans.

In addition, on the date of each release to the Debtor pursuant to the Release Provisions (each, a "Release Date"), there shall be delivered to the Agent (with sufficient copies for its counsel) the following documents, all of which shall be in form and substance satisfactory to the Agent:

(1) An officer's certificate of the Debtor, which shall include the calculations necessary to demonstrate that the aggregate amount released pursuant to the Release Provisions on such date does not exceed the product of (x) the Aggregate Outstanding Eligible Loan Balance minus the Excluded Loan Balance (in each case with respect to the group of Loans being funded by such release and conveyed to the Debtor on or as of such date) and (y) the Blended Advance Rate in respect of such group of Loans, and shall also include a certification by an authorized officer of the Debtor that to the best of such officer's knowledge, no event has occurred

since the most recent Funding or release to the Debtor under the Release Provisions that would have a material and adverse effect on the Loans, the Contracts, the Servicer or the Debtor.

(2) Copies of proper financing statements (Form UCC-1) naming CAC as the debtor in respect of the Loans and the other Collateral being conveyed to the Debtor on or as of such date, the Debtor as secured party and the Collateral Agent as assignee or other similar instruments or documents as may be necessary or in the opinion of the Agent desirable under the UCC of all appropriate jurisdictions or any comparable law to evidence the perfection of the Debtor's security interest in such Loans and other Collateral.

(3) Copies of proper financing statements (Form UCC-3), if any, necessary to terminate all security interests and other rights of any Person in such Loans and other Collateral previously granted by the Debtor, CAC or any Obligor.

(4) Certified copies of requests for information or copies (Form UCC-11) (or a similar search report certified by parties acceptable to the Agent) dated a date reasonably prior to the Release Date listing all effective financing statements which name the Debtor or CAC (under its present name and any previous names) as debtor and which are filed with respect to the Debtor or CAC in the jurisdictions in which the filings were made pursuant to clause (b) above or in any other jurisdiction reasonably requested by the Collateral Agent in light of various UCC transition rules.

(5) Favorable opinion(s) of Dykema, Gossett PLLC and any other counsel, if required, as counsel to the Debtor and CAC upon written request of the Collateral Agent.

(6) An executed copy of an amendment to the Contribution Agreement or such other document conveying such Loans and other Collateral to the Debtor.

(7) Such other documents, instruments, certificates and opinions as the Collateral Agent or any Bank Investor shall reasonably request.

ARTICLE 6

TERMINATION EVENTS

SECTION 6.1 Termination Events. The occurrence and continuation of any one of the following events shall be a "Termination Event" under this Agreement:

(1) failure (a) on the part of the Debtor or CAC, as applicable, to make any payment or deposit on the date required under this Agreement, the Note Purchase Agreement or the Note, as applicable, and the continuance thereof for one day, (b) on the part of the Debtor to duly observe or perform any term, covenant, condition or agreement set forth in this Agreement, the Note Purchase Agreement, the Note or the Contribution Agreement, and the continuance thereof for three days, (c) of any representation or warranty contained in this Agreement, the Note Purchase Agreement or the Contribution Agreement to be true and correct in all material respects on any day when made or deemed to be made hereunder;

(2) the Debtor, CAC or the Servicer or any of their subsidiaries (unless such subsidiary is deemed to be immaterial by the Collateral Agent in its sole discretion) shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Debtor, CAC or the Servicer or any such subsidiary, as the case may be, or of or relating to all or substantially all of its property, or a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the

Debtor, CAC or the Servicer, as the case may be, and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days; or the Debtor, CAC or the Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of an applicable insolvency or reorganization statute, make any assignment for the benefit of its creditors or voluntarily suspend payment of its obligations;

(3) the Debtor, the Servicer or CAC shall enter into any merger, consolidation or conveyance transaction unless, in the case of the Servicer or CAC, the Servicer or CAC, as applicable, is the surviving entity;

(4) any Servicer Event of Default occurs;

(5) the Collateral Agent and the Secured Parties shall fail for any reason to have a valid and perfected first priority security interest in the Loans and other Collateral of the type covered by Article 9 of the UCC;

(6) the Net Investment in respect of any group of Loans shall exceed (a) the related Aggregate Outstanding Eligible Loan Balance minus (b) the related Excluded Loan Balance;

(7) the Net Investment in respect of any group of Loans shall exceed the related Outstanding Balance of all related Eligible Contracts minus the related Outstanding Balance of all related Eligible Contracts which have become Defaulted Contracts;

(8) a Liquidity Provider or a Program Support Provider shall have notified the Company that an event of default has occurred under the related Liquidity Provider Agreement or the related Program Support Agreement, respectively; or

(9) the Commercial Paper of the Company shall no longer be rated at least "A-2", in the case of S&P, and at least "P-2", in the case of Moody's;

then, in the case of any event described above the Agent shall be entitled to give notice of the occurrence of the Termination Date in accordance with clause (iv) of the definition of Termination Date set forth in the Note Purchase Agreement; provided, that upon the occurrence of an event described in clause (ii) of this Section 6.1, a Termination Date shall occur automatically without the need for any notice or action on the Agent's part.

SECTION 6.2 Remedies. If a Termination Event shall have occurred, the Agent has the right to declare all amounts outstanding under the Note and the Note Purchase Agreement to be then due and payable. If the Note and such other amounts are declared due and payable, the Collateral Agent may do any one or more of the following: SECTION 1.1

(1) take all necessary action to foreclose upon the Collateral;

(2) pursue any available remedy by proceeding at law or in equity including complete or partial foreclosure of the lien upon the Collateral and sale of the Collateral or any portion thereof or rights on interest therein as may appear necessary or desirable (i) to collect amounts owed pursuant to the Note and any other payments then due and thereafter to become due under the Note or (ii) to enforce the performance and observance of any obligation, covenant, agreement or provision contained in this Agreement to be observed or performed by the Debtor; and

(3) exercise any remedies of a secured party under the Uniform Commercial Code and take any other appropriate action to protect and enforce the rights and remedies of the Collateral Agent on behalf of the Secured Parties, subject to Section 8.7 hereof;

provided, that, in exercising the foregoing rights and remedies, the Collateral Agent shall take no action with regard to any Dealer which is expressly prohibited by the related Dealer Agreement.

SECTION 6.3 Application of Proceeds. Any proceeds received by the Collateral Agent from the sale, disposition or liquidation of the Collateral, including as a result of any sale or foreclosure thereon as contemplated by Section 6.2 above, shall be applied as follows:

(1) to the payment of (i) all accrued and unpaid interest in accordance with Section 5.1 hereof and (ii) principal on the Note;

(2) to the payment of all other amounts due hereunder, under the Note Purchase Agreement or the Note to the Agent, the Collateral Agent, the Company or the Bank Investors (pro rata among them in the event sufficient funds are not available to pay such Persons in full); and

(3) any remainder after the payment in full of all of the foregoing, to the Debtor.

ARTICLE 7

THE COLLATERAL AGENT

SECTION 7.1 Duties of the Collateral Agent. The Collateral Agent, both prior to the occurrence of a Termination Event hereunder and after a Termination Event shall have been cured or waived, shall undertake to perform such duties and only such duties as are specifically set forth in this Agreement. The Collateral Agent shall at all times after the occurrence of a Termination Event which has not been cured or waived exercise such of the rights and powers vested in it pursuant to this Agreement using the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs.

All Collections received by the Collateral Agent from the Servicer or otherwise will, pending remittance to the Secured Party entitled thereto, be held in trust by the Collateral Agent for the benefit of the Secured Parties and together with all other payment obligations of the Debtor hereunder owing to the Secured Parties shall be payable to the Secured Parties in accordance with the provisions of Article V hereof.

Except as otherwise provided herein, the Collateral Agent shall not resign from the obligations and duties hereby imposed on it except upon determination that (i) the performance of its duties hereunder is no longer permissible under applicable law and (ii) there is no reasonable action which the Collateral Agent could take to make the performance of its duties hereunder permissible under applicable law. Any such determination permitting the resignation of the Collateral Agent shall be evidenced as to clause (i) above by an opinion of counsel to such effect delivered to the Secured Parties. Notwithstanding the foregoing, the Collateral Agent may resign if, after demand therefor, it does not receive payment of any compensation due from the Debtor pursuant to the letter agreement described in Section 7.2. No resignation of the Collateral Agent shall become effective until a successor Collateral Agent approved by

the Secured Parties shall have assumed the responsibilities and obligations of the Collateral Agent hereunder.

SECTION 7.2 Compensation and Indemnification of Collateral Agent. The Collateral Agent shall be compensated for its activities hereunder and reimbursed for reasonable out-of-pocket expenses (including the reasonable compensation and expenses of its counsel and agents) pursuant to the Fee Letter. Subject to the terms of such letter agreement, the Collateral Agent shall be required to pay the expenses incurred by it in connection with its activities hereunder from its own account. Notwithstanding any other provisions in this Agreement, the Collateral Agent shall not be liable for any liabilities, costs or expenses of the Debtor arising under any tax law, including without limitation any Federal, state or local income or franchise taxes or any other tax imposed on or measured by income (or any interest or penalties with respect thereto or arising from a failure to comply therewith).

The Debtor shall indemnify the Collateral Agent, its officers, directors, employees and agents for, and hold it harmless against any loss, liability or expense incurred without willful misconduct, gross negligence or bad faith on its part, arising out of or in connection with (i) the acceptance or administration of this Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement and (ii) the negligence, willful misconduct or bad faith of the Debtor in the performance of its duties hereunder. The provisions of this Section 7.2 shall survive the termination of this Agreement.

SECTION 7.3 Representations, Warranties and Covenants of the Collateral Agent. The Collateral Agent agrees to make the following representations, warranties and covenants, and further agrees that the Secured Parties shall be deemed to have relied upon such

representations, warranties and covenants in entering into this Agreement and the Note Purchase Agreement.

(1) Organization and Good Standing. The Collateral Agent is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America, and has full corporate power, authority and legal right to own its properties and conduct its business as such properties are presently owned and such business is presently conducted, and to execute, deliver and perform its obligations under this Agreement.

(2) Due Authorization. The execution, delivery, and performance of this Agreement have been duly authorized by the Collateral Agent by all necessary corporate action on the part of the Collateral Agent.

(3) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Collateral Agent, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect, affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity). (1)

(4) No Conflict. The execution and delivery of this Agreement by the Collateral Agent, and the performance of the transactions contemplated by this Agreement and the fulfillment of the terms hereof applicable to the Collateral Agent, will not conflict with, violate, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any Requirement of Law applicable to the Collateral Agent or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which the Collateral Agent is a party or by which it is bound.

SECTION 7.4 Liability of the Collateral Agent.

(1) The Collateral Agent shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Collateral Agent in such capacity herein. No implied covenants or obligations shall be read into this Agreement against the Collateral Agent and, in the absence of bad faith on the part of the Collateral Agent, the Collateral Agent may conclusively rely on the truth of the statements and the correctness of the opinions expressed in any certificates or opinions furnished to the Collateral Agent and conforming to the requirements of this Agreement.

(2) The Collateral Agent shall not be liable for an error of judgment made in good faith, unless it shall be proved that the Collateral Agent shall have been negligent in ascertaining the pertinent facts.

(3) The Collateral Agent shall not be liable with respect to any action taken, suffered or omitted to be taken in good faith in accordance with this Agreement or at the direction of a Secured Party relating to the exercise of any power conferred upon the Collateral Agent under this Agreement.

(4) The Collateral Agent shall not be charged with knowledge of any Termination Event unless an officer personally familiar with and currently responsible for administering this Agreement obtains actual knowledge of such event or the Collateral Agent receives written notice of such event from the Debtor, the Servicer, the Company or the Agent, as the case may be.

(5) Without limiting the generality of this Section 7.4, the Collateral Agent shall have no duty (i) to see to any recording, filing or depositing of this Agreement or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest in the Loans or the related Contracts, or to see to the maintenance of any such

recording or filing or depositing or to any recording, refiling or redepositing of any thereof, except with respect to actions necessary to maintain the Collateral Agent's priority position for Eligible Investments pursuant to Section 4.7(c)(5), (ii) to see to any insurance of the Obligors or to effect or maintain any such insurance, (iii) to see to the payment or discharge of any tax, assessment or other governmental charge or any Lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Loans, (iv) to confirm or verify the contents of any reports or certificates of the Servicer or the Debtor delivered to the Collateral Agent pursuant to this Agreement believed by the Collateral Agent to be genuine and to have been signed or presented by the proper party or parties or (v) to inspect the Contracts at any time or ascertain or inquire as to the performance or observance of any of the Debtor's or the Servicer's representations, warranties or covenants or the Servicer's duties and obligations as Servicer and as custodian of books, records, files and computer records relating to the Loans under the Servicing Agreement.

(6) The Collateral Agent shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there shall be reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability shall not be reasonably assured to it, and none of the provisions contained in this Agreement shall in any event require the Collateral Agent to perform, or be responsible for the manner of performance of, any of the obligations of the Servicer under this Agreement.

(7) The Collateral Agent may rely and shall be protected in acting or refraining from acting upon any resolution, officer's certificate, any Monthly Servicer's Certificate, certificate of auditors, or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document reasonably believed by it to

be genuine and to have been signed or presented by the proper party or parties.

(8) The Collateral Agent may consult with counsel and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it under this Agreement in good faith and in accordance with such opinion of counsel.

(9) The Collateral Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement or to institute, conduct or defend any litigation under this Agreement or in relation to this Agreement, at the request, order or direction of a Secured Party pursuant to the provisions of this Agreement, unless such Secured Party shall have offered to the Collateral Agent reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby; nothing contained in this Agreement, however, shall relieve the Collateral Agent of its obligations, upon the occurrence of a Termination Event (that shall not have been cured or waived), to exercise such of the rights and powers vested in it by this Agreement, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(10) The Collateral Agent shall not be liable for any action taken, suffered or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement.

(11) Prior to the occurrence of a Termination Event before the Collateral Agent has received notice of such Termination Event and after the curing or waiving of all Termination Events that may have occurred, the Collateral Agent shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond

or other paper or document, unless requested in writing so to do by a Secured Party; provided, however, that if the payment within a reasonable time to the Collateral Agent of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation shall be, in the opinion of the Collateral Agent, not reasonably assured by the Debtor, the Collateral Agent may require reasonable indemnity against such cost, expense or liability as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Debtor or, if paid by the Collateral Agent, shall be reimbursed by the Debtor upon demand.

(12) The Collateral Agent may execute any of the trusts or powers hereunder or perform any duties under this Agreement either directly or by or through agents or attorneys or a custodian. The Collateral Agent shall not be responsible for any misconduct or negligence of any such agent or custodian appointed with due care by it hereunder.

SECTION 7.5 Merger or Consolidation of, or Assumption of the Obligations of, the Collateral Agent. The Collateral Agent shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person, unless: SECTION 1.1

(1) the corporation formed by such consolidation or into which the Collateral Agent is merged or the Person which acquires by conveyance or transfer the properties and assets of the Collateral Agent substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America or any State or the District of Columbia and, if the Collateral Agent is not the surviving entity, shall expressly assume, by an agreement supplemental hereto, executed and delivered to the Secured Parties in form satisfactory to the Secured Parties, the performance of every covenant and obligation of the Collateral Agent hereunder; and

(2) the Collateral Agent has delivered to the Secured Parties an officer's certificate and an opinion of counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental agreement comply with this Section 7.5 and that all conditions precedent herein provided for relating to such transaction have been complied with.

ARTICLE 8

MISCELLANEOUS

SECTION 8.1 Notices, Etc. Except where telephonic instructions or notices are authorized herein to be given, all notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be sent by facsimile transmission with a confirmation of the receipt thereof and shall be deemed to be given for purposes of this Agreement on the day that the receipt of such facsimile transmission is confirmed in accordance with the provisions of this Section 8.1. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section, notices, demands, instructions (including payment instructions) and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses and accounts indicated below, and, in the case of telephonic instructions or notices, by calling the telephone number or numbers indicated for such party below:

If to the Company:

Kitty Hawk Funding Corporation
c/o Lord Securities, Inc.
2 Wall Street
New York, New York 10005
Attention: Richard Taiano
Telephone: (212) 346-9006
Telecopy: (212) 346-9012

(with a copy to the Administrative Agent)

If to the Servicer (if the Servicer is CAC):

Credit Acceptance Corporation
Silver Triangle Building
25505 West Twelve Mile Road, Suite 3000
Southfield, Michigan 48034-8339

Attention: Douglas W. Busk
Telephone: (248) 353-2700 (ext. 432)
Telecopy: (248) 827-8542

If to the Debtor:

CAC Funding Corp.
Silver Triangle Building
25505 West Twelve Mile Road, Suite 3000
Southfield, Michigan 48034-8339
Attention: Douglas W. Busk
Telephone: (248) 353-2700 (ext. 432)
Telecopy: (248) 827-8542

If to the Collateral Agent, the Administrative Agent or the Agent:

Bank of America N.A.
Bank of America Corporate Center
100 North Tryon Street
NC1-007-10-07
Charlotte, North Carolina 28255-0001
Attention: Michelle M. Heath
Investment Banking
Telephone: (704) 386-7922
Telecopy: (704) 388-9169
Payment Information:
Bankers Trust Company
ABA #: 021001033
Acct. #:00362941
Reference: KHFC-CAC Funding Corp.

SECTION 8.2 Successors and Assigns. This Agreement shall be binding upon the Debtor, the Collateral Agent, the Secured Parties, the Servicer, CAC and their respective successors and permitted assigns and shall inure to the benefit of the Debtor, the Servicer, the Collateral Agent, the Secured Parties and CAC and their respective successors and permitted assigns including any Bank Investors and the Liquidity Provider; provided that the Debtor shall not assign any of its rights or obligations hereunder without the prior written

consent of the Collateral Agent acting upon written instruction of the Secured Parties. The Debtor and the Collateral Agent hereby acknowledge that the Company has granted a security interest in all of its rights hereunder to the KHFC Collateral Agent. In addition, the Debtor hereby acknowledges that the Company may at any time and from time to time assign all or a portion of its rights hereunder to the Liquidity Provider pursuant to the Liquidity Agreement.

SECTION 8.3 Severability Clause. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 8.4 Amendments. This Agreement and the rights and obligations of the parties hereunder may not be changed orally but only by an instrument in writing signed by the party against which enforcement is sought.

SECTION 8.5 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

SECTION 8.6 No Bankruptcy Petition Against the Company. The Debtor and each of the other parties hereto covenant and agree that, and each such Person agrees that they shall cause any Successor Servicer appointed pursuant to Section 4.1 to covenant and agree that, prior to the date which is one year and one day after the payment in full of all Commercial Paper issued by the Company it will not institute against, or join any other Person in instituting against, the Company or the Debtor, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any federal or state bankruptcy or similar law.

SECTION 8.7 Setoff. To the extent permitted by applicable law, the Debtor hereby irrevocably and unconditionally waives all right of setoff that it may have under contract (including this Agreement), applicable law or otherwise with respect to any funds or monies of the Debtor at any time held by or in the possession of the Collateral Agent.

SECTION 8.8 No Recourse. Except as otherwise expressly provided in this Agreement, it is understood and agreed that the Debtor shall not be liable for amounts due under the Note, this Agreement or the Note Purchase Agreement, except to the extent of the Collateral, for any losses suffered by the Company in respect of the Note. The preceding sentence shall not relieve the Debtor from any liability hereunder with respect to its representations, warranties, covenants and other payment and performance obligations herein described.

SECTION 8.9 Further Assurances. The Debtor agrees to do such further acts and things and to execute and deliver to the Collateral Agent such additional assignments, agreements, powers and instruments as are required by the Collateral Agent to carry into effect the purposes of this Agreement or to better assure and confirm unto the Collateral Agent its rights, powers and remedies hereunder.

SECTION 8.10 Other Costs, Expenses and Related Matters. The Debtor agrees, upon receipt of a written invoice, to pay or cause to be paid, and to save the Collateral Agent harmless against liability for the payment of, all reasonable out-of-pocket expenses (including, without limitation, reasonable attorneys', accountant's and other third parties' fees and expenses, any filing fees and expenses incurred by officers or employees of the Collateral Agent) incurred by or on behalf of the Collateral Agent (i) in connection with the negotiation, execution, delivery and preparation of this Agreement and any documents or instruments delivered pursuant hereto and the transactions contemplated hereby

(including, without limitation, the perfection or protection of the Collateral Agent's security interest in the Collateral) and (ii) from time to time (a) relating to any amendments, waivers or consents under this Agreement, (b) arising in connection with the Collateral Agent's or its agent's enforcement or preservation of rights (including, without limitation, the perfection and protection of the Collateral Agent's security interest in the Collateral under this Agreement), or (c) arising in connection with any audit, dispute, disagreement, litigation or preparation for litigation involving this Agreement.

SECTION 8.11 Direction of Collateral Agent. The Collateral Agent acknowledges that unless expressly indicated to the contrary herein, all of its rights under this Agreement shall be exercised at the direction of the Secured Parties.

SECTION 8.12 Counterparts. This Agreement may be executed in any number of copies, and by the different parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument.

SECTION 8.13 Headings. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, the Debtor, CAC, the Company, the Collateral Agent and, solely, with respect to Sections 4.1 and 4.7, Bank of America, N.A. in its individual capacity have caused this Amended and Restated Security Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

CAC FUNDING CORP.,
as Debtor

By: /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: Chief Financial Officer

CREDIT ACCEPTANCE CORPORATION,
Individually and as Servicer

By: /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: Chief Financial Officer

KITTY HAWK FUNDING CORPORATION,
as Company

By: /S/ Andy Yan

Name: Andy Yan
Title: Vice President

BANK OF AMERICA, N.A.,
Individually and as
Collateral Agent

By: /S/ Christopher G. Young

Name:
Title:

AMENDED AND RESTATED SECURITY AGREEMENT

among

CAC FUNDING CORP.
as Debtor,

KITTY HAWK FUNDING CORPORATION,
as Company,

BANK OF AMERICA, N.A.
individually and as Collateral Agent,

and

CREDIT ACCEPTANCE CORPORATION
as Servicer

Dated as of July 20, 2001

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EXHIBITS

AMENDMENT NO. 5 TO CONTRIBUTION AGREEMENT

This AMENDMENT NO. 5 TO CONTRIBUTION AGREEMENT ("Amendment No. 5"), dated as of July 20, 2001, is made between CREDIT ACCEPTANCE CORPORATION, a Michigan corporation ("CAC") and CAC FUNDING CORP., a Nevada corporation ("Funding").

On July 7, 1998, CAC and Funding entered into a Contribution Agreement pursuant to which CAC did assign, transfer and convey to Funding a pool of Loans constituting the Contributed Property, and Funding did use such loans as collateral to obtain financing from unrelated parties. On June 30, 1999, December 15, 1999, August 8, 2000 and March 12, 2001, CAC and Funding entered into Amendments No. 1, No. 2, No. 3 and No. 4, respectively, to the Contribution Agreement to provide for the transfer by CAC to Funding of additional Loans and related property. Funding now desires to acquire additional Loans and related property from CAC identified herein, including CAC's rights in the Dealer Agreements and Contracts securing payment of such Loans and the Collections derived therefrom during the full term of this Agreement, and CAC desires to transfer, convey and assign such additional Loans and related property to Funding upon the terms and conditions hereinafter set forth. CAC has agreed to service the Loans and related property to be transferred, conveyed and assigned to Funding.

In consideration of the premises and the mutual agreements set forth herein, it is hereby agreed by and between CAC and Funding as follows:

SECTION 1. Definitions. All capitalized terms used herein shall have the meanings specified in the Contribution Agreement, as amended, or if not so specified, the meaning specified in, or incorporated by reference into, the Security Agreement or the Note Purchase Agreement, as each may be amended through the date hereof, and shall include in the singular number the plural and in the plural number the singular. All accounting terms not specifically defined herein or therein shall be construed in accordance with GAAP. All terms used in Article 9 of the Relevant UCC, and not specifically defined herein, are used herein as defined in such Article 9. In addition, the following capitalized terms shall have the meanings shown in this Section:

"Additional Contributed Property" means (i) all Loans, including, without limitation, all monies due or to become due, and all monies received, with respect thereto on or after the Cut-Off Date and all Related Security therefor (including all of CAC's right, title and interest in and to the vehicle retail installment sales contracts identified on Schedule 1 attached hereto), (ii) all Collections and (v) and all proceeds (including "proceeds" as defined in the UCC) of any of the foregoing.

"Closing Date" means July 20, 2001.

"Contribution Agreement" means the Contribution Agreement between CAC and Funding dated July 7, 1998, as amended.

"Cut-Off Date" means July 1, 2001.

"Loans" shall mean all amounts owing to CAC on account of advances made by CAC pursuant to Dealer Agreements entered into between CAC and a new or used automobile and/or light-duty truck dealer, including servicing charges, insurance charges and service policies and all related finance charges, late charges, and all other fees and charges charged to any such dealer, which Loans are related to those vehicle retail installment sales contracts identified on Schedule 1 attached hereto and are payable from Collections.

SECTION 2. Contribution and Sale of Additional Contributed Property. (a) Upon the terms and subject to the conditions set forth herein (i) CAC hereby assigns, transfers and conveys to Funding, and Funding hereby accepts from CAC, on the terms and subject to the conditions specifically set forth herein, all of CAC's right, title and interest, in, to and under the Additional Contributed Property conveyed on the Closing Date. Such sale, assignment, transfer and conveyance does not constitute an assumption by Funding of any obligations of CAC or any other Person to Obligors or to any other Person in connection with the Loans or under any Related Security, Dealer Agreement or other agreement and instrument relating to the Loans.

(b) In connection with any such foregoing conveyance, CAC agrees to record and file on or prior to the Closing Date, at its own expense, a financing statement or statements with respect to the Additional Contributed Property conveyed by CAC hereunder meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect and protect the interests of Funding created hereby under the Relevant UCC (subject, in the case of Related Security constituting returned inventory, to the applicable provisions of Section 9-306 of the Relevant UCC) against all creditors of and purchasers from CAC, and to deliver either the originals of such financing statements or a file-stamped copy of such financing statements or other evidence of such filings to Funding on the Closing Date.

(c) CAC agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents and take all actions as may be necessary or as Funding may reasonably request in order to perfect or protect the interest of Funding in the Loans and other Additional Contributed Property purchased hereunder or to enable Funding to exercise or enforce any of its rights hereunder. CAC shall, upon request of Funding, obtain such additional search reports as Funding shall request. To the fullest extent permitted by applicable law, Funding shall be permitted to sign and file continuation statements and amendments thereto and assignments thereof without CAC's signature. Carbon, photographic or other reproduction of this Agreement or any financing statement shall be sufficient as a financing statement.

(d) It is the express intent of CAC and Funding that the conveyance of the Loans and other Additional Contributed Property by CAC to Funding pursuant to this Amendment No. 5 be construed as a complete transfer of such Loans and other Additional Contributed Property by CAC to Funding. Further, it is not the intention of CAC and Funding that such conveyance be deemed a grant of a security interest in the Loans and other Additional Contributed Property by CAC to

Funding to secure a debt or other obligation of CAC. However, in the event that, notwithstanding the express intent of the parties, the Loans and other Additional Contributed Property are construed to constitute property of CAC, then (i) this Amendment No. 5 also shall be deemed to be, and hereby is, a security agreement within the meaning of the Relevant UCC; and (ii) the conveyance by CAC provided for in this Amendment No. 5 shall be deemed to be, and CAC hereby grants to Funding, a security interest in, to and under all of CAC's right, title and interest in, to and under the Additional Contributed Property, to secure the rights of Funding set forth in this Amendment No. 5 or as may be determined in connection therewith by applicable law. CAC and Funding shall, to the extent consistent with this Amendment No. 5, take such actions as may be necessary to ensure that, if this Amendment No. 5 were deemed to create a security interest in the Loans and other Additional Contributed Property, such security interest would be deemed to be a first priority perfected security interest in favor of Funding under applicable law and will be maintained as such throughout the term of this Agreement.

(e) In connection with such conveyance, CAC agrees to deliver to Funding on the Closing Date, one or more computer files or microfiche lists containing true and complete lists of all Dealer Agreements and Loans conveyed to Funding on the Closing Date, and all Contracts securing all such Loans, identified by account number, dealer number, and pool number and Outstanding Balance as of the Cut-Off Date. Such file or list shall be marked as Schedule 1 to this Amendment No. 5, shall be delivered to Funding as confidential and proprietary, and is hereby incorporated into and made a part of this Amendment No. 5.

SECTION 3. Consideration. The consideration for the Loans and other Additional Contributed Property conveyed on the Closing Date to Funding by CAC under this Amendment No. 5 shall be reflected as by a credit on the books and records of Funding of an amount of additional contributed capital in the form of shareholders' equity with respect to the Shares previously issued to CAC, which amount shall be equal to the aggregate principal amount of the Loans as of the Cut-Off Date that are contributed by CAC to Funding on the Closing Date.

SECTION 4. Representations and Warranties. CAC represents and warrants to Funding as of the Closing Date that:

(a) Corporate Existence and Power. CAC is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all corporate power and all material governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is now conducted. CAC is duly qualified to do business in, and is in good standing in, every other jurisdiction in which the nature of its business requires it to be so qualified, except where the failure to be so qualified or in good standing would not have a material adverse effect.

(b) Corporate and Governmental Authorization; Contravention. The execution, delivery and performance by CAC of this Amendment No. 5 are within its corporate powers,

have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any Official Body or official thereof (except for the filing by Seller of UCC financing statements as required by this Amendment No. 5), and do not contravene, or constitute a default under, any provision of applicable law, rule or regulation or of the Articles of Incorporation or Bylaws or of any agreement, judgment, injunction, order, writ, decree or other instrument binding upon CAC, or result in the creation or imposition of any Adverse Claim on the assets of CAC or any of its subsidiaries (except those created by this Agreement).

(c) Binding Effect. This Amendment No. 5 constitutes the legal, valid and binding obligation of CAC, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

(d) Perfection. CAC is the owner of all of the Loans and the other Additional Contributed Property, free and clear of all Adverse Claims. On or prior to the Closing Date, all financing statements and other documents required to be recorded or filed in order to perfect and protect the ownership interest of Funding in and to the Loans and the other Additional Contributed Property against all creditors of and purchasers from CAC will have been 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 paid in full.

(e) Accuracy of Information. All information heretofore furnished by CAC to Funding, the Agent, Kitty Hawk and any Bank Investor for purposes of or in connection with this Amendment No. 5 and the Contribution Agreement or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by CAC to Funding, the Agent, Kitty Hawk and any Bank Investor will be, true and accurate in every material respect, on the date such information is stated or certified.

(f) Tax Status. CAC has filed all material tax returns (federal, state and local) required to be filed and has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges.

(g) Action, Suits. There are no actions, suits or proceedings pending, or to the knowledge of CAC, threatened against or affecting CAC or any Affiliate of CAC or its properties, in or before any court, arbitrator or other body, which may, individually or in the aggregate, have a material adverse effect on CAC or the Additional Contributed Property.

(h) Place of Business. The principal place of business and chief executive office of CAC is in Southfield, Michigan, and the office where CAC keeps all of its Records is at the address listed in Section 9.3 of the Contribution Agreement, or such other locations notified to Funding in accordance with the Contribution Agreement in jurisdictions where all

actions required by the terms of this Amendment No. 5 and the Contribution Agreement have been taken and completed.

(i) Good Title. Upon the contribution of the Loans and related property to Funding pursuant to this Amendment No. 5, Funding shall acquire all of CAC's ownership and other interest in each Loan (and in the Related Security, Collections and proceeds with respect thereto) and in the Related Security, Collections and proceeds with respect thereto, in each case free and clear of any Adverse Claim.

(j) Tradenames, Etc. As of the date hereof CAC has not, within the last five (5) years, operated under any tradenames other than its corporate name, nor has it changed its name, merged with or into or consolidated with any other corporation or been the subject of any proceeding under Title 11, United States Code (Bankruptcy).

(k) Nature of Loans, Contracts. Each Loan represented by CAC to be an Eligible Loan, or included in the calculation of the Aggregate Outstanding Eligible Loan Balance, at the time of such representation, or at the time of such calculation, as applicable, in fact satisfies the definition of "Eligible Loan" set forth in the Security Agreement. Each Contract classified as an "Eligible Contract" (or included in any aggregation of balances of "Eligible Contracts") by CAC satisfies at the time of such classification the definition of "Eligible Contract" set forth in the Security Agreement.

(l) Amount of Loans. As of the Cut-Off Date, as reported in the loan servicing system of CAC, the Aggregate Outstanding Eligible Loan Balance was not less than $321,739,071 and the Aggregate Outstanding Eligible Loan Balance with respect to the Loans being conveyed hereunder was not less than $142,240,258.

(m) Collection Guidelines. Since July 7, 1998, there have been no material changes in the Collection Guidelines other than as permitted hereunder and under the Security Agreement. Since such date, no material adverse change has occurred in the overall rate of collection of the Loans.

(n) Collections and Servicing. Since July 7, 1998, there has been no material adverse change in the ability of the Servicer to service and collect the Loans.

(o) Not an Investment Company. CAC is not, and is not controlled by, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or each is exempt from all provisions of such Act.

(p) ERISA. Each of CAC and its ERISA Affiliates is in compliance in all material respects with ERISA and no lien exists in favor of the Pension Benefit Guaranty Corporation on any of the Loans.

(q) Bulk Sales. No transaction contemplated by this Amendment No. 5 requires compliance with any bulk sales act or similar law.

(r) Preference; Voidability. The transfer of the Loans, Collections, Related Security and other Additional Contributed Property by the Servicer to Funding, has not been made for or on account of an antecedent debt owed by Funding to CAC, or by CAC to Funding, and neither of such transfers is or may be voidable under any Section of the Bankruptcy Reform Act of 1978 (11 U.S.C.ss.ss.101 et seq.), as amended. After giving effect to the transfer of the Additional Contributed Property hereunder, CAC will not be insolvent.

(s) Consents, Licenses, Approvals. With respect to each Dealer Agreement and each Loan and Contract and all other Additional Contributed Property, all consents, licenses, approvals or authorizations of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by CAC, in connection with the conveyance of such Loan, Contract or other Additional Contributed Property to Funding have been duly obtained, effected or given and are in full force and effect.

(t) Schedule 1. Schedule 1 to this Amendment No. 5 is and will be an accurate and complete listing of all Dealer Agreements and Loans in all material respects and all Contracts securing such Loans on the date each such Dealer Agreement, Contract and Loan was added to Schedule 1, and the information contained therein with respect to the identity of such Dealer Agreements and Loans and all Contracts securing such Loans and the Outstanding Balances thereunder and under the related Contracts is and will be true and correct in all material respects as of each such date.

(u) Adverse Selection. No selection procedure believed by CAC to be adverse to the interests of Funding has been or will be used in selecting the Dealer Agreements or the Loans (it being expressly understood that the Loans consist of closed pools of Loans under the related Dealer Agreements).

(v) Use of Proceeds. No proceeds of any contribution hereunder will be used for a purpose that violates, or would be inconsistent with, Regulations T, U or X promulgated by the Board of Governors of the Federal Reserve System.

The representations and warranties set forth in this Section 4 shall survive the conveyance of the Additional Contributed Property to Funding, and termination of the rights and obligations of Funding and CAC under this Amendment No. 5. Upon discovery by Funding or CAC of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other within three Business Days of such discovery.

SECTION 5. Reaffirmation of Covenants, etc. CAC and Funding each reaffirm to the other

the covenants, undertakings, agreements and obligations set forth in Articles V and VI of the Contribution Agreement as is the same were set forth herein in full and made applicable to the Additional Contributed Property.

SECTION 6. Effectiveness. This Amendment No. 5 shall become effective on July 19, 2001.

SECTION 7. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN.

SECTION 8. Counterparts. This Amendment No. 5 may be executed in two or more counterparts including telecopy transmission thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

SECTION 9. Headings. The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

SECTION 10. Ratification. Except as expressly affected by the provisions hereof, the Contribution Agreement, as amended hereby, shall remain in full force and effect in accordance with its terms and is hereby ratified and confirmed by the parties hereto. On and after the date hereof, each reference in the Contribution Agreement to "this Agreement", "hereunder", "herein" or words of like import shall mean and be a reference to the Contribution Agreement as amended by this Amendment No. 5.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Funding and CAC each have caused this Amendment No. 5 to the Contribution Agreement to be duly executed by their respective officers as of the day and year first above written.

CAC FUNDING CORP.

By: /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: Treasurer and Chief Financial Officer

CREDIT ACCEPTANCE CORPORATION,
individually and as Servicer

By: /S/ Douglas W. Busk

Name: Douglas W. Busk
Title: Treasurer and Chief Financial Officer

Acknowledged and agreed as
of the date first above written:

KITTY HAWK FUNDING CORPORATION

By: /S/ Andy Yan

Name: Andy Yan
Title: Vice President

BANK OF AMERICA, N.A., as Agent

By: /S/ Christopher G. Young

Name: Christopher G. Young
Title: Vice President

SECOND AMENDED AND RESTATED SECURITY AGREEMENT

THIS SECOND AMENDED AND RESTATED SECURITY AGREEMENT (the "Agreement") dated as of June 11, 2001, is entered into by and between Credit Acceptance Corporation, a Michigan corporation (the "Company"), the Subsidiaries of the Company from time to time parties hereto (collectively, with the Company, and either or any of them, the "Debtors" and individually, each a "Debtor") and Comerica Bank, a Michigan banking corporation ("Comerica"), as agent for the benefit of the "Lenders", the "Noteholders" and the "Future Debt Holders" (each as referred to below) (in such capacity, the "Collateral Agent"). The addresses for the Debtors and Collateral Agent are set forth on the signature pages.

R E C I T A L S:

A. The Company and certain of its foreign Subsidiaries, Comerica (individually, and in the capacities referred to below) and the other financial institutions signatory thereto, each as "Banks" thereunder (and, in the case of Comerica, in its capacity as Agent for the Lenders and in its separate additional capacities as "Issuing Bank" thereunder) (together with any Successor Lenders (as hereinafter defined) party thereto from time to time, collectively the "Lenders"), entered into that certain Amended and Restated Credit Agreement dated as of June 11, 2001 (amending and restating the Prior Credit Agreement), (said credit agreement, as further amended, restated or otherwise modified from time to time, the "Credit Agreement").

B. The Company entered into the separate note purchase agreements with the 1994 Noteholders (as hereinafter defined) dated as of October 1, 1994 (collectively, as amended by First Amendment to Note Purchase Agreement dated as of November 15, 1995, Second Amendment to Note Purchase Agreement dated as of August 29, 1996, Third Amendment to Note Purchase Agreement dated as of December 12, 1997, Fourth Amendment to Note Purchase Agreement dated as of July 1, 1998, as amended by Fifth Amendment to Note Purchase Agreement dated as of April 13, 1999, Sixth Amendment to the Note Purchase Agreement dated as of December 1, 1999, Seventh Amendment to the Note Purchase Agreement dated as of April 27, 2000, Eighth Amendment to Note Purchase Agreement dated as of March 8, 2001 and Ninth Amendment to Note Purchase Agreement dated as of June 7, 2001, and as further amended, restated or otherwise modified from time to time, the "1994 Note Agreements"), pursuant to which the Second Amended and Restated Senior Notes due November 1, 2001 (collectively, as amended, restated or otherwise modified from time to time, the "1994 Senior Notes") are outstanding.

C. The Company entered into the separate note purchase agreements with the 1996 Noteholders (as hereinafter defined) dated as of August 1, 1996 (collectively, as amended by First Amendment to Note Purchase Agreement dated as of December 12, 1997, Second Amendment to Note Purchase Agreement dated as of July 1, 1998, Third Amendment to Note Purchase Agreement dated as of April 13, 1999, Fourth Amendment to the Note Purchase Agreement dated as of December 1, 1999, and Fifth Amendment to the Note Purchase Agreement dated as of April 27, 2000, Sixth Amendment to Note Purchase Agreement dated as of March 8, 2001 and Seventh Amendment to Note Purchase Agreement dated as of June 7, 2001, and as further amended, restated or otherwise modified from time to time, the "1996 Note Agreements"), pursuant to which the Second Amended and Restated Senior Notes due July 1, 2001 (collectively, as amended, restated or otherwise modified from time to time, the "1996 Senior Notes") are outstanding.

D. The Company entered into the separate note purchase agreements with the 1997 Noteholders (as hereinafter defined) dated as of March 25, 1997 (collectively, as amended by the First Amendment to Note Purchase Agreement dated as of December 12, 1997, the Second Amendment to Note Purchase Agreement dated as of July 1, 1998, Third Amendment to Note Purchase Agreement dated as of April 13, 1999, Fourth Amendment to the Note Purchase Agreement dated as of December 1, 1999, and Fifth Amendment to the Note Purchase Agreement dated as of April 27, 2000, Sixth Amendment to Note Purchase Agreement dated as of March 8, 2001 and Seventh Amendment to Note Purchase Agreement dated as of June 7, 2001, as further amended, restated or otherwise modified from time to time, the "1997 Note Agreements") pursuant to which the Second Amended and Restated Senior Notes due October 1, 2001 (collectively, as amended, restated or otherwise modified from time to time, the "1997 Senior Notes") are outstanding.

E. Each of the Debtors (other than the Company) have guaranteed payment and performance of the obligations of the Company and the Permitted Borrowers under the Credit Agreement (pursuant to the Domestic Guaranty, the obligations of each such Debtor thereunder constituting additional Credit Obligations) and under the 1994 Note Agreements, the 1996 Note Agreements and the 1997 Note Agreements (and such guaranties constitute additional Senior Note Obligations, as defined in the Intercreditor Agreement) and will be required to guarantee the payment and performance of the Company under the Future Debt Documents (and such guaranties, when executed and delivered, will constitute additional Future Debt Obligations).

F. Pursuant to the Credit Agreement (and under the Prior Credit Agreement), the Lenders have required that the Debtors grant (or cause to be granted) certain liens and security interests to Comerica, as agent for the benefit of the Lenders, the Noteholders, and the Future Debt Holders, all to secure the obligations of the Company and the Permitted Borrowers under the Credit Documents, the obligations of the Company under

the Noteholder Documents and the obligations of the Company under the Future Debt Documents.

G. The Lenders and the Noteholders have consented to the transactions contemplated hereby, and by the Security Documents, and the Lenders and the Noteholders have agreed that the Debtors' obligations under the Credit Documents, the Noteholder Documents and the Future Debt Documents (as defined below) shall be equally and ratably secured pursuant to this Agreement and the other Security Documents.

H. The Debtors have directly and indirectly benefited and will directly and indirectly benefit from the transactions evidenced by and contemplated in the Credit Agreement and other Credit Documents, the Note Agreements and the Future Debt Documents (defined below) and consented to the execution and delivery of that certain Intercreditor Agreement among Comerica, as Collateral Agent, the Lenders (including Comerica), the Noteholders and the Future Debt Holders, dated as of December 15, 1998, as amended by First Amendment to Intercreditor Agreement dated as of March 30, 2001 (as so amended, and as further amended, restated or otherwise modified from time to time according to the terms thereof, the "Intercreditor Agreement").

I. The Lenders, the Noteholders and the Collateral Agent have entered into the Intercreditor Agreement to define the rights, duties, authority and responsibilities of the Collateral Agent, acting on behalf of such parties regarding the Collateral (as defined below), and the relationship among the parties regarding their equal and ratable interests in the Collateral.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. DEFINITIONS. As used in this Agreement (including the recitals), capitalized terms not otherwise defined herein or expressly referenced as being defined in the Credit Agreement have the meanings provided for such terms in the Intercreditor Agreement. References to "Sections," "subsections," "Exhibits" and "Schedules" shall be to Sections, subsections, Exhibits and Schedules, respectively, of this Agreement unless otherwise specifically provided. All references to statutes and regulations shall include any amendments of the same and any successor statutes and regulations. References to particular sections of the UCC should be read to refer also to parallel sections of the Uniform Commercial Code as enacted in each state or other jurisdiction where any portion of the Collateral is or may be located.

The following terms have the meanings indicated below, all such definitions to be equally applicable to the singular and plural forms of the terms defined:

"Account" means any "account," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by an applicable Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all rights of such Debtor to payment for goods sold or leased or services rendered, whether or not earned by performance, (b) all accounts receivable of such Debtor, (c) all rights of such Debtor to receive any payment of money or other form of consideration, (d) all security pledged, assigned or granted to or held by such Debtor to secure any of the foregoing, (e) all guaranties of, or indemnifications with respect to, any of the foregoing, and (f) all rights of such Debtor as an unpaid seller of goods or services, including, but not limited to, all rights of stoppage in transit, replevin, reclamation and resale.

"Administrative Agency Agreement" is defined in the definition of Titling Subsidiary Agreements.

"Advances to Dealers" shall mean any and all advances by an applicable Debtor to Dealers under the Dealer Agreements whether in respect of Installment Contracts or Leases, as outstanding from time to time.

"Benefited Obligations" has the meaning specified in the Intercreditor Agreement.

"Benefited Parties" has the meaning specified in the Intercreditor Agreement.

"Chattel Paper" means any "chattel paper," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by an applicable Debtor.

"Collateral" has the meaning specified in Section 2.1 of this Agreement.

"Computer Records" has the meaning specified in Section 2.1(g) of this Agreement.

"DEALER(S)" SHALL MEAN A PERSON ENGAGED IN THE BUSINESS OF THE RETAIL SALE OR LEASE OF MOTOR VEHICLES, WHETHER NEW OR USED, INCLUDING ANY SUCH PERSON WHICH CONSTITUTES AN AFFILIATE OF DEBTOR.

"Dealer Agreement(s)" shall mean the sales and/or servicing agreements between an applicable Debtor or its Subsidiaries and a participating Dealer which sets forth the terms and conditions under which such Debtor or its Subsidiaries may (i) accept, as nominee for such Dealer, the assignment of Installment Contracts or Leases for purposes of administration, servicing and collection and under which such Debtor or its Subsidiaries may make Advances to Dealers or (ii) accept outright assignments of Installments Contracts or Leases from Dealers or funds Installments Contracts or Leases originated by

such Dealer in the name of such Debtor or any of its Subsidiaries, in each case as such agreements may be in effect from time to time.

"Document" means any "document," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by an applicable Debtor, including, without limitation, all documents of title and all receipts covering, evidencing or representing goods now owned or hereafter acquired by the Debtor.

"Domestic Guaranty" has the meaning specified in the Credit Agreement.

"Election" is defined in Section 6.4 of this Agreement.

"Equipment" means any "equipment," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by an applicable the Debtor and, in any event, shall include, without limitation, all machinery, equipment, furniture, trade fixtures, tractors, trailers, rolling stock, vessels, aircraft and vehicles now owned or hereafter acquired by such Debtor and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"Event of Default" has the meaning specified in the Intercreditor Agreement.

"Financing Agreements" has the meaning specified in the Intercreditor Agreement.

"Future Debt Holders" has the meaning specified in the Intercreditor Agreement.

"General Intangibles" means any "general intangibles," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by an applicable Debtor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all of such Debtor's service marks, trade

names, trade secrets, registrations, goodwill, franchises, licenses, permits, proprietary information, customer lists, designs and inventions; (b) all of such Debtor's books, records, data, plans, manuals, computer software, computer tapes, computer disks, computer programs, source codes, object codes and all rights of such Debtor to retrieve data and other information from third parties; (c) all of such Debtor's contract rights, partnership interests, membership interests, joint venture interests, securities, deposit accounts, investment accounts and certificates of deposit; (d) all rights of such Debtor to payment under letters of credit and similar agreements; (e) all tax refunds and tax refund claims of such Debtor; (f) all choses in action and causes of action of such Debtor (whether arising in contract, tort or otherwise and whether or not currently in litigation) and all judgments in favor of such Debtor; (g) all rights and claims of such Debtor under warranties and indemnities; and (h) all rights of such Debtor under any insurance, surety or similar contract or arrangement.

"INSTALLMENT CONTRACT(S)" SHALL MEAN RETAIL INSTALLMENT CONTRACTS FOR THE SALE OF NEW OR USED MOTOR VEHICLES ASSIGNED OUTRIGHT BY DEALERS TO AN APPLICABLE DEBTOR OR WRITTEN BY DEALERS IN THE NAME OF SUCH DEBTOR OR A SUBSIDIARY OF SUCH DEBTOR (AND FUNDED BY DEBTOR OR SUCH SUBSIDIARY) OR ASSIGNED BY DEALERS TO DEBTOR OR A SUBSIDIARY OF DEBTOR, AS NOMINEE FOR THE DEALER, FOR ADMINISTRATION, SERVICING, AND COLLECTION, IN EACH CASE PURSUANT TO AN APPLICABLE DEALER AGREEMENT; PROVIDED, HOWEVER, THAT TO THE EXTENT SUCH DEBTOR OR ANY SUBSIDIARY TRANSFERS OR ENCUMBERS ITS INTEREST IN ANY INSTALLMENT CONTRACTS (OR ANY ADVANCES TO DEALERS RELATED THERETO) PURSUANT TO A PERMITTED SECURITIZATION, SUCH INSTALLMENT CONTRACTS SHALL, FROM AND AFTER THE DATE OF SUCH TRANSFER OR ENCUMBRANCE, CEASE TO BE CONSIDERED INSTALLMENT CONTRACTS UNDER THIS AGREEMENT (REDUCING THE AGGREGATE AMOUNT OF ADVANCES TO DEALERS BY THE OUTSTANDING AMOUNT OF SUCH ADVANCES, IF ANY, ATTRIBUTABLE TO SUCH INSTALLMENT CONTRACTS) UNLESS AND UNTIL SUCH INSTALLMENT CONTRACTS ARE REASSIGNED TO SUCH DEBTOR OR A SUBSIDIARY OF SUCH DEBTOR OR SUCH ENCUMBRANCES ARE DISCHARGED.

"Instrument" means any "instrument," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by an applicable Debtor, and, in any event, shall include all promissory notes, drafts, bills of exchange and trade acceptances of such Debtor, whether now owned or hereafter acquired.

"Intercompany Notes" shall mean the promissory notes, if any, issued or to be issued by the Company or any Subsidiary (including the Debtors) to evidence any loan or advance in the nature of a loan by the Company to any Subsidiary, or by any Subsidiary to any other Subsidiary or to the Company.

"Inventory" means any "inventory," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by an applicable Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all goods and other personal property of such Debtor that are held for sale or lease or to be furnished under any contract of service; (b) all raw materials, work-in-process, finished goods, supplies and materials of such Debtor; (c) all wrapping, packaging, advertising and shipping materials of such Debtor; (d) all goods that have been returned to, repossessed by or stopped in transit by such Debtor; and (e) all Documents evidencing any of the foregoing.

"Lease(s)" shall mean the retail agreements for the lease of motor vehicles assigned outright by Dealers to an applicable Debtor or written by a Dealer in the name of such Debtor (and funded by Debtor or such Subsidiary) or assigned by Dealers to Debtor, as nominee for the Dealer, for administration, servicing and collection, in each case pursuant to an applicable Dealer Agreement; provided, however, that to the extent such Debtor transfers or encumbers its interest in any Leases pursuant to a Permitted Securitization, such Leases shall, from and after the date of such transfer or encumbrance, cease to be considered Leases under this Agreement (reducing the aggregate amount of Advances to Dealers by the outstanding amount of Advances to Dealers attributable to such Leases) unless and until such Leases are reassigned to Debtor or such encumbrances have been discharged.

"Lenders" has the meaning specified in the Intercreditor Agreement.

"Majority Benefited Parties" has the meaning specified in the Intercreditor Agreement.

"Non-Specified Assets" has the meaning specified in the Titling Subsidiary Agreements.

"Non-Specified Interest" has the meaning specified in the Titling Subsidiary Agreements.

"Noteholders" has the meaning specified in the Intercreditor Agreement.

"Permitted Liens" has the meaning specified in Section 3.1 of this Agreement.

"Permitted Securitization" shall mean a "Permitted Securitization" under each of the applicable Financing Agreements.

"Pledged Shares" means the shares of capital stock or other equity, partnership or membership interests described on Schedule D attached hereto and incorporated herein by reference, including without limitation the Non-Specified Interest, as such schedule may be amended, modified or replaced from time to time.

"Proceeds" means any "proceeds," as such term is defined in Article or Chapter 9 of the UCC and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to an applicable Debtor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to such Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting, or purporting to act, for or

on behalf of any governmental authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Records" is defined in Section 4.9 of this Agreement.

"Security Documents" has the meaning specified in the Intercreditor Agreement.

"Significant Domestic Subsidiary" has the meaning specified in the Credit Agreement.

"Software" has the meaning specified in Section 2.1(g) of this Agreement.

"Specified Assets" has the meaning specified in the Titling Subsidiary Agreements.

"Specified Interest(s)" has the meaning specified in the Titling Subsidiary Agreements.

"Titling Subsidiary" shall mean Auto Lease Services LLC, a Delaware limited liability company controlled by the Company and a direct Subsidiary of the Company.

"Titling Subsidiary Agreements" shall mean that certain Limited Liability Company Agreement of the Titling Subsidiary, dated and effective as of March 1, 2001 and the related Certificate of Formation (as therein defined), and that certain Administrative Agency Agreement dated as of March 1, 2001 between the Company and the Titling Subsidiary ("Administrative Agency Agreement"), each as amended from time to time.

"UCC" means the Uniform Commercial Code as in effect in the State of Michigan; provided, that if, by applicable law, the perfection or effect of perfection or non-perfection of the security interest created hereunder in any Collateral is governed by the Uniform

Commercial Code as in effect on or after the date hereof in any other jurisdiction, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or the effect of perfection or non-perfection.

ARTICLE II
SECURITY INTEREST

SECTION 2.1. SECURITY INTEREST. As collateral security for the prompt payment and performance in full when due of the Benefited Obligations (whether at stated maturity, by acceleration or otherwise), each Debtor hereby pledges and assigns (as collateral) to the Collateral Agent, and grants the Collateral Agent a continuing lien on and security interest in, all of such Debtor's right, title and interest in and to the following, whether now owned or hereafter arising or acquired and wherever located (collectively, the "Collateral"):

(a) all Accounts;

(b) all Chattel Paper;

(c) all Leases;

(d) all General Intangibles;

(e) all Equipment;

(f) all Inventory;

(g) all Advances to Dealers, Dealer Agreements (and any amounts advanced to or liens granted by Dealers thereunder), and the Installment Contracts or Leases securing the repayment of such Advances to Dealers (and other

indebtedness of Dealers to such Debtor) and related financial property (the security interest granted hereby in such Dealer Agreements, Advances to Dealers, Installment Contracts and Leases, and the Accounts, Chattel Paper, General Intangibles and proceeds therefrom relating to such Dealer Agreements, Advances to Dealers, Installment Contracts and Leases being subject to the rights of Dealers under Dealer Agreements);

(h) all computer records ("Computer Records") and software ("Software"), whether relating to the foregoing Collateral or otherwise, but in the case of such Software, subject to the rights of any non-affiliated licensee of software;

(i) all shares of stock, and other equity, partnership or membership interests constituting ownership interests (or evidence thereof) or other securities, of the Significant Domestic Subsidiaries of Debtor from time to time owned or acquired by such Debtor in any manner (including without limitation, as applicable, the Pledged Shares), and any certificates at any time evidencing the same, and all dividends, cash, instruments, rights and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of such shares;

(j) the Non-Specified Interest from time to time owned or acquired by such Debtor in any manner and any certificates or other instruments at any time evidencing the same, and all dividends, cash, instruments, rights and other property (including any Non-Specified Assets) from time to time received or otherwise distributed in respect of or in exchange for any or all of such interest;

(k) all Intercompany Notes issued in favor of such Debtor; and

(l) the Proceeds, in cash or otherwise, of any of the property described in the foregoing clauses (a) through (j) and all liens, security, rights. remedies and claims of such Debtor with respect thereto;

provided, however, that "Collateral" shall not include rights under or with respect to any General Intangible, license, permit or authorization to the extent any such General Intangible, license, permit or authorization, by its terms or by law, prohibits the assignment of, or the granting of a security interest in, the rights of a Grantor thereunder or which would be invalid or enforceable upon any such assignment or grant; and provided further that "Collateral" shall not include any (i) Advances to Dealers, Installment Contracts, Leases, rights or interests under Dealer Agreements and related financial property transferred by an applicable Debtor prior to the date hereof pursuant to a Permitted Securitization, except to the extent any such property is re-transferred to such Debtor according to the terms of such Permitted Securitization or (ii) Specified Interests or any Specified Assets, unless and until any such Specified Interest or Specified Asset is redesignated by an applicable Debtor, the Titling Subsidiary or any other Subsidiary of such Debtor as or to the Non-Specified Interest or the Non-Specified Assets, as the case may be.

SECTION 2.2. DEBTORS REMAINS LIABLE. Notwithstanding anything to the contrary contained herein, (a) each Debtor shall remain liable under the contracts, agreements, documents and instruments included in the Collateral (including without limitation Dealer Agreements, Advances to Dealers, Installment Contracts and Leases) to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed and pay when due any taxes, including without limitation, any sales taxes payable in connection with the Dealer Agreements, Advances to Dealers, Installment Contracts or Leases and their creation and satisfaction, (b) the exercise by the Collateral Agent or any of the Benefited Parties of any of their respective rights or remedies hereunder shall not release any Debtor from any of its duties or obligations under the contracts, agreements, documents and instruments included in the Collateral, and (c) subject to the rights of Dealers under Dealer Agreements to the extent of

collections on Installment Contracts or Leases for the account of such Dealers received by the Collateral Agent or any Benefited Party, neither the Collateral Agent nor any of the Benefited Parties shall have any indebtedness, liability or obligation (by assumption or otherwise) under any of the contracts, agreements, documents and instruments included in the Collateral (including without limitation any Dealer Agreement, Installment Contract or Lease) by reason of this Agreement, and none of such parties shall be obligated to perform any of the obligations or duties of any Debtor thereunder (including without limitation any obligation to make future advances to or on behalf of any Dealer or other obligor) or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 2.3. DELIVERY OF COLLATERAL. (a) All certificates or other instruments representing or evidencing the Pledged Shares, promptly upon an applicable Debtor gaining any rights therein, shall be delivered to and held by or on behalf of the Collateral Agent pursuant hereto in suitable form for transfer by delivery, or accompanied by duly executed stock powers or instruments of transfer or assignments in blank, all in form and substance reasonably satisfactory to the Collateral Agent.

(b) Each of the Intercompany Notes, promptly upon an applicable Debtor gaining any rights therein, shall be delivered to and held by or on behalf of the Collateral Agent pursuant hereto, endorsed to the Collateral Agent without representation, warranty or recourse (except as provided herein) for security purposes, or accompanied by separate assignments to Collateral Agent (on comparable terms), all in form and substance reasonably satisfactory to the Collateral Agent.

SECTION 2.4. MARKING COMPUTER FILES. In connection with the security interest and lien established hereby, each Debtor hereby agrees, at its sole expense, to indicate clearly and unambiguously in its computer files with respect to the Dealer Agreements, Advances to Dealers, Installment Contracts and Leases encumbered hereby, that such Debtor's rights to payment under such Dealer Agreements, Advances to Dealers, Installment

Contracts and Leases have been pledged to the Collateral Agent pursuant to this Agreement for the benefit of the Benefited Parties.

SECTION 2.5. AFFIXING LEGENDS. Each Debtor shall, within thirty (30) days from the date hereof with respect to each Dealer Agreement which constitutes Collateral on the date hereof and, with respect to each Dealer Agreement which subsequently becomes Collateral hereunder, within five (5) days of such Debtor's entering into any such agreement, clearly mark each such Dealer Agreement encumbered hereby with the following legend: "THIS AGREEMENT HAS BEEN PLEDGED TO COMERICA BANK, AS COLLATERAL AGENT FOR THE BENEFIT OF CERTAIN BENEFITED PARTIES". Such legend shall be in bold, in type face at least as large as 12 point and shall be entirely in capital letters.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce the Collateral Agent to enter into this Agreement and the Intercreditor Agreement, and to induce the Lenders and the Noteholders to enter into the Financing Agreements, each of the Debtors represents and warrants to the Collateral Agent and to each Lender and each Noteholder that as of the date hereof:

SECTION 3.1. TITLE. The applicable Debtor is, and with respect to Collateral acquired after the date hereof such Debtor will be, the legal and beneficial owner of the Collateral free and clear of any Lien or other encumbrance, except for (a) Liens which constitute both (x) Liens which are permitted under Section 8.6 of the Credit Agreement and (y) Liens described in any of clauses (i) through (vii) of Section 6.6(a) of the Note Agreements (hereinafter, "Permitted Liens"), provided that, other than the Lien established hereby, no Lien on the Collateral described in clauses (i) or (j) of Section 2.1 shall constitute a Permitted Lien, (b) with respect to Dealer Agreements and Advances to Dealers, and the

Installment Contracts, Accounts, Chattel Paper, Leases and General Intangibles (and proceeds therefrom) relating to such Dealer Agreements and Advances to Dealers, the rights of Dealers under such Dealer Agreements and (c) with respect to Installment Contracts or Leases (other than those owned outright by Debtor), Dealers' interests in financed vehicles and in the proceeds of such Installment Contracts or Leases and Dealers' interests, and the security interest and lien granted by Dealers to Debtor to secure repayment of Advances to Dealers (and all other indebtedness of Dealers to Debtor) pursuant to the applicable Dealer Agreement.

SECTION 3.2. FINANCING STATEMENTS. No financing statement, security agreement or other Lien instrument covering all or any part of the Collateral is on file in any public office with respect to any outstanding obligation of the Debtors except (i) as may have been filed in favor of the Collateral Agent pursuant to this Agreement, (ii) financing statements filed to perfect Permitted Liens, and (iii) Liens described in Section 3.1(c) hereof. As of the date hereof, and to the best of the applicable Debtor's knowledge, except as otherwise disclosed on Schedule E hereto, such Debtor does not do business and has not done business within the past five (5) years under a trade name or any name other than its legal name set forth at the beginning of this Agreement.

SECTION 3.3. PRINCIPAL PLACE OF BUSINESS. The principal place of business and chief executive office of the applicable Debtor, and the office where such Debtor keeps its books and records, is located at the address of such Debtor shown on Schedule A hereto.

SECTION 3.4. LOCATION OF COLLATERAL. All Inventory (except Inventory in transit) and Equipment (other than vehicles) of the applicable Debtor in the possession of such Debtor are located at the places specified on Schedule A hereto. If any such location is leased by such Debtor as of the date hereof, the name and address of the landlord leasing such location is identified on Schedule A hereto. None of the Inventory or Equipment of such Debtor (other than trailers, rolling stock, vessels, aircraft and vehicles) is evidenced by a Document (including, without limitation, a negotiable document of title). All certificates or

other instruments owned by such Debtor representing shares of stock or other ownership interests of any Significant Domestic Subsidiary (including, without limitation, the Pledged Shares) or representing or evidencing the Non-Specified Interest will be delivered to the Collateral Agent, accompanied by duly executed stock powers or instruments of transfer or assignments in blank with respect thereto.

SECTION 3.5. PERFECTION. Upon the filing of Uniform Commercial Code financing statements in the jurisdictions listed on Schedule B attached hereto, and upon the Collateral Agent's obtaining possession of the certificates evidencing the Pledged Shares, accompanied by duly executed stock powers or instruments of transfer or assignments in blank and of the Intercompany Notes (duly endorsed, as aforesaid), and upon acknowledgment by the Titling Subsidiary, in favor of the Collateral Agent, of a Notice of Registered Pledge in the form attached hereto as Schedule F, the security interest in favor of the Collateral Agent created herein will constitute a valid and perfected Lien upon and security interest in the Collateral which may be created and perfected under the UCC by filing financing statements, obtaining an acknowledgment of lien from an issuer or obtaining possession of the Collateral, subject to no junior, equal or prior Liens except for those (if any) which constitute Permitted Liens.

SECTION 3.6. PRIMARY COMPUTER SYSTEMS AND SOFTWARE; COMPUTER RECORDS AND INTELLECTUAL PROPERTY. The only material service and computer systems and related Software utilized by the applicable Debtor to service Dealer Agreements, Advances to Dealers, Installment Contracts and Leases (whether or not encumbered hereby) are (a) the Application and Contract System which is used from the time a dealer faxes an application to such Debtor until the relevant Installment Contract or Lease is received and funded, (b) the Loan Servicing System which contains all payment information and is the primary source for management information reporting, and (c) the Collection System which is used by such Debtor's collections personnel to track and service all active customer accounts.

Such computer systems and software are defined (and described in greater detail) on Schedule C, attached hereto.

SECTION 3.7. PLEDGED SHARES.

(a) The Pledged Shares that are shares of a corporation have been duly authorized and validly issued and are fully paid and non-assessable, and the Pledged Shares, including the Non-Specified Interests, which are membership, partnership or other similar ownership interests have been validly granted, under the laws of the jurisdiction of organization of the issuers thereof, and, to the extent applicable, are fully paid and nonassessable.

(b) The applicable Debtor is the legal and beneficial owner of the Pledged Shares, free and clear of any Lien (other than the Liens created by this Agreement and the Permitted Liens), and such Debtor has not sold, granted any option with respect to, assigned, transferred or otherwise disposed of any of its rights or interest in or to the Non-Specified Interests. None of the Non-Specified Interests are subject to any contractual or other restrictions upon the pledge or other transfer of such Non-Specified Interests, other than those imposed by securities laws generally.

(c) On the date hereof, the Pledged Shares constitute the percentage of the issued and outstanding shares of stock, partnership units or membership or other ownership interests of the Issuers thereof indicated on Schedule D, if applicable, and such schedule contains a description of all shares of capital stock, partnership units, membership interests and other ownership interests of or in its Significant Domestic Subsidiaries owned by the applicable Debtor or with respect to the Non-Specified Interest in the Titling Subsidiary (as such Schedule D may from time to time be supplemented, amended or modified in accordance with the terms of this Agreement).

ARTICLE IV

COVENANTS

Each of the Debtors covenants and agrees with the Collateral Agent that until the Benefited Obligations are paid and performed in full and all commitments to lend or provide other credit accommodations under the Credit Agreement have been terminated:

SECTION 4.1. ENCUMBRANCES. The applicable Debtor shall not create, permit or suffer to exist, and shall defend the Collateral against, any Lien or other encumbrance (other than the Liens created by this Agreement and the Permitted Liens) or any restriction upon the pledge or other transfer thereof (other than as provided in the Financing Agreements), and shall, subject to the Permitted Liens, defend such Debtor's title to and other rights in the Collateral and the Collateral Agent's pledge and collateral assignment of and security interest in the Collateral against the claims and demands of all Persons. Except to the extent permitted by the Financing Agreements or in connection with any release of Collateral under Section 7.13 hereof (but only to the extent of any Collateral so released), such Debtor shall do nothing to impair the rights of the Collateral Agent in the Collateral.

SECTION 4.2. COLLECTION OF ACCOUNTS AND CONTRACTS; NO COMMINGLING. The applicable Debtor shall, in accordance with its usual business practices, endeavor to collect or cause to be collected from each account debtor under its Accounts, as and when due, any and all amounts owing under such Accounts and from any Dealer or from any obligor under an Installment Contract or Lease, as the case may be, any Advances to Dealers or other amounts owing under a Dealer Agreement, Installment Contract or Lease, as applicable. The applicable Debtor shall take the steps required under the documents relating to Permitted Securitizations to segregate any Collateral transferred, encumbered or otherwise affected by a Permitted Securitization from the Collateral encumbered under this Agreement and all proceeds or other sums received in respect thereof (provided that

Dealer Agreements which cover Advances to Dealers which have been transferred pursuant to a Permitted Securitization, but which also cover Advances to Dealers encumbered hereby, may contain the legend affixed in connection with the applicable Permitted Securitization, so long as such Dealer Agreements also contain the legend required under Section 2.5 hereof). The applicable Debtor shall also cause the Titling Subsidiary to take the steps required under the Titling Subsidiary Agreements properly to allocate Non-Specified Assets to the Non-Specified Interest and Specified Assets to the applicable Specified Interests and clearly and unambiguously to indicate such allocations on its records.

SECTION 4.3. DISPOSITION OF COLLATERAL. To the extent prohibited by the terms of the Financing Agreements, the applicable Debtor shall not enter into or consummate any transfer or other disposition of assets without the prior written consent of the applicable Benefited Parties, according to the terms of the applicable Financing Agreements.

SECTION 4.4. FURTHER ASSURANCES. At any time and from time to time, upon the request of the Collateral Agent, and at the sole expense of the Debtors, the applicable Debtor shall promptly execute and deliver all such further agreements, documents and instruments and take such further action as the Collateral Agent may reasonably deem necessary or appropriate to preserve and perfect its security interest in and pledge and collateral assignment of the Collateral and carry out the provisions and purposes of this Agreement or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral; provided, however, that nothing contained in this Section 4.4 shall require such Debtor to affix legends to the Dealer Agreements, Installment Contracts or Leases (or folders containing the same) prior to the times set forth in Sections 2.5 and 6.4, respectively. Except as otherwise expressly permitted by the terms of the Financing Agreements relating to disposition of assets, including without limitation any Permitted Securitization and except for Permitted Liens, the applicable Debtor agrees to maintain and preserve the Collateral Agent's security interest in and pledge and collateral assignment of the Collateral hereunder. Without limiting the generality of the foregoing, the applicable Debtor shall (a) execute and deliver to the Collateral Agent such financing statements as the Collateral Agent may from time to time require; and (b) execute and

deliver to the Collateral Agent, or cause to be so executed and delivered, such other agreements, acknowledgments, documents and instruments, including without limitation stock powers, as the Collateral Agent may require to perfect and maintain the validity, effectiveness and priority of the Liens intended to be created by the Security Documents. The applicable Debtor authorizes the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral without the signature of such Debtor unless otherwise prohibited by law.

SECTION 4.5. INSURANCE. The applicable Debtor shall maintain insurance of the types and in amounts, and under the terms and conditions, specified in the Financing Agreements and shall cause the Collateral Agent to be named as "lender loss payee" thereunder to the full extent required to perfect and/or protect the Lien established hereby. Recoveries under any such policy of insurance shall be paid as provided in the Financing Agreements and Intercreditor Agreement.

SECTION 4.6. BAILEES. If any of the Collateral is at any time in the possession or control of any warehouseman, bailee or any of the applicable Debtor's agents or processors, the applicable Debtor shall, at the request of the Collateral Agent (as directed by the Majority Benefited Parties), notify such warehouseman, bailee, agent or processor of the security interest created hereunder and shall instruct such Person to hold such Collateral for the Collateral Agent's account subject to the Collateral Agent's instructions, and shall obtain such acknowledgments and/or undertakings from such Persons as reasonably requested by Collateral Agent (as directed by the Majority Benefited Parties).

SECTION 4.7. FURNISHING OF INFORMATION AND INSPECTION RIGHTS. (a) Within 30 days following the execution and delivery of this Agreement, the applicable Debtor agrees to deliver to the Collateral Agent one or more computer files or microfiche lists containing true and complete (and updated to the most recent month end) lists of all Dealer Agreements and Advances to Dealers, and all Installment Contracts or Leases, as applicable, securing

all such Advances to Dealers or owned outright by such Debtor, identified by account number, dealer number (if not owned outright by such Debtor), and pool number and the outstanding balance as of the date of such file or list. Such file or list shall be delivered to the Collateral Agent as confidential and proprietary.

(b) Thereafter:

(i) so long as no Event of Default has occurred and is continuing, upon the written request of the Collateral Agent (as directed by the Majority Benefited Parties), the applicable Debtor shall be obligated, but not more frequently than monthly; and

(ii) upon the occurrence and during the continuance of an Event of Default, the applicable Debtor shall be obligated, on a monthly basis whether or not Collateral Agent shall so request, and more frequently upon the written request of the Collateral Agent (as directed by the Majority Benefited Parties);

to furnish to the Collateral Agent, a computer file, microfiche list or other list identifying each of the Dealer Agreements, Advances to Dealers, Installment Contracts and Leases encumbered hereby by pool number, account number and dealer number (if not owned outright by such Debtor) and by the outstanding balance thereof and identifying the obligor on the relevant Installment Contract or Lease, and such Debtor shall also furnish to the Collateral Agent from time to time such other information with respect to Dealer Agreements, the Advances to Dealers, Installment Contracts and Leases encumbered hereby as the Collateral Agent may reasonably request. Without impairing the rights of any Benefited Party to obtain information from such Debtor under any of the other Financing Agreements, as applicable, the Collateral Agent shall furnish copies of the foregoing to any Lender, Noteholder or Future Debt Holder upon its request following the occurrence and

during the continuance of any Default or Event of Default, and each Debtor hereby authorizes and approves such release. Each Debtor will, at any time and from time to time during regular business hours, upon 5 days prior notice (except if any Event of Default has occurred and is continuing, when no prior notice shall be required), permit the Collateral Agent, or its agents or representatives, to examine and make copies of and abstracts from all Records, to visit the offices and properties of such Debtor for the purpose of examining such Records, and to discuss matters relating to the Advances to Dealers, Installment Contracts, Leases or such Debtor's performance hereunder and under the other Financing Documents with any of the officers, directors, employees or independent public accountants of such Debtor having knowledge of such matters; provided, however, that the Collateral Agent acknowledges that, in exercising the rights and privileges conferred in this Section 4.7, it or its agents and representatives may, from time to time, obtain knowledge of information, practices, books, correspondence and records of a confidential nature and in which such Debtor has a proprietary interest. The Collateral Agent agrees that all such information, practices, books, correspondence and records are to be regarded as confidential information and agrees that it shall retain in strict confidence and shall use its reasonable efforts to ensure that its agents and representatives retain in strict confidence, and will not disclose without the prior written consent of the applicable Debtor, any such information, practices, books, correspondence and records furnished to them except that the Collateral Agent may disclose such information (i) to its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives (provided that such Persons are informed of the confidential nature of such information), (ii) to the extent such information has become available to the public other than as a result of a disclosure by or through the Collateral Agent or its officers, directors, employees, agents, counsel, accountants, auditors, affiliates, advisors or representatives, (iii) to the extent such information was available to the Collateral Agent on a nonconfidential basis prior to its disclosure to the Collateral Agent hereunder, (iv) to the extent the Collateral Agent is (A) required in connection with any legal or regulatory proceeding or (B) requested by any bank or other regulatory authority to disclose such information, (v) to any prospective

assignee of any note or other instrument evidencing a Benefited Obligation; provided, that the Collateral Agent shall notify such assignee of the confidentiality provisions of this Section 4.7 and such assignee shall agree to be bound thereby, or (vi) to any Benefited Party, subject to the confidentiality provisions contained in this Agreement and any other Financing Agreement to which it is a party, upon the request of such party following the occurrence and during the continuance of such Default or Event of Default (but with no obligation on the part of any such Benefited Party hereunder to return such information to Collateral Agent or the applicable Debtor if any such Default or Event of Default is subsequently cured or waived). Notwithstanding anything to the contrary in this Agreement, the Collateral Agent may reply to a request from any Person for a list of Advances to Dealers, Dealer Agreements, Installment Contracts, Leases or other information related to any Collateral referred to in any financing statement filed or acknowledgment obtained to perfect the security interest and liens established hereby, to the extent necessary to maintain the perfection or priority of such security interests or liens, or otherwise required under applicable law. The Collateral Agent agrees (at Debtors' sole cost and expense) to take such measures as shall be reasonably requested by the Debtors to protect and maintain the security and confidentiality of such information. The Collateral Agent shall exercise good faith and make diligent efforts to provide the Debtors with written notice at least five (5) Business Days prior to any disclosure pursuant to this Subsection 4.7(b).

(c) Furthermore, each Debtor shall permit the Collateral Agent and its representatives to examine, inspect and audit the Collateral and to examine, inspect and audit such Debtor's books and Records as otherwise provided under the Financing Agreements.

SECTION 4.8. CORPORATE CHANGES. None of the Debtors shall change its name, identity or corporate structure in any manner that might make any financing statement filed in connection with this Agreement seriously misleading within the meaning of Section 9-402(8) of the UCC unless such Debtor shall have given the Collateral Agent thirty (30) days

prior written notice thereof and shall have taken all action deemed necessary or desirable by the Collateral Agent to protect its Liens and the perfection and priority thereof. None of the Debtors shall change its principal place of business, chief executive office or the place where it keeps its books and records unless it shall have given the Collateral Agent thirty (30) days prior written notice thereof and shall have taken all action deemed necessary or desirable by the Collateral Agent to cause its security interest in the Collateral to be perfected with the priority required by this Agreement.

SECTION 4.9. BOOKS AND RECORDS; INFORMATION. Each Debtor shall keep accurate and complete books and records (the "Records") of the Collateral and such Debtor's business and financial condition in accordance with the Financing Agreements. Subject to Section 4.7, each Debtor shall from time to time at the request of the Collateral Agent deliver to the Collateral Agent such information regarding the Collateral and such Debtor as the Collateral Agent may reasonably request, including, without limitation, lists and descriptions of the Collateral and evidence of the identity and existence of the Collateral. Each Debtor shall mark its books and records to reflect the security interest of the Collateral Agent under this Agreement; provided, however, that with respect to its computer files, such Debtor's compliance with Section 2.4 hereof shall be deemed to satisfy its obligations under this sentence.

SECTION 4.10. ADMINISTRATIVE AND OPERATING PROCEDURES. Each Debtor will maintain and implement administrative and operating procedures (including without limitation an ability to recreate records relating to the Dealer Agreements, Advances to Dealers, Installment Contracts and Leases encumbered hereby in the event of the destruction of the originals thereof), and keep and maintain, or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due under the Dealer Agreements, Advances to Dealers, Installment Contracts and Leases encumbered hereby (including without limitation records adequate to permit adjustments to amounts due under each of such Dealer Agreements, Advances to

Dealers, Installment Contracts and Leases), and, unless it services the financial assets owned by the Titling Subsidiary, shall cause the Titling Subsidiary to maintain and implement comparable procedures and keep, maintain and/or obtain comparable information. Each Debtor will give the Collateral Agent notice of any material change in the administrative and operating procedures of such Debtor (or the Titling Subsidiary) referred to in the previous sentence. Notwithstanding the foregoing, the Debtors shall not be required to make or retain duplicate copies of Installment Contracts or Leases.

SECTION 4.11. EQUIPMENT AND INVENTORY.

(a) Each Debtor shall keep the Equipment (other than vehicles) and Inventory (other than Inventory in transit) which is in such Debtor's possession at any of the locations specified on Schedule A hereto or, upon thirty (30) days prior written notice to the Collateral Agent, at such other places within the United States of America or Canada where all action required to perfect the Collateral Agent's security interest in the Equipment and Inventory with the priority required by this Agreement shall have been taken.

(b) Each Debtor shall maintain the Equipment and Inventory in accordance with the terms of the Financing Agreements.

SECTION 4.12. NOTIFICATION. Each Debtor shall promptly notify the Collateral Agent in writing of any Lien, encumbrance or claim (other than a Permitted Lien) that has attached to or been made or asserted against any of the Collateral upon becoming aware of the existence of such Lien, encumbrance or claim.

SECTION 4.13. COLLECTION OF ACCOUNTS. So long as no Event of Default has occurred and is continuing and except as otherwise provided in this Section 4.13 and in Section 5.1, the applicable Debtor shall have the right to collect and receive payments on the Accounts, Dealer Agreements, Advances to Dealers, Installment Contracts, Leases and other

financial assets, and to use and expend the same in its operations, in each case in compliance with the terms of each of the Financing Agreements. In connection with such collections, the applicable Debtor may take (and, at the Collateral Agent's direction following the occurrence and during the continuance of an Event of Default, shall take) such actions as such Debtor or the Collateral Agent may deem necessary or advisable to enforce collection of the Accounts, Dealer Agreements, Advances to Dealers, Installment Contracts and other financial assets.

SECTION 4.14. VOTING RIGHTS; DISTRIBUTIONS, ETC.

(a) So long as no Event of Default shall have occurred and be continuing (both before and after giving effect to any of the actions or other matters described in clauses (i) or (ii) of this subparagraph):

(i) Each Debtor shall be entitled to exercise any and all voting and other consensual rights (including, without limitation, the right to give consents, waivers and ratifications) pertaining to any of the Pledged Shares or any part thereof; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken without the prior written consent of the Collateral Agent which would violate any provision of this Agreement or any other Financing Agreement; and

(ii) Except as otherwise provided in this Agreement or any of the other Financing Agreements, each Debtor shall be entitled to receive and retain any and all dividends, distributions and interest paid in respect to any of the Pledged Shares; provided, however, that in the case of any Non-Specified Assets distributed to or for the account of such Debtor or in respect of the Non-Specified Interest, such Dealer Agreements, Advances to Dealers, Leases and other Non-Specified Assets shall immediately become subject to the Lien established by this Agreement, and the applicable terms and conditions hereof, without the requirement of any additional action on the part of Collateral Agent or the Benefited Parties.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) The Collateral Agent may, at the direction or with the concurrence of the Majority Benefited Parties as required under the Intercreditor Agreement, (without notice to the Debtors), transfer or register in the name of the Collateral Agent or any of its nominees, for the equal and ratable benefit of the Lenders, the Noteholders and the Future Debt Holders, any or all of the Pledged Shares, and the Proceeds thereof (in cash or otherwise) held by the Collateral Agent hereunder, and the Collateral Agent or its nominee may thereafter, at the direction or with the concurrence of the Majority Benefited Parties as required under the Intercreditor Agreement, after delivery of notice to the applicable Debtor, exercise all voting and corporate or similar rights at any meeting of any corporation or other entity issuing any of the Pledged Shares, and any and all rights of conversion, exchange, subscription, distribution or any other rights, privileges or options pertaining to any of the Pledged Shares (including without limitation the right to direct the Titling Subsidiary to distribute all or any portion of the Non-Specified Assets to or for the account of such Debtor) as if the Collateral Agent were the absolute owner thereof, including, without limitation, the right to exchange, at its discretion, any and all of the Pledged Shares upon the merger, consolidation, reorganization, recapitalization or other readjustment of any corporation or other entity issuing any of such Pledged Shares, or upon the exercise by any such issuer or the Collateral Agent of any right, privilege or option pertaining to any of the Pledged Shares, and in connection therewith, to deposit and deliver any and all of the Pledged Shares with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Collateral Agent may determine, all without liability except to account for property actually received by it, but the Collateral Agent shall have no duty to exercise any of the aforesaid rights, privileges or options, and the Collateral Agent shall not be responsible for any failure to do so or delay in so doing.

(ii) All rights of the Debtors to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Subsection 4.14(a)(i) and to receive the dividends, interest and other distributions which it would otherwise be authorized to receive and retain pursuant to Subsection 4.14(a)(ii) shall be suspended until such Event of Default shall no longer exist, and all such rights shall, until such Event of Default shall no longer exist, thereupon become vested in the Collateral Agent which shall thereupon have the sole right, at the direction or with the concurrence of the Majority Benefited Parties as required under the Intercreditor Agreement, to exercise such voting and other consensual rights and to receive, hold and dispose of as Pledged Shares, as the case may be, such dividends, interest and other distributions.

(iii) All dividends, interest and other distributions which are received by the Debtors contrary to the provisions of this Subsection 4.14(b) (including, without limitation, any Non-Specified Assets received in respect of the Non-Specified Interest) shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds and property of the Debtors and shall be forthwith paid over to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

(iv) The Debtors shall execute and deliver (or cause to be executed and delivered) to the Collateral Agent all such proxies and other instruments as the Collateral Agent may reasonably request for the purpose of enabling the Collateral Agent to exercise the voting and other rights which it is entitled to exercise pursuant to this Subsection 4.14(b) and to receive the dividends, interest and other distributions which it is entitled to receive and retain pursuant to this Subsection 4.14(b). The foregoing shall not in any way limit the Collateral Agent's power and authority granted pursuant to Section 5.1.

(v) Upon notice from the Collateral Agent, given, at the direction or with the concurrence of the Majority Benefited Parties as required under the Intercreditor Agreement, the applicable Debtor shall cause the Titling Subsidiary to transfer to or for the account of such Debtor all or such portion of the Non-Specified Assets as the Collateral Agent shall specify (subject to the direction or concurrence of the Majority Benefited Parties, as aforesaid), and to deliver all documents or instruments evidencing the same to or for the account of such Debtor, as so directed, accompanied by such instruments of transfer as necessary or appropriate to effectuate such transfer (as Collateral Agent shall direct), duly executed by the Titling Subsidiary.

(vi) All rights of the applicable Debtor to designate or redesignate any Non-Specified Assets as Specified Assets and to create any additional Specified Interests (or in either case to allow the Titling Subsidiary to do so), shall be suspended and shall remain so suspended until such Event of Default shall no longer exist.

SECTION 4.15. TRANSFERS AND OTHER LIENS; ADDITIONAL INVESTMENTS. Each Debtor agrees that, (a) except with the written consent of the Collateral Agent, it will not permit any Significant Domestic Subsidiary to issue to it or any of its other Subsidiaries any shares of stock, membership interests, partnership units, notes or other securities or instruments (including without limitation the Pledged Shares) in addition to or in substitution for any of the Collateral, unless, concurrently with each issuance thereof, any and all such shares of stock, membership interests, partnership units, notes or instruments are encumbered in favor of the Collateral Agent under this Agreement or otherwise (it being understood and agreed that all such shares of stock, membership interests, partnership units, notes or instruments issued to such Debtor shall, without further action by such Debtor or Collateral Agent, be automatically encumbered by this Agreement as Pledged Shares) and (b) it will promptly upon the written request of Collateral Agent following the issuance thereof (and in any event within three Business Days following such request) deliver to the Collateral Agent (i) an amendment, duly executed by the applicable Debtor, in substantially the form of Exhibit A hereto (an "Amendment"), in respect of such shares of stock, membership interests, partnership units, notes or instruments issued to such Debtor or (ii) a new stock pledge, duly executed by the applicable Subsidiary, in substantially the form of this

Agreement (a "New Pledge"), in respect of such shares of stock, membership interests, partnership units, notes or instruments issued to any Subsidiary granting to Collateral Agent, for the benefit of the Benefited Parties, a first priority security interest, pledge and lien thereon, together in each case with all certificates, notes or other instruments representing or evidencing the same, and the acknowledgment of any issuer necessary or appropriate to perfect such pledge, security interest and lien on any membership or similar ownership interest. Each Debtor hereby (x) authorizes the Collateral Agent to attach each Amendment to this Agreement, (y) agrees that all such shares of stock, membership interests, partnership units, notes or instruments listed in any Amendment delivered to the Collateral Agent shall for all purposes hereunder constitute Pledged Shares, and (z) is deemed to have made, upon the delivery of each such Amendment, the representations and warranties contained in Sections 3.1, 3.2, 3.4, 3.5 and 3.7 of this Agreement with respect to the Collateral covered thereby. Furthermore, the applicable Debtor agrees that it will not permit the Titling Subsidiary to issue any other class or type of membership or other ownership interest to such Debtor, other than the Non-Specified Interest, or to issue or create any Specified Interests, except in connection with and pursuant to a Permitted Securitization and only while no Default or Event of Default has occurred and is continuing.

SECTION 4.16. POSSESSION; REASONABLE CARE. Regardless of whether an Event of Default has occurred or is continuing, the Collateral Agent shall have the right to hold in its possession all Pledged Shares pledged, assigned or transferred hereunder and from time to time constituting a portion of the Collateral. The Collateral Agent may appoint one or more agents (which in no case shall be a Debtor or an affiliate of a Debtor) to hold physical custody, for the account of the Collateral Agent, of any or all of the Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property, it being understood that the Collateral Agent shall not have any responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders, distribution or other matters relative to any Collateral, whether or not the Collateral Agent has or is

deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral, except, subject to the terms hereof, upon the written instructions of the Majority Benefited Parties. Following the occurrence and continuance (beyond any applicable grace or cure period) of an Event of Default, the Collateral Agent shall be entitled to take possession of the Collateral in accordance with the UCC.

SECTION 4.17. FUTURE SIGNIFICANT DOMESTIC SUBSIDIARIES. (a) With respect to each Person which becomes a Significant Domestic Subsidiary subsequent to the date hereof, on the date such Person is created, acquired or otherwise becomes a Significant Domestic Subsidiary (whichever first occurs), the Company shall cause such Subsidiary to execute and deliver, to the Collateral Agent a joinder agreement, substantially in the form of Exhibit B hereto, by which such Subsidiary shall become obligated as Debtor hereunder, as fully as though an original signatory hereto.

(b) Furthermore, promptly following the effective date of each acquisition or creation of a Significant Domestic Subsidiary, the Company from time to time shall revise Schedule D hereto and deliver a copy thereto to the Collateral Agent, adding to Schedule D the name of each such Significant Domestic Subsidiary so acquired or created (and supplying the other information required on such schedule including ownership information), and upon such revision the Company and/or the applicable Debtor shall be deemed to have pledged 100% of the capital stock, partnership interests, membership interests or other ownership interests (to the extent owned by the Company and/or such Debtor) of each such Significant Domestic Subsidiary so acquired or created to Collateral Agent, for and on behalf of Benefited Parties.

ARTICLE V
RIGHTS OF THE COLLATERAL AGENT

SECTION 5.1. POWER OF ATTORNEY. Each Debtor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name of such Debtor or in its own name, to take, after the occurrence and during the continuance of an Event of Default, any and all actions, and to execute any and all documents and instruments which the Collateral Agent at any time and from time to time deems necessary or desirable, to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, each Debtor hereby gives the Collateral Agent the power and right on behalf of such Debtor and in its own name to do any of the following after the occurrence and during the continuance of an Event of Default, without notice to or the consent of the Debtors:

(i) to demand, sue for, collect or receive, in the name of the Debtors or in its own name, any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse checks, notes, drafts, acceptances, money orders, documents of title or any other instruments for the payment of money under the Collateral or any policy of insurance;

(ii) to pay or discharge taxes, Liens or other encumbrances levied or placed on or threatened against the Collateral;

(iii) (A) to direct account debtors, Dealers, any obligors under Installment Contracts or Leases, as applicable, and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to the Collateral Agent or as the Collateral Agent

shall direct; and to direct the Titling Subsidiary to distribute all or such portion of the Non-Specified Assets to or for the account of the applicable Debtor, as the Collateral Agent shall specify (at the direction or with the concurrence of the Majority Benefited Parties) and deliver all documents or instruments evidencing the same to or for the account of such Debtor, as so directed, accompanied by such instruments of transfer as necessary or appropriate to effectuate such transfer (as Collateral Agent shall direct), duly executed and delivered by the Titling Subsidiary; (B) to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, proxies, stock powers, verifications and notices in connection with accounts and other documents relating to the Collateral; (D) to commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against the Debtors with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Collateral Agent may deem appropriate; (G) to exchange any of the Collateral for other property upon any merger, consolidation, reorganization, recapitalization or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms as the Collateral Agent may determine; (H) to add or release any guarantor, indorser, surety or other party to any of the Collateral; (I) to renew, extend or otherwise change the terms and conditions of any of the Collateral; (J) to make, settle, compromise or adjust any claim under or pertaining to any of the Collateral (including claims under any policy of insurance); and (K) to sell, transfer, pledge, convey, make any agreement with respect to, or otherwise deal with, any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option

and the Debtors' sole expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve, maintain, or realize upon the Collateral and the Collateral Agent's security interest therein.

This power of attorney is a power coupled with an interest and shall be irrevocable. The Collateral Agent shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Collateral Agent in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. This power of attorney is conferred on the Collateral Agent solely to protect, preserve, maintain and realize upon its security interest in the Collateral. The Collateral Agent shall not be responsible for any decline in the value of the Collateral and shall not be required to take any steps to preserve rights against prior parties or to protect, preserve or maintain any Lien given to secure the Collateral.

SECTION 5.2. SETOFF. In addition to and not in limitation of any rights of any Benefited Party under applicable law, the Collateral Agent and each Benefited Party shall, upon acceleration of any Benefited Obligation owing to such party under the Credit Agreement, the Note Agreements or the Future Debt Documents, as the case may be, or when and to the extent any such Benefited Obligation shall otherwise be due and payable, and without notice or demand of any kind, have the right to appropriate and apply to the payment of the Benefited Obligations owing to it (whether or not then due) any and all balances, credits, deposits, accounts or moneys of the Debtors then or thereafter on deposit with such Benefited Party; provided, however, that any such amount so applied by any Benefited Party on any of the Benefited Obligations owing to it shall be subject to the provisions of Sections 5 and 10 of the Intercreditor Agreement.

SECTION 5.3. ASSIGNMENT BY THE COLLATERAL AGENT. The Collateral Agent may at any time assign or otherwise transfer all or any portion of its rights and obligations as Collateral Agent under this Agreement and the other Security Documents (including, without

limitation, the Benefited Obligations) to any other Person, to the extent permitted by, and upon the conditions contained in, the Intercreditor Agreement and the other Financing Agreements, as applicable, and such Person shall thereupon become vested with all the benefits and obligations thereof granted to the Collateral Agent herein or otherwise.

SECTION 5.4. PERFORMANCE BY THE COLLATERAL AGENT. If any Debtor shall fail to perform any covenant or agreement contained in this Agreement, the Collateral Agent may perform or attempt to perform such covenant or agreement on behalf of such Debtor, in which case Collateral Agent shall exercise good faith and make diligent efforts to give Debtors prompt prior written notice of such performance or attempted performance. In such event, the Debtors shall, at the request of the Collateral Agent, promptly pay any reasonable amount expended by the Collateral Agent in connection with such performance or attempted performance to the Collateral Agent, together with interest thereon at the interest rate set forth in the Credit Agreement, from and including the date of such expenditure to but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that the Collateral Agent shall not have any liability or responsibility for the performance of any obligation of the Debtors under this Agreement.

SECTION 5.5. RESTRICTIONS UNDER DEALER AGREEMENTS; NON-PETITION COVENANT. In exercising the rights and remedies set forth in this Agreement, the Collateral Agent (i) shall take no action with regard to any Dealer which is expressly prohibited by the related Dealer Agreement and (ii) acknowledges that, with respect to the Titling Subsidiary, the Non-Specified Interest and any Specified Interests, it shall be bound by the non-petition covenant contained in the Notice of Registered Pledge delivered by it to the Titling Subsidiary under Section 3.5 hereof.

SECTION 5.6. CERTAIN COSTS AND EXPENSES. The Debtors shall pay or reimburse the Collateral Agent within five (5) Business Days after demand for all reasonable costs and expenses (including reasonable attorney's and paralegal fees and expenses supported by

an itemized billing) incurred by it in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Security Document during the existence of an Event of Default or after acceleration of any of the Benefited Obligations (including in connection with any "workout" or restructuring regarding the Benefited Obligations, and including in any insolvency proceeding or appellate proceeding); provided, however, that the Debtors shall only be required to pay or reimburse the Collateral Agent in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Security Document for the fees and expenses of one law firm in each jurisdiction governing the establishment, perfection or priority of any security interest or lien established hereby, or governing any dispute, claim or other matter arising hereunder, at any given time, engaged on behalf of the Collateral Agent. The agreements in this Section 5.6 shall survive the payment in full of the Benefited Obligations. Notwithstanding the foregoing, the reimbursement of any fees and expenses incurred by the Benefited Parties shall be governed by the terms and conditions of the applicable Financing Agreements.

SECTION 5.7. INDEMNIFICATION. The Debtors shall indemnify, defend and hold the Collateral Agent and each Benefited Party and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "Indemnified Person") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including reasonable attorneys' and paralegals' fees and expenses supported by an itemized billing) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Benefited Obligations and the termination, resignation or replacement of the Collateral Agent or replacement of any Benefited Party) be imposed on, incurred by or asserted against any such Indemnified Person in any way relating to or arising out of this Agreement or any other Security Document or any document contemplated by or referred to herein or therein, or the transactions contemplated hereby, or any action taken or omitted by any such Indemnified Person under or in connection with any of the foregoing,

including with respect to any investigation, litigation or proceeding (including any "Bankruptcy Proceeding" (as defined in the Intercreditor Agreement) or appellate proceeding) related to or arising out of this Agreement or the Benefited Obligations or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities); provided, that the Debtors shall have no obligation under this Section 5.7 to any Indemnified Person (a) with respect to Indemnified Liabilities to the extent resulting from the gross negligence or willful misconduct of such Indemnified Person or (b) if, in the case of an action solely among the Collateral Agent and/or the Benefited Parties (or any of them), neither any Debtor nor any of its Affiliates or employees or agents is (or has been) finally determined, in a court of competent jurisdiction, to have engaged in any wrongful conduct or in any breach of this Agreement or any of the Financing Agreements or (c) if, in the case of an action solely as between or among the Collateral Agent and/or the Benefited Parties (or any of them) on the one hand and a Debtor, on the other hand, (i) such Debtor has obtained a final, non-appealable judgment from a court of competent jurisdiction that neither it nor any of its Affiliates, employees or agents has engaged in any wrongful conduct or in any breach of this Agreement or any of the other Financing Agreements or (ii) such Debtor by non-appealable judgment is the prevailing party. The agreements in this Section 5.7 shall survive payment of all other Benefited Obligations.

ARTICLE VI

DEFAULT

SECTION 6.1. RIGHTS AND REMEDIES. If an Event of Default shall have occurred and be continuing, the Collateral Agent shall have the following rights and remedies, subject to the direction and/or consent of the Majority Benefited Parties as required under the Intercreditor Agreement:

(i) In addition to all other rights and remedies granted to the Collateral Agent in this Agreement, the Intercreditor Agreement or in any other Financing Agreement or by applicable law, the Collateral Agent shall have all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral) and the Collateral Agent may also, without notice except as specified below or in the Intercreditor Agreement, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. Without limiting the generality of the foregoing, the Collateral Agent may (A) without demand or notice to the Debtors (except as required under the Financing Agreements or applicable law), collect, receive or take possession of the Collateral or any part thereof, and for that purpose the Collateral Agent (and/or its agents, servicers or other independent contractors) may enter upon any premises on which the Collateral is located and remove the Collateral therefrom or render it inoperable, and/or (B) sell, lease or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. The Collateral Agent and, subject to the terms of the Intercreditor Agreement, each of the Benefited Parties shall have the right at any public sale or sales, and, to the extent permitted by applicable law, at any private sale or sales, to bid (which bid may be, in whole or in part, in the form of cancellation of indebtedness) and become a purchaser of the Collateral or any part thereof free of any right of redemption on the part of the Debtors, which right of redemption is hereby expressly waived and released by the Debtors to the extent permitted by applicable law. Upon the request of the Collateral Agent, the applicable Debtor shall assemble the Collateral and

make it available to the Collateral Agent at any place designated by the Collateral Agent that is reasonably convenient to such Debtor and the Collateral Agent. The Debtors agree that the Collateral Agent shall not be obligated to give more than ten (10) days prior written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. The Collateral Agent shall not be obligated to make any sale of Collateral if, in the exercise of its reasonable discretion, it shall determine not to do so, regardless of the fact that notice of sale of Collateral may have been given. The Collateral Agent may, without notice or publication (except as required by applicable law), adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. The Debtors shall be liable for all reasonable expenses of retaking, holding, preparing for sale or the like, and all reasonable attorneys' fees, legal expenses and other costs and expenses incurred by the Collateral Agent in connection with the collection of the Benefited Obligations and the enforcement of the Collateral Agent's rights under this Agreement and the Intercreditor Agreement. The Debtors shall, to the extent permitted by applicable law, remain liable for any deficiency if the Proceeds of any such sale or other disposition of the Collateral (conducted in conformity with this clause (i) and applicable law) applied to the Benefited Obligations are insufficient to pay the Benefited obligations in full. The Collateral Agent shall apply the proceeds from the sale of the Collateral hereunder against the Benefited Obligations in such order and manner as is provided in the Intercreditor Agreement.

(ii) The Collateral Agent (A) may cause any or all of the Collateral held by it to be transferred into the name of the Collateral Agent or the name or names of the Collateral Agent's nominee or nominees and (B) may direct the Titling Subsidiary to distribute all or such portion of the Non-Specified Assets to or for the

account of the applicable Debtor, as the Collateral Agent shall specify (at the direction or with the concurrence of the Majority Benefited Parties) and to deliver all documents or instruments evidencing the same to or for the account of such Debtor, as so directed, accompanied by such instruments of transfer as necessary or appropriate to effectuate such transfer (as Collateral Agent shall direct), duly executed and delivered by the Titling Subsidiary.

(iii) The Collateral Agent may exercise any and all rights and remedies of the Debtors under or in respect of the Collateral, including, without limitation, any and all rights of the Debtors to demand or otherwise require payment of any amount under, or performance of any provision of any of the Collateral and any and all voting rights and corporate powers in respect of the Collateral.

(iv) On any sale of the Collateral, the Collateral Agent is hereby authorized to comply with any limitation or restriction with which compliance is necessary (based on a reasoned opinion of the Collateral Agent's counsel) in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser or purchasers by any applicable Governmental Authority.

(v) For purposes of enabling the Collateral Agent to exercise its rights and remedies under this Section 6.1 and enabling the Collateral Agent and its successors and assigns to enjoy the full benefits of the Collateral, each Debtor hereby grants to the Collateral Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Debtor) to use, assign, license or sublicense any of the Computer Records or Software (including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and all computer programs used for the completion or printout thereof), exercisable upon the occurrence and during the continuance of an Event of Default (and thereafter if Collateral Agent succeeds to

any of the Collateral pursuant to an enforcement proceeding or voluntary arrangement such Debtor), except as may be prohibited by any licensing agreement relating to such Computer Records or Software. This license shall also inure to the benefit of all successors, assigns, transferees of and purchasers from the Collateral Agent.

SECTION 6.2. PRIVATE SALES.

(a) In view of the fact that applicable securities laws may impose certain restrictions on the method by which a sale of the Pledged Shares may be effected after an Event of Default, each Debtor agrees that upon the occurrence and during the continuance of an Event of Default, Collateral Agent may from time to time attempt to sell all or any part of the Pledged Shares by a private sale in the nature of a private placement, restricting the bidders and prospective purchasers to those who will represent and agree that they are "accredited investors" within the meaning of Regulation D promulgated pursuant to the Securities Act of 1933, as amended (the "Securities Act"), and are purchasing for investment only and not for distribution. In so doing, Collateral Agent may solicit offers for the Pledged Shares, or any part thereof, from a limited number of investors who might be interested in purchasing the Pledged Shares. Without limiting the methods or manner of disposition which could be determined to be commercially reasonable, if Collateral Agent hires a firm of regional or national reputation that is engaged in the business of rendering investment banking and brokerage services to solicit such offers and facilitate the sale of the Pledged Shares, then Collateral Agent's acceptance of the highest offer (including its own offer, or the offer of any of the Benefited Parties at any such sale) obtained through such efforts of such firm shall be deemed to be a commercially reasonable method of disposition of such Pledged Shares. The Collateral Agent shall not be under any obligation to delay a sale of any of the Pledged Shares (to the extent applicable) for the period of time necessary to permit the issuer of such securities to register such securities under the laws

of any jurisdiction outside the United States, under the Securities Act or under any applicable state securities laws, even if such issuer would agree to do so.

(b) Each Debtor further agrees to do or cause to be done, to the extent that such Debtor may do so under applicable law, all such other reasonable acts and things as may be necessary to make such sales or resales of any portion or all of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at the Debtors' sole expense.

6.3 ESTABLISHMENT OF SPECIAL ACCOUNT; AND LOCK BOX. Upon the occurrence and during the continuance of any Event of Default, there shall be established by the Debtors with Collateral Agent, for the benefit of the Benefited Parties in the name of the Collateral Agent, a segregated non-interest bearing cash collateral account ("Special Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Collateral Agent and the Benefited Parties; provided, however, that the Special Account may be an interest-bearing account with a commercial bank (including Comerica or any other Benefited Party which is a commercial bank) if determined by the Collateral Agent, in its reasonable discretion, to be practicable, invested by Collateral Agent in its sole discretion, but without any liability for losses or the failure to achieve any particular rate of return. Subject to the terms hereof and to the rights of Dealers under applicable Dealer Agreement and to the rights of the applicable creditor in respect of Permitted Securitizations, the Collateral Agent shall possess all right, title and interest in and to all funds deposited from time to time in such account. Furthermore, upon the occurrence and during the continuance of any Event of Default, the Debtors agree, upon the written election of Collateral Agent, to establish and maintain at Debtors' sole expense a United States Post Office lock box (the "Lock Box"), to which Collateral Agent shall have exclusive access and control. Each Debtor expressly authorizes Collateral Agent, from time

to time, to remove the contents from the Lock Box, for disposition in accordance with this Agreement. Upon the occurrence and during the continuance of an Event of Default, the applicable Debtor shall, upon Collateral Agent's request, notify all account debtors, all Dealers under Dealer Agreements encumbered hereby, and all obligors under Installment Contracts or Leases encumbered hereby that all payments made to such Debtor (a) other than by electronic funds transfer, shall be remitted, for the credit of such Debtor, to the Lock Box, and each Debtor shall include a like statement on all invoices, and (b) by electronic funds transfer, shall be remitted to the Special Account, and each Debtor shall include a like statement on all invoices. The Debtors shall execute all documents and authorizations as reasonably required by the Collateral Agent to establish and maintain the Lock Box and the Special Account. It is acknowledged by the parties hereto that any lockbox presently maintained or subsequently established by the Debtors with Collateral Agent may be used, subject to the terms hereof, to satisfy the requirements set forth in the first sentence of this Section 6.3.

6.4 LEGENDING INSTALLMENT CONTRACTS AND LEASES ON DEFAULT. Upon the occurrence and during the continuance of any Event of Default, the Majority Benefited Parties may elect (the "Election"), by directing the Collateral Agent to notify the Debtors of such election, to affix to each Installment Contract and Lease encumbered by this Agreement or securing Advances to Dealers or otherwise related to a Dealer Agreement encumbered hereby (or, at Debtors' option, to the file folders containing such Installment Contracts or Leases) the following legend: "THIS AGREEMENT HAS BEEN PLEDGED TO COMERICA BANK, AS COLLATERAL AGENT FOR THE BENEFIT OF CERTAIN BENEFITED PARTIES". The Election, once made by the Majority Benefited Parties, as aforesaid, shall remain in effect, and Debtors shall remain obligated to comply with such Election, notwithstanding any subsequent waiver or cure of the applicable Event of Default giving rise to such election, unless the Election is withdrawn by the Majority Benefited Parties.

6.5 DEFAULT UNDER FINANCING AGREEMENTS. It shall constitute an Event of Default under each of the Financing Agreements if (a) any representation or warranty made or deemed made by the Debtors herein or in any instrument submitted pursuant hereto proves untrue in any material adverse respect when made or deemed made, or (b) the Debtors shall breach any covenant or other provision hereof, and such breach shall continue for a period of three (3) consecutive days, in the case of any failure to pay any money due hereunder, and thirty (30) consecutive days, in the case of any other breach hereunder or (c) this Agreement shall at any time for any reason (other than in accordance with its terms or the terms of each of the Financing Agreements or with the consent of the requisite Benefited Parties) cease to be valid and binding and enforceable against the Debtors, or (d) the validity, binding effect or enforceability hereof shall be contested by any Person, or (e) the Debtors shall deny, prior to payment of the Benefited Obligations in full or the termination of this Agreement according to its terms, that it has any further liability hereunder, or (f) this Agreement (other than in accordance with its terms or the terms of each of the Financing Agreements) shall be terminated, invalidated, revoked or set aside or in any way cease to give or provide to the Collateral Agent and the Benefited Parties the benefits purported to be created hereby.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. NO WAIVER; CUMULATIVE REMEDIES. No failure on the part of the Collateral Agent to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

SECTION 7.2. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the Debtors and the Collateral Agent and their respective heirs, successors and assigns, except that no Debtor may assign any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent.

SECTION 7.3. AMENDMENT; ENTIRE AGREEMENT. THIS AGREEMENT (AND THE FINANCING AGREEMENTS REFERRED TO HEREIN) EMBODIES THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties hereto.

SECTION 7.4. NOTICES. All notices, requests, consents, approvals, waivers and other communications hereunder shall be in writing (including, by facsimile transmission) and mailed, faxed or delivered to the address or facsimile number specified for notices on signature pages hereto; or, as directed to the Debtors or the Collateral Agent, to such other address or number as shall be designated by such party in a written notice to the other. All such notices, requests and communications shall, when sent by overnight delivery, or faxed, be effective when delivered for overnight (next business day) delivery, or transmitted in legible form by facsimile machine, respectively, or if mailed, upon the third "Business Day" (as defined in the Credit Agreement) after the date deposited into the U.S. mail, or if otherwise delivered, upon delivery; except that notices to the Collateral Agent shall not be effective until actually received by the Collateral Agent.

SECTION 7.5. GOVERNING LAW; SUBMISSION TO JURISDICTION; SERVICE OF PROCESS. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF MICHIGAN.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER SECURITY DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF MICHIGAN OR OF THE UNITED STATES FOR THE EASTERN DISTRICT OF MICHIGAN, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE DEBTORS AND THE COLLATERAL AGENT CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE DEBTORS AND THE COLLATERAL AGENT IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY SECURITY DOCUMENT.

SECTION 7.6. HEADINGS. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

SECTION 7.7. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations and warranties made in this Agreement or in any certificate delivered pursuant hereto shall survive the execution and delivery of this Agreement, and no investigation by the Collateral Agent shall affect the representations and warranties or the right of the Collateral Agent, the Lenders, the Noteholders or the Future Debt Holders to rely upon them.

SECTION 7.8. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 7.9. WAIVER OF BOND. In the event the Collateral Agent seeks to take possession of any or all of the Collateral by judicial process, each Debtor hereby irrevocably waives any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

SECTION 7.10. SEVERABILITY. Any provision of this Agreement which is determined by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 7.11. CONSTRUCTION. Each Debtor and the Collateral Agent acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement with its legal counsel and that this Agreement shall be construed as if jointly drafted by the Debtors and the Collateral Agent.

SECTION 7.12. TERMINATION. If all of the Benefited Obligations (other than contingent liabilities pursuant to any indemnity, including without limitation Sections 5.6 and 5.7 hereof, for claims which have not been asserted, or which have not yet accrued) shall have been paid and performed in full and all commitments to extend credit or other credit accommodations under the Credit Agreement have been terminated, the Collateral Agent shall, upon the written request of the Debtors, execute and deliver to the Debtors a proper instrument or instruments acknowledging the release and termination of the security interests created by this Agreement, and shall duly assign and deliver to the Debtors

(without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Collateral Agent and has not previously been sold or otherwise applied pursuant to this Agreement.

SECTION 7.13 RELEASE OF COLLATERAL. The Collateral Agent shall, upon the written request of the applicable Debtor, execute and deliver to such Debtor a proper instrument or instruments acknowledging the release of the security interest and liens established hereby (a) on any Collateral (other than the Pledged Shares) (i) which is permitted to be sold or disposed of a Debtor or any other grantor in connection with a Permitted Securitization, or (ii) the sale or other disposition of which is not otherwise prohibited under the terms of any of the other Financing Agreements (or in the event any Financing Agreement prohibits such sale or disposition, the applicable Benefited Parties under such Financing Agreement shall have consented to such sale or disposition in accordance with the terms thereof) and, at the time of such proposed release, both before and after giving effect thereto, no Default or Event of Default has occurred and is continuing, or (b) if such release has been approved by the requisite Benefited Parties in accordance with Section 3(g) of the Intercreditor Agreement.

SECTION 7.14. WAIVER OF JURY TRIAL. THE DEBTORS AND THE COLLATERAL AGENT EACH WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER SECURITY DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY EITHER SUCH PARTY AGAINST THE OTHER, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE DEBTOR AND THE COLLATERAL AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH SUCH PARTY FURTHER AGREES THAT ITS RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS

TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER SECURITY DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

SECTION 7.15. CONSISTENT APPLICATION. The rights and duties created by this Agreement shall, in all cases, be interpreted consistently with, and shall be in addition to (and not in lieu of), the rights and duties created by the Financing Agreements. In the event that any provision of this Agreement shall be inconsistent with any provision of any other Financing Agreements, such provision of this Agreement shall govern.

SECTION 7.16. AMENDMENT AND RESTATEMENT. This Agreement shall be deemed to amend, restate, renew and replace, in its entirety (as to the Company) the prior amended and restated security agreement executed and delivered by the parties as of March 30, 2001, amending and restating the earlier security agreement executed and delivered by such parties as of December 15, 1998.

* * * *

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

DEBTORS:

CREDIT ACCEPTANCE CORPORATION

By: /S/ Douglas W. Busk

Name: Douglas W. Busk

Title: Chief Financial Officer

Address for Notices:

Credit Acceptance Corporation
25505 W. 12 Mile Road, Suite 3000
Southfield, Michigan 48034
Fax No.: 248-827-8542
Telephone No.: 248-353-2700
Attention: Doug Busk

AUTO FUNDING AMERICA OF NEVADA INC.
CREDIT ACCEPTANCE CORPORATION LIFE INSURANCE COMPANY
BUYERS VEHICLE PROTECTION PLAN, INC.

CAC LEASING, INC.
VEHICLE REMARKETING SERVICES, INC.
CREDIT ACCEPTANCE CORPORATION OF
NEVADA, INC.

By:

Name:

Title:

Address for Notices:

c/o Credit Acceptance Corporation
25505 W. 12 Mile Road, Suite 3000
Southfield, Michigan 48034
Fax No.: 248-827-8542
Telephone No.: 248-353-2700
Attention: Doug Busk

COLLATERAL AGENT:

COMERICA BANK as Collateral Agent

By: /S/ Scottie S. Knight

Name: Scottie S. Knight

Title:

Address for Notices:

Metropolitan Loans D
One Detroit Center, 6th Floor
500 Woodward Avenue
Detroit, Michigan 48226
Fax No.: 313/222-3503
Telephone No.: 313/222-4865
Attention: Scottie S. Knight

SCHEDULE A
TO
SECURITY AGREEMENT

Principal Place of Business, Locations of Equipment and Inventory
(including leased locations) in the Possession of Debtors

Credit Acceptance Corporation
25505 West Twelve Mile Road
Southfield, Michigan 48034

Auto Funding America of Nevada, Inc.

a. 25505 West Twelve Mile Road
Southfield, Michigan 48034

b. 10550 W. 8 Mile
Ferndale, MI 48220

Buyers Vehicle Protection Plan, Inc.
25505 West Twelve Mile Road
Southfield, Michigan 48034

CAC Leasing, Inc.
25505 West Twelve Mile Road
Southfield, Michigan 48034

Vehicle Remarketing Services, Inc.

a. 25505 West Twelve Mile Road
Southfield, Michigan 48034

b. 2290 Corporate Circle, Suite 200
Henderson, NV 89014

Credit Acceptance Corporation Life Insurance Company
25505 West Twelve Mile Road
Southfield, Michigan 48034

Credit Acceptance Corporation of Nevada, Inc.

a. 25505 West Twelve Mile Road
Southfield, Michigan 48034

b. 2290 Corporate Circle, Suite 200
Henderson, NV 89014

SCHEDULE B
TO
SECURITY AGREEMENT

Jurisdictions for Filing
UCC-1 Financing Statements

Credit Acceptance Corporation
Michigan
Nevada

Auto Funding America of Nevada, Inc.
Michigan
Nevada

Buyers Vehicle Protection Plan, Inc.
Michigan

CAC Leasing, Inc.
Michigan

Vehicle Remarketing Services, Inc.
Michigan
Nevada

Credit Acceptance Corporation Life Insurance Company
Michigan
Arizona

Credit Acceptance Corporation of Nevada, Inc.
Michigan
Nevada

SCHEDULE C
TO
SECURITY AGREEMENT

Primary Computer Systems and Software

Application and Contract System is software which utilizes the HP Unix operating system and is resident on the Company's HP9000-K410 server. It was designed by in-house personnel and TUSC, a consulting firm hired to assist with the project.

The Loan Servicing System is software which utilizes the HP Unix operating system and is resident on the Company's HP9000-K420 server. It was designed by in-house personnel and TUSC.

The Collection System is software which utilizes the HP Unix operating system and is resident on the Company's HP9000-T520 server. It was developed and is owned by Ontario Systems Corporation and licensed to the Company under an agreement dated November 15, 1989.

Further information regarding these systems is contained on the attached excerpt from the Company's Form 10-K for the year ended December 31, 2000.

SCHEDULE D
TO
SECURITY AGREEMENT

Pledged Shares

Name of Entity	Ownership
1. The entire Non-Specified Interest of Company in the Titling Subsidiary, evidenced by Certificate No. 1 issued under the Titling Subsidiary Agreements.	Company
2. Auto Funding America of Nevada, Inc.	Company
3. Buyers Vehicle Protection Plan, Inc.	Company
4. CAC Leasing, Inc.	Company
5. Vehicle Remarketing Services, Inc.	Company
6. Credit Acceptance Corporation Life Insurance Company	Company
7. Credit Acceptance Corporation of Nevada, Inc.	Company

SCHEDULE E
TO
SECURITY AGREEMENT

Trade and Other Names

Credit Acceptance Corporation

STATES	
AL - Alabama	None
AK - Alaska	AutoNet Finance.com, CAC Auto Leasing
AZ - Arizona	AutoNet Finance.com, CAC Auto Leasing
AR - Arkansas	AutoNet Finance.com, CAC Auto Leasing
CA - California	Los Angelos County ONLY - AutoNet Finance.com, CAC Auto Leasing
CO - Colorado	AutoNet Finance.com, CAC Auto Leasing
CT - Connecticut	Town of Granby ONLY - AutoNet Finance.com, CAC Auto Leasing
DE - Delaware	None
DC - Dist. Of Col.	None
FL - Florida	None
GA - Georgia	Fulton County ONLY - AutoNet Finance.com
HI - Hawaii	AutoNet Finance.com, CAC Auto Leasing
ID - Idaho	AutoNet Finance.com, CAC Auto Leasing
IL - Illinois	AutoNet Finance.com, CAC Auto Leasing
IN - Indiana	AutoNet Finance.com, CAC Auto Leasing
IA - Iowa	AutoNet Finance.com, CAC Auto Leasing
KS - Kansas	None
KY - Kentucky	AutoNet Finance.com, CAC Auto Leasing
LA - Louisiana	None
ME - Maine	AutoNet Finance.com, CAC Auto Leasing
MD - Maryland	AutoNet. Finance.com
MA - Mass.	AutoNet Finance.com, CAC Auto Leasing
MI - Michigan	AutoNet Finance.com, CAC Auto Leasing
MN - Minnesota	AutoNet Finance.com, CAC Auto Leasing
MS - Mississippi	None
MO - Missouri	AutoNet Finance.com, CAC Auto Leasing
MT - Montana	AutoNet Finance.com, CAC Auto Leasing
NE - Nebraska	None
NV - Nevada	None
NH - New Hamp.	AutoNet Finance.com, CAC Auto Leasing
NJ - New Jersey	AutoNet Finance.com, CAC Auto Leasing
NM - New Mexico	None
NY - New York	None
NC - North Car.	None

ND - North Dak.	AutoNet Finance.com, CAC Auto Leasing
OH - Ohio	AutoNet Finance.com, CAC Auto Leasing
OK - Oklahoma	AutoNet Finance.com, CAC Auto Leasing
OR - Oregon	None
PA - Penn.	AutoNet Finance.com, CAC Auto Leasing, Credit Acceptance Financial Services, Inc.
RI - Rhode Island	None
SC - South Car.	Richand County ONLY - AutoNet Finance.com
SD - South Dak.	None
TN - Tennessee	AutoNet Finance.com, CAC Auto Leasing
TX - Texas	AutoNet Finance.com, CAC Auto Leasing
UT - Utah	AutoNet Finance.com, CAC Auto Leasing
VT - Vermont	AutoNet Finance.com, CAC Auto Leasing
VA - Virginia	City of Virginia Beach ONLY -AutoNet Finance.com, CAC Auto Leasing
WA - Washington	AutoNet Finance.com, CAC Auto Leasing
WV - West Vir.	AutoNet Finance.com, CAC Auto Leasing
WI - Wisconsin	None
WY - Wyoming	None

Auto Funding America of Nevada, Inc.

None

Buyers Vehicle Protection Plan, Inc.

None

CAC Leasing, Inc.

None

Vehicle Remarketing Services, Inc.

Oklahoma - Vehicle Remarketing Services of Michigan, Inc.

Credit Acceptance Corporation Life Insurance Company

None

Credit Acceptance Corporation of Nevada, Inc.

None

SCHEDULE F
TO
SECURITY AGREEMENT

[FORM OF NOTICE OF REGISTERED PLEDGE]

AUTO LEASE SERVICES LLC

NOTICE OF REGISTERED PLEDGE

_____, 2001

TO: Auto Lease Service LLC and
Credit Acceptance Corporation
as Administrative Agent
for Auto Lease Services LLC
(the "Administrative Agent")

RE: Pledge of Certificate related to
Non-Specified Interest

Reference is made to the Limited Liability Company Agreement, dated as of March 1, 2001, as amended (the "Titling Company Agreement"), among Credit Acceptance Corporation ("CAC") as Founding Member and Auto Lease Services LLC, as Titling Company, and the Administrative Agency Agreement dated as of March 1, 2001, between such parties, as amended (the "Administrative Agency Agreement")

Each of the undersigned hereby certifies, represents and warrants as follows:

1. Pursuant to Sections 5.7 and 5.9 of the Titling Company Agreement, the Non-Specified Interest Certificate, Certificate No. 1, (the "Pledged Certificate"), has been pledged by CAC, the existing registered Holder thereof, (the "Pledgor"), to Comerica Bank, a Michigan banking corporation, in its capacity as Collateral Agent for the Benefited Parties pursuant to the Intercreditor Agreement (as such terms are defined in the attached Pledge Documents, referred to in item 2 of this Notice) (the "Pledgee").

2. Attached hereto as Exhibits A and B are true and complete copies of the related security agreements and other agreements (the "Pledge Documents") governing the exercise by the Pledgee of the Pledged Rights (as defined below) of the Pledgor with respect to the Pledged Certificate, as follows:

a. Second Amended and Restated Security Agreement dated as of June 11, 2001 by CAC and certain of its Subsidiaries (as debtors) in favor of Comerica Bank, as Collateral Agent, for and on behalf of the Benefited Parties; and

b. Intercreditor Agreement dated as of December 15, 1998 by and among Comerica Bank, as Collateral Agent, the Lenders and the Noteholders, and consented to by CAC, as amended by First Amendment thereto dated as of March 30, 2001.

3. Pursuant to the Pledge Documents, the Pledgor has agreed that the Pledgee may exercise the rights set forth in the Pledge Documents (collectively, the "Pledged Rights").

4. The pledge of the Pledged Certificate by the Pledgor to the Pledgee pursuant to the Pledge Documents, and the exercise by the Pledgee of the Pledged Rights, are each permitted by the Titling Company Agreement, and the Pledge Documents have been duly authorized, executed and delivered, and are enforceable by and against Pledgor and Pledgee, in accordance with their respective terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditors rights generally and to general equitable principles.

5. Accordingly, you are hereby authorized and directed to cause the Titling Company Registry to reflect that the Pledgee has become the Registered Pledgee with

respect to the Pledged Certificate, entitled to exercise the Pledged Rights with respect to the Pledged Certificate.

6. Furthermore, Pledgee, for itself and for and on behalf of the Benefited Parties, hereby covenants that for a period of one year and one day after payment in full of all distributions to all Holders pursuant to the terms of the Titling Company Agreement, the Administrative Agency Agreement and the Series Supplements, it will not institute against, or join any Person in instituting against, the Titling Company any bankruptcy, reorganization, insolvency or liquidation proceeding, or other similar proceeding, under the laws of the United States or any state or other political subdivision thereof.

IN WITNESS WHEREOF, each of the undersigned has caused this Notice of Registered Pledge to be duly executed and delivered by its respective officer hereunto duly authorized, as of the date and year first above written.

CREDIT ACCEPTANCE CORPORATION,
as Pledgor

By: /S/ Douglas W. Busk
Name: Douglas W. Busk

Title: Chief Financial Officer

COMERICA BANK, as Collateral Agent
for the Benefited Parties pursuant to the
Intercreditor Agreement, as Pledgee

By: /S/ Scottie S. Knight

Name: Scottie S. Knight

Title: Vice President

FORM OF ACKNOWLEDGMENT AND CONSENT OF
AUTO LEASE SERVICES, LLC

The undersigned acknowledges receipt of: (i) notice, pursuant to Notice of Registered Pledge dated _____, 2001, that CREDIT ACCEPTANCE CORPORATION ("Assigning Member") has assigned, pledged and granted to Comerica Bank in its capacity as Collateral Agent for the Benefited Parties ("Collateral Agent") a security interest in such Assigning Member's entire interest (which constitutes the entire Non-Specified Interest) as a member in Auto Lease Services, LLC, a Delaware limited liability company ("Titling Company") and (ii) a copy of the Second Amended and Restated Security Agreement dated as of June __, 2001 made between the Assigning Member (and others) and Collateral Agent (in each case, as amended or otherwise modified from time to time, the "Security Agreement"). The undersigned consents to such assignment, pledge and grant of security and agrees that upon the written request of Collateral Agent, given at the direction or with the concurrence of the Majority Benefited Parties as required under the Intercreditor Agreement, the undersigned will (x) pay or cause to be paid to Collateral Agent all monies to the extent required in the Security Agreement, due the Assigning Member arising out of the interest of Assigning Member in Subsidiary and (y) transfer or cause to be transferred to Collateral Agent all or such portion of the Non-Specified Assets as Collateral Agent shall direct, due the Assigning Member arising out of the Non-Specified Interest of the Assigning Member in the Titling Company.

The undersigned warrants and represents to Collateral Agent that the membership interests of Subsidiary assigned hereunder to Collateral Agent are not (i) dealt in or traded on securities exchanges or in securities markets, (ii) interests in a unit investment trust that is registered as an investment company under Federal Investment Company laws and (iii) are not face amount certificates issued by a face-amount certificate company that is registered as an investment company under Federal Investment Company laws. And the undersigned further represents and warrants that the undersigned is not registered as an investment company under Federal Investment Company laws.

The undersigned warrants and represents to Collateral Agent that the Titling Company Agreement ("Titling Company Agreement") governing the Titling Company continues to be in full force and effect and that, to the knowledge of the undersigned, no event has occurred or condition exists which reasonably would be expected to result in a defense, offset or counterclaim limiting the Titling Company's obligations to distribute any monies due or to become due to the Assigning Member in accordance with such operating agreement. The undersigned further warrants and represents to Collateral Agent that the Titling Company Agreement authorizes the assignment and security interest made by such Assigning Member to Collateral Agent. The undersigned agrees that, unless and until Collateral Agent shall have exercised its rights and remedies under the Security Agreement and then only to the extent set forth therein, Collateral Agent shall have no responsibility

for any of the liabilities or obligations of the Assigning Member to the undersigned nor any interest in any of the rights of the Assigning Member under the Titling Company Agreement. Nothing in this Acknowledgment and Consent shall be construed to expand the rights of the Collateral Agent under the Security Agreement.

In Witness Whereof, each of the undersigned parties has executed this acknowledgment and consent as of _____, 2001.

AUTO LEASE SERVICES, LLC

By:_____

Its:_____

CREDIT ACCEPTANCE CORPORATION,
as Administrative Agent pursuant to the Administrative Agency Agreement

By:/S/ Douglas W. Busk

Its: Chief Financial Officer

EXHIBIT A
TO
SECURITY AGREEMENT

FORM OF AMENDMENT

This Amendment, dated _____, 20__, is delivered pursuant to Section 4.15 of the Security Agreement referred to below. The undersigned hereby agrees that this Amendment may be attached to the Second Amended and Restated Security Agreement dated as of June 11, 2001, between the undersigned and Comerica Bank, as the Collateral Agent for the benefit of the Banks, the Noteholders and the Future Debt Holders referred to therein (the "Security Agreement"), and that the shares of stock, membership interests, partnership units, notes or other instruments listed on Schedule 1 annexed hereto shall be and become part of the Collateral referred to in the Security Agreement and shall secure payment and performance of all Benefited Obligations as provided in the Security Agreement.

Capitalized terms used herein but not defined herein shall have the meanings therefor provided in the Security Agreement.

CREDIT ACCEPTANCE CORPORATION

By: /S/ Douglas W. Busk

Name: Douglas W. Busk

Title: Chief Financial Officer

AUTO FUNDING AMERICA OF NEVADA INC.
CREDIT ACCEPTANCE CORPORATION LIFE INSURANCE COMPANY
BUYERS VEHICLE PROTECTION PLAN, INC.
CAC LEASING, INC.
VEHICLE REMARKETING SERVICES, INC.
CREDIT ACCEPTANCE CORPORATION OF NEVADA, INC.

By:

Name:

Title:

COMERICA BANK, as Collateral Agent

By: /S/ Scottie S. Knight

Name: Scottie S. Knight

Title: Vice President

EXHIBIT B
TO
SECURITY AGREEMENT

JOINDER AGREEMENT

THIS JOINDER AGREEMENT is dated as of _____ , ____ by the undersigned ("New Debtor").

WHEREAS, pursuant to Section 4.17 of that certain Second Amended and Restated Security Agreement dated as of June 11, 2001 as amended or otherwise modified from time to time, the "Credit Agreement") executed and delivered by the Debtors signatory thereto, in favor of Comerica Bank, as Collateral Agent for the benefit of the Banks, the Noteholders and the Future Debt Holders referred to therein (the "Security Agreement), the New Debtor must execute and deliver a Joinder Agreement so as to become obligated under the Security Agreement.

NOW THEREFORE, as a further inducement to the Banks to continue to provide Credit accommodations to the Company, New Debtor hereby covenants and agrees as follows:

1. All capitalized terms used herein shall have the meanings assigned to them in the Credit Agreement unless expressly defined to the contrary.

2. New Debtor hereby enters into this Joinder Agreement in order to comply with Section 4.17 of the Security Agreement and does so in consideration of the credit accommodations made or to be made by the Banks, the Noteholders and any Future Debt Holders.

3. New Debtor shall be considered, and deemed to be, for all purposes of the Security Agreement, a Debtor under the Security Agreement as fully as though New Debtor had executed and delivered the Security Agreement at the time originally executed and delivered by the existing debtors, and hereby ratifies and confirms its obligations under the Security Agreement, all in accordance with the terms thereof.

4. No Default or Event of Default (each such term being defined in the Intercreditor Agreement) has occurred and is continuing.

5. This Joinder Agreement shall be governed by the laws of the State of Michigan and shall be binding upon New Debtor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned New Debtor has executed and delivered this Joinder Agreement as of the day and year first above written.

[NEW DEBTOR]

By:

Its:

Address for notices:

Filing Locations:

Tradenames:

SCHEDULE I
TO
SECURITY AGREEMENT

ISSUER OF STOCK OR OTHER INTEREST	CLASS OF STOCK OR OTHER INTEREST	CERTIFICATE NO(S)	PAR VALUE	NUMBER OF SHARES	OUTSTANDING SHARES(1)

AUTO LEASE SERVICES LLC	ENTIRE NON-SPECIFIED INTEREST	1	N/A	N/A	N/A

- --------

(1) Modify headings to the extent necessary to identify membership interests, partnership units, notes or other instruments.

GUARANTY OF SENIOR NOTES

This GUARANTY is made as of the 11th day of June, 2001 by the undersigned guarantors (each a "Guarantor" and collectively the "Guarantors") to [NOTEHOLDER] ("Noteholder").

RECITALS

A. Pursuant to that certain Note Purchase Agreement dated as of [October 1, 1994][August 1, 1996][March 25, 1997] (as amended or otherwise modified from time to time, the "Note Purchase Agreement") by and among Credit Acceptance Corporation, a Michigan corporation ("Company") and the Noteholder, the Noteholder extended credit to the Company on the terms set forth in the Note Purchase Agreement.

B. As a condition to excluding from the Company's "Total Restricted Subsidiary Debt", as that term is defined in the Note Purchase Agreement, the Debt of the Guarantors attributable to their guaranty of obligations under the Amended and Restated Credit Acceptance Corporation Credit Agreement, dated as of June 11, 2001, among Comerica Bank, as agent, and the signatory banks thereunder (as amended or otherwise modified from time to time, the "Credit Agreement") the Guarantors must provide to the Noteholder and each other holder of the Company's senior notes, concurrently with the giving of the guaranty under the Credit Agreement, an equal and ratable guaranty on substantially similar terms.

C. Each of the Guarantors desires to see the success of the Company and one another and, furthermore, has received and continues to receive direct and/or indirect benefits from the extension of credit made pursuant to the Note Purchase Agreement to the Company.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, the undersigned Guarantors, intending to be legally bound, have executed and delivered this guaranty (as amended or otherwise modified from time to time, "Guaranty").

1. Definitions. Unless otherwise provided herein, all capitalized terms used in this Guaranty shall have the meanings specified in the Note Purchase Agreement. The term "Noteholder" as used herein shall include any successors or assigns of the Noteholder, in accordance with the Note Purchase Agreement.

2. Guaranty. Each of the Guarantors hereby guarantees to the Noteholder the due and punctual payment to the Noteholder when due, whether by acceleration or otherwise, of all amounts, including, without limitation, principal, interest (including interest accruing on or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding by any Guarantor, whether or not a claim for post-filing or post-petition interest is allowed in such a proceeding), and all other liabilities and obligations of the Company, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, which may arise under, out of, or in connection with:

(a) the Second Amended and Restated [10.37%] [9.49%] [9.27%] Senior Notes due [November 1, 2001][July 1, 2001][October 1, 2001], as such notes may be amended from time to time (the "Senior Notes");

(b) all other indebtedness of the Company under or in connection with the Note Purchase Agreement, whether such indebtedness is now existing or hereafter arising; and

(c) all extensions, renewals, restatements and amendments of or to the Senior Notes or such other indebtedness, or any replacements or substitutions therefor;

whether on account of principal, interest, reimbursement obligations, fees, indemnities, and reasonable costs and expenses (including without limitation, all reasonable fees and disbursements of counsel to the Noteholder) or otherwise, and hereby jointly and severally agrees that if Company shall fail to pay any of such amounts when and as the same shall be due and payable, or shall fail to perform and discharge any covenant, representation or warranty in accordance with the terms of the Senior Notes or the Note Purchase Agreement (subject, in each case, to any applicable periods of grace or cure), each of the Guarantors will forthwith pay to the Noteholder an amount equal to any such amount or cause Company to perform and discharge any such covenant, representation or warranty, as the case may be, and will pay any and all damages that may be incurred or suffered in consequence thereof by Noteholder and all reasonable expenses, including reasonable attorneys' fees, that may be incurred by Noteholder in enforcing such covenant, representation or warranty of Company and in enforcing the covenants and agreements of this Guaranty.

3. Unconditional Character of Guaranty. The obligations of each of the Guarantors under this Guaranty, to the full extent of their respective guarantees of Indebtedness hereunder, shall be absolute and unconditional, and shall be a guaranty of payment and not of collection, irrespective of the validity, regularity or enforceability of the Senior Notes and the Note Purchase Agreement or any provision thereof, the absence of any action to enforce the same, any waiver or consent with respect to or any amendment of any provision thereof, the recovery of any judgment against any Person or action to enforce the same, any failure or delay in the enforcement of the obligations of Company under the Senior Notes and the Note Purchase Agreement, or any setoff, counterclaim, recoupment, limitation, defense or termination, whether with or without notice to any Guarantor. Each of the Guarantors hereby waives diligence, demand for payment, filing of claims with any court, any proceeding to enforce any provision of the Senior Notes and the Note Purchase Agreement, any right to require a proceeding first against Company, or against any other guarantor or other party providing collateral, or to exhaust any security for the performance of the obligations of Company, any protest, presentment, notice or demand whatsoever, and Company hereby covenants that this Guaranty shall not be terminated, discharged or released except, subject to Section 6.8 hereof, upon final payment in full (subject to no revocation or rescission) of all amounts due and to become due from Company, as and to the extent described above, and only to the extent of any such payment, performance and discharge. Each of the Guarantors further covenants that no security now or subsequently held for the payment of the indebtedness evidenced by the Senior Notes, or for the payment of any other indebtedness of Company to the Noteholder under the Senior Notes and the Note Purchase Agreement, whether in the nature of a security interest, pledge, lien, assignment, setoff, suretyship, guaranty, indemnity, insurance or otherwise, and no act, omission or other conduct of Noteholder in respect of such security, shall affect in any manner whatsoever the unconditional obligation of this Guaranty, and that the Noteholder, in its sole discretion and without notice to Company, may release, exchange, enforce, apply the proceeds of and otherwise deal with any such security without affecting in any manner the unconditional obligation of this Guaranty.

Without limiting the generality of the foregoing, such obligations, and the rights of the Noteholder to enforce the same, by proceedings, whether by action at law, suit in equity or otherwise, shall not be in any way affected by (i) any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding up or other proceeding involving or affecting Company, or others, or (ii) any change in the ownership of any of the capital stock of Company, or any other party providing collateral for any indebtedness covered by this Guaranty, or any of their respective Affiliates.

Each of the Guarantors hereby waives to the fullest extent possible under applicable law:

(a) any defense based upon the doctrine of marshalling of assets or upon an election of remedies by Noteholder, including, without limitation, an election to proceed by non-judicial rather than judicial foreclosure, which destroys or otherwise impairs the subrogation rights of the Guarantor or the right of the Guarantor to proceed against the Noteholder for reimbursement, or both;

(b) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(c) any duty on the part of Noteholder to disclose to any Guarantor any facts Noteholder may now or hereafter know about the Company, regardless of whether Noteholder has reason to believe that any such facts materially increase the risk beyond that which any such Guarantor intends to assume or has reason to believe that such facts are unknown to such Guarantor or has a reasonable opportunity to communicate such facts to such Guarantor, since each of the Guarantors acknowledges that it is fully responsible for being and keeping informed of the financial condition of Company and of all circumstances bearing on the risk of non-payment of any indebtedness hereby guaranteed;

(d) any defense arising because of Noteholder's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code;

(e) any claim for reimbursement, contribution, exoneration, indemnity or subrogation, or any other similar claim, which any Guarantor may have or obtain against the Company by reason of the existence of this Guaranty, or by reason of the payment by any such Guarantor of any indebtedness or the performance of this Guaranty or of the Senior Notes and the Note Purchase Agreement, until the indebtedness has been repaid and discharged in full and no commitment to extend any credit under the Note Purchase Agreement (whether optional or obligatory) remains outstanding, and any amounts paid to any Guarantor on account of any such claim at any time when the obligations of such Guarantor under this Guaranty shall not have been fully and finally paid shall be held by such Guarantor in trust for Noteholder, segregated from other funds of such Guarantor, and forthwith upon receipt by such Guarantor shall be turned over to Noteholder in the exact form received by such Guarantor (duly endorsed to Noteholder by such Guarantor, if required), to be applied to such Guarantor's obligations under this Guaranty, whether matured or unmatured, in such order and manner as Noteholder may determine; and

(f) any other event or action (excluding compliance by each of the Guarantors with the provisions hereof) that would result in the discharge by operation of law or otherwise of the Guarantors from the performance or observance of any obligation, covenant or agreement contained in this Guaranty.

Noteholder may deal with Company and any security held by it for the obligations of Company in the same manner and as freely as if this Guaranty did not exist and the Noteholder shall be entitled, without notice to any of the Guarantors, among other things, to grant to the Company such extension or extensions of time to perform any act or acts as may seem advisable to Noteholder at any time and from time to time, and to permit the Company to incur additional indebtedness to Noteholder without terminating, affecting or impairing the validity or enforceability of this Guaranty or the obligations of any of the Guarantors hereunder.

The Noteholder may proceed, either in its own name or in the name of any of the Guarantors, or otherwise, to protect and enforce any or all of its rights under this Guaranty by suit in equity, action at law or by other appropriate proceedings, or to take any action authorized or permitted under applicable law, and shall be entitled to require and enforce the performance of all acts and things required to be performed hereunder by the Guarantors. Each and every remedy of the Noteholder shall, to the extent permitted by law, be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity.

No waiver or release shall be deemed to have been made by the Noteholder of any of its rights hereunder unless the same shall be in writing and signed by Noteholder, and any such waiver shall be a waiver or release only with respect to the specific matter involved and shall in no way impair the rights of the Noteholder or the obligations of any of the Guarantors under this Guaranty in any other respect at any other time.

At the option of the Noteholder, each or any of the Guarantors may be joined in any action or proceeding commenced by the Noteholder against Company or any of the other parties providing collateral for any indebtedness covered by this Guaranty in connection with or based upon the Senior Notes and the Note Purchase Agreement or other indebtedness to the Noteholder, or any provision thereof, and recovery

may be had against any such Guarantor in such action or proceeding or in any independent action or proceeding against such Guarantor, without any requirement that the Noteholder first assert, prosecute or exhaust any remedy or claim against Company and/or any of the other parties providing collateral for any indebtedness covered by this Guaranty, or any other indebtedness to Noteholder.

As a separate, additional and continuing obligation, each of the Guarantors unconditionally and irrevocably undertakes and agrees with Noteholder that, should the amounts referred to in Section 2 of this Guaranty not be recoverable from such Guarantor in its capacity as a guarantor under this Guaranty for any reason whatsoever (including, without limitation, by reason of any provision of the Senior Notes and the Note Purchase Agreement being or becoming void, unenforceable, or otherwise invalid under any applicable law) then, notwithstanding any knowledge thereof by the Noteholder at any time, each of the Guarantors as sole, original and independent obligor, upon demand by Noteholder, will make payment to Noteholder of all such amounts by way of a full indemnity.

4. Financing Integrated Operations. Company and the Guarantors (together with Company's other Subsidiaries) are engaged in and operate various lines of business as an integrated group. Such integrated operations require financing as and to the extent required for the continued successful operations of Company and the Guarantors, individually and as a whole. The Company has requested that the Noteholder make credit available to it primarily for the purpose of financing the integrated operations of Company and its Restricted Subsidiaries (including Guarantors), in addition to its separate operations. Each of such parties expects to derive benefit, directly or indirectly, from the credit extended by the Noteholder to the other such parties, both in the separate capacity of each of such parties and as a member of the integrated group, inasmuch as the successful operation and condition of Company and its Subsidiaries (including Guarantors) is dependent upon the continued successful performance of the functions of the integrated group as a whole and contributes to the financial and operational health of the integrated group. Furthermore, subject to Section 3(e) hereof, the Guarantors acknowledge that they will look to their common law and contractual rights of reimbursement, contribution, exoneration, indemnity and subrogation to adjust and/or reallocate, as among themselves (but without effect upon Noteholder), their relative rights and responsibilities in connection with any payment or performance by them, or any of them, under this Guaranty.

5. Additional Obligations

5.1 Currency Indemnity. All amounts payable by each Guarantor under this Guaranty shall be paid to Noteholder at its main office, or otherwise as it may from time to time direct, in full free of any present or future taxes, levies, imposts, duties, charges, fees or withholdings and without set-off or counterclaim or any restriction or deduction whatsoever. If any Guarantor is compelled by law to make any deduction or withholding, it will promptly pay to Noteholder such additional amounts as will result in the net amount received by Noteholder being equal to the full amount which would have been receivable had there been no deduction or withholding. Payment shall be in United States Dollars.

5.2 Representations and Warranties. Each of the Guarantors (i) ratifies, confirms and, by reference thereto (as fully as though such matters were expressly set forth herein), represents and warrants to Noteholder with respect to itself those matters set forth in Sections 6.1, 6.3 through 6.5, inclusive, 6.7, 6.8, 6.10, 6.13 and 6.15 through 6.20, inclusive, of the Credit Agreement, and such representations and warranties shall be deemed to be continuing representations and warranties true and correct in all material respects so long as this Guaranty shall be in effect; and (ii) agrees not to engage in any action or inaction, the result of which would cause a violation of any term or condition of the Note Purchase Agreement.

6. Miscellaneous.

6.1 Governing Law. This Guaranty has been delivered in Michigan and shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and be enforceable in, the State of Michigan, each of the Guarantors hereby consenting to the jurisdiction of state and all federal courts sitting in such state.

6.2 Severability. If any term or provision of this Guaranty, or the application thereof to any circumstance, or any or all of the obligations of any of the Guarantors under this Guaranty shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty, or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable, or the obligations of each of the remaining Guarantors, as the case may be, shall not be affected thereby, and each term, provision and obligation of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

6.3 Notice. All notices and other communications to be made or given pursuant to this Guaranty shall be sufficient if made or given in writing and delivered by messenger, reputable air courier or deposited in the United States mails, registered or certified first class mail, or sent by telecopy, receipt confirmed, addressed to the Company as provided in the Note Purchase Agreement, or at such other addresses as directed by any of such parties to the others, as applicable, in compliance with this paragraph.

6.4 Right of Offset. Each of the Guarantors acknowledges the rights of the Noteholder, upon the occurrence and during the continuance of an Event of Default, to offset against the indebtedness of any Guarantor to the Noteholder under this Guaranty, any amount owing by the Noteholder to the Guarantors, or any of them.

6.5 Right to Cure. Each of the Guarantors shall have the right to cure any Event of Default under the Senior Notes and the Note Purchase Agreement with respect to obligations of the Company thereunder; provided that such cure is effected within the applicable grace period or period for cure thereunder, if any; and provided further that such cure can be effected in compliance with the Note Purchase Agreement. Except to the extent of payments of principal, interest and/or other sums actually received by the Noteholder pursuant to such cure, the exercise of such right to cure by any Guarantor shall not reduce or otherwise affect the liability of any other Guarantor under this Guaranty.

6.6 Joint and Several Obligation, Etc. The obligation of each of the Guarantors under this Guaranty shall be several and also joint, each with all and also each with any one or more of the others, and may be enforced against each severally, any two or more jointly, or some severally and some jointly. Any one or more of the Guarantors may be released from its obligations hereunder with or without consideration for such release and the obligations of the other Guarantors hereunder shall be in no way affected thereby. Noteholder may fail or elect not to prove a claim against any bankrupt or insolvent Guarantor and thereafter, Noteholder may, without notice to any of the Guarantors, extend or renew any part or all of any indebtedness of Company under the Note Purchase Agreement or otherwise, and may permit any Company to incur additional indebtedness, without affecting in any manner the unconditional obligation of each of the Guarantors hereunder. Such action shall not affect any right of contribution among the Guarantors.

6.7 Amendments; Joinder of Additional Guarantors. The terms of this Guaranty may not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except as provided herein and in accordance with the Note Purchase Agreement. Each of the subsidiaries of the Company which become Significant Domestic Subsidiaries (as defined in the Credit Agreement) after the date hereof shall become obligated as Guarantors hereunder (each as fully as though an original signatory hereto) by executing and delivering to Noteholder a joinder agreement in the form attached hereto as Exhibit A, provided that the liability of the Guarantors hereunder shall not be affected by the failure of any other Significant Domestic Subsidiary to execute and deliver a joinder agreement.

6.8 Release. Upon the satisfaction by any Guarantor of its obligations hereunder, and when such Guarantor is no longer subject to any obligation hereunder, the Noteholder shall deliver to the Guarantors, upon written request therefor, a written release of this Guaranty; provided however that the effectiveness of this Guaranty shall continue or be reinstated, as the case may be, in the event: (x) that any payment received or credit given by the Noteholder is returned, disgorged, rescinded or required to be recontributed to any party as an avoidable preference, impermissible setoff, fraudulent conveyance, restoration of capital or otherwise under any applicable state, federal or national law of any jurisdiction,

including without limitation laws pertaining to bankruptcy or insolvency, and this Guaranty shall thereafter be enforceable against the Guarantors (or any of them) as if such returned, disgorged, recontributed or rescinded payment or credit had not been received or given by the Noteholder, and whether or not the Noteholder relied upon such payment or credit or changed its position as a consequence thereof or (y) that any liability is imposed, or sought to be imposed against the Noteholder relating to the environmental condition of any property mortgaged or pledged to Noteholder (or to Collateral Agent on behalf of the Lenders, as such terms are defined in the Credit Agreement) by any Guarantor, or by any other party as collateral (in whole or part) for any indebtedness or obligation evidenced or secured by this Guaranty, or relating to any other environmental claim or matter, whether such condition, claim or matter is known or unknown, now exists or subsequently arises (excluding only conditions which arise after acquisition by Noteholder or the Collateral Agent of any such property, in lieu of foreclosure or otherwise, due to the wrongful act or omission of Noteholder or the Collateral Agent), in which event this Guaranty shall thereafter be enforceable against the Guarantors (or any of them) to the extent of all liabilities, costs and expenses (including reasonable attorneys fees) incurred by Noteholder as the direct or indirect result of any such environmental condition. For purposes of this Guaranty "environmental condition" includes, without limitation, conditions existing with respect to the surface or ground water, drinking water supply, land surface or subsurface strata and the ambient air.

6.9 Limitation under Applicable U.S. Insolvency Laws. Notwithstanding anything to the contrary contained herein, it is the intention of the Guarantors and the Noteholder that the amount of the respective Guarantors' obligations hereunder shall be in, but not in excess of, the maximum amount thereof not subject to avoidance or recovery by operation of applicable law governing bankruptcy, reorganization, arrangement, adjustment of debts, relief of debtors, dissolution, insolvency, fraudulent transfers or conveyances or other similar laws (collectively, "Applicable Insolvency Laws"). To that end, but only in the event and to the extent that the Guarantors' respective obligations hereunder or any payment made pursuant thereto would, but for the operation of the foregoing proviso, be subject to avoidance or recovery under Applicable Insolvency Laws, the amount of the Guarantors' respective obligations hereunder shall be limited to the largest amount which, after giving effect thereto, would not, under Applicable Insolvency Laws, render the Guarantors' respective obligations hereunder unenforceable or avoidable or subject to recovery under Applicable Insolvency Laws. To the extent any payment actually made hereunder exceeds the limitation contained in this Section 6.9, then the amount of such excess shall, from and after the time of payment by the Guarantors (or any of them), be reimbursed by the Noteholder upon demand by such Guarantors. The foregoing proviso is intended solely to preserve the rights of the Noteholder hereunder against the Guarantors to the maximum extent permitted by Applicable Insolvency Laws and neither Company nor any Guarantor nor any other Person shall have any right or claim under this Section 6.9 that would not otherwise be available under Applicable Insolvency Laws.

6.10 Equal and Ratable. This Guaranty is being given on an equal and ratable basis with the guaranties given by the Guarantors to holders of the Company's other senior notes and to the banks which are parties to the Credit Agreement.

IN WITNESS WHEREOF, the undersigned Guarantors have executed this Guaranty as of the date first above written.

AUTO FUNDING AMERICA OF NEVADA, INC.

By: /S/ Douglas W. Busk

Its: Chief Financial Officer

CREDIT ACCEPTANCE CORPORATION LIFE INSURANCE COMPANY

By: /S/ Douglas W. Busk
Its: Chief Financial Officer

BUYERS VEHICLE PROTECTION PLAN, INC.

By: /S/ Douglas W. Busk

Its: Chief Financial Officer

CAC LEASING, INC.

By: /S/ Douglas W. Busk

Its: Chief Financial Officer

VEHICLE REMARKETING SERVICES, INC.

By: /S/ Douglas W. Busk

Its: Chief Financial Officer

CREDIT ACCEPTANCE CORPORATION OF NEVADA, INC.

By: /S/ Douglas W. Busk

Its: Chief Financial Officer

EXHIBIT A

JOINDER AGREEMENT

THIS JOINDER AGREEMENT is dated as of _____, _____ by _____, a _____ corporation ("New Guarantor").

WHEREAS, pursuant to Section 6.7 of that certain Guaranty dated as of _____, _____ (as amended or otherwise modified from time to time, the "Guaranty") executed and delivered by the Guarantors named therein ("Guarantors") in favor of Noteholder (as defined in the Guaranty), the New Guarantor must execute and deliver a Joinder Agreement in accordance with the Credit Agreement and the Guaranty.

NOW THEREFORE, as a further inducement to Noteholder to continue to provide credit accommodations to Company and to comply with the covenant in the Guaranty so that the Guarantors will not be in default under the Guaranty, New Guarantor hereby covenants and agrees as follows:

1. All capitalized terms used herein shall have the meanings assigned to them in the Guaranty unless expressly defined to the contrary.

2. New Guarantor hereby enters into this Joinder Agreement in order to assist the Guarantors in complying with Section 6.7 of the Guaranty and to assist the Company in avoiding an event of default under the Note Purchase Agreement, and does so in consideration of the credit extended by the Noteholder to the Company, from which New Guarantor shall derive direct and indirect benefit as with the other Guarantors (all as set forth and on the same basis as in the Guaranty).

3. New Guarantor shall be considered, and deemed to be, for all purposes of the Guaranty and the Note Purchase Agreement, a Guarantor under the Guaranty as fully as though New Guarantor had executed and delivered the Guaranty at the time originally executed and delivered and hereby ratifies and confirms its obligations under the Guaranty, all in accordance with the terms thereof.

4. No Default or Event of Default (each such term being defined in the Note Purchase Agreement) has occurred and is continuing under the Note Purchase Agreement.

5. This Joinder Agreement shall be governed by the laws of the State of Michigan and shall be binding upon New Guarantor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned New Guarantor has executed and delivered this Joinder Agreement as of the date first above written.

[NEW GUARANTOR]

By:

Its:

SCHEDULE OF BENEFICIARIES OF GUARANTY

SECOND AMENDED AND RESTATED 9.27% SENIOR NOTES DUE OCTOBER 1, 2001

American Pioneer Life Insurance Company of New York
American Progressive Life and Health Insurance Company of New York
Federated Rural Electric Insurance Corp.
Tower Life Insurance Company
Physicians Life Insurance Company Vista 500
World Insurance Company
Vesta Fire Insurance Corporation
Mutual Protective Insurance Company
Medico Life Insurance Company

SECOND AMENDED AND RESTATED 9.49% SENIOR NOTES DUE JULY 1, 2001

Central States Health & Life Company of Omaha
The Charles Schwab Trust Company fbo Guaranty Income Life Insurance Company
American Community Mutual Insurance
Central Re Corp. & Phoenix
CSA Fraternal Life
Kanawha Insurance Company
Old Guard Mutual Insurance Company
Connecticut General Life Insurance Company
Pan American Life Insurance Company
Phoenix Home Life Mutual Insurance Company
Ozark National Life Insurance Company

SECOND AMENDED AND RESTATED 10.37% SENIOR NOTES DUE NOVEMBER 1, 2001

Allstate Life Insurance Company
Connecticut General Life Insurance Company
Ace Property and Casualty Insurance Company (f.k.a. CIGNA Property and Casualty Insurance Company)
Phoenix Home Life Mutual Insurance Company
William Blair & Company, LLC