

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported) September 25, 2009

CONSUMER PORTFOLIO SERVICES, INC.

(Exact Name of Registrant as Specified in Charter)

<u>CALIFORNIA</u>	<u>1-11416</u>	<u>33-0459135</u>
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

19500 Jamboree Road, Irvine, Ca 92612
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (949) 753-6800

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On September 25, 2009, Consumer Portfolio Services, Inc. ("CPS" or the "Company") and its subsidiary Page Four Funding LLC entered into a two-year revolving credit agreement (the "Credit Agreement") and related agreements with Fortress Credit Corp. ("Fortress"), an affiliate of Fortress Investment Group, and with others. Loans under the Credit Agreement are to be secured by automobile receivables that CPS now holds or may purchase in the future from dealers.

Under the Credit Agreement, and subject to its terms and conditions, Fortress has agreed to lend from time to time up to a maximum of \$50 million. Loans under the Credit Agreement bear interest at a floating rate equal to one-month LIBOR plus 12.00%, but in all events no less than 14.00% per year. The full amount of all outstanding loans is due September 25, 2011, subject to acceleration upon the occurrence of certain defined events of default.

In connection with the Credit Agreement, CPS has paid a closing fee of \$750,000 and issued to an affiliate of Fortress the warrant described in Item 3.02, below. The information provided in response to Item 3.02 is incorporated herein by reference.

ITEM 2.03. CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

The information provided in response to items 1.01 and 3.02 is incorporated herein by reference.

CPS first incurred indebtedness under the Credit Agreement in the amount of \$5,171,000 on September 30, 2009. CPS used the proceeds of that draw to repay outstanding indebtedness under its former warehouse credit facility, and for working capital.

CPS intends to incur additional indebtedness under the Credit Agreement from time to time as it purchases motor vehicle receivables from dealers.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES

On September 25, 2009, CPS issued to an affiliate of Fortress a warrant (the "Fortress Warrant") to purchase 1,158,087 shares of CPS common stock, at an exercise price of \$0.879 per share. The Fortress Warrant was issued in consideration of Fortress's committing to make loans under the Credit Agreement, as described above in Item 1.01 of this report. The contents of Item 1.01 are incorporated by reference into this Item 3.02.

The warrant may be exercised at any time on or before September 25, 2019. The exercise price of \$0.879 per share is equal to the average of the closing prices of CPS common stock reported by the Nasdaq Stock Market for the twenty trading days ended September 24, 2009. The warrant contains anti-dilution provisions and other customary provisions.

The sale and issuance of the warrant is exempt from registration under the Securities Act of 1933, pursuant to section 4(2) thereof, as a transaction not involving a public offering. Such securities were not offered or sold to any person other than Fortress and its affiliates. CPS has also agreed

to register the sale of the securities that may be issued upon the exercise of the warrant under the Securities Act upon request of the holder.

ITEM 3.03 MATERIAL MODIFICATION TO RIGHTS OF SECURITY HOLDERS

Pursuant to existing anti-dilution provisions in warrants previously issued by CPS to Levine Leichtman Capital Partners IV, L.P. ("LLCP"), a warrant held by LLCP has been adjusted as a result of the issuance of the Fortress warrant. The adjusted warrant now permits the purchase of 1,600,991 shares at \$1.40702 per share. Prior to the adjustment, such warrant had permitted the purchase of 1,564,324 shares at a price of \$1.44 per share.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

Three exhibits are filed with this report:

- 10.1 Revolving Credit Agreement
- 10.2 Fortress Warrant
- 20.1 News Release

SIGNATURES

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

CONSUMER PORTFOLIO SERVICES, INC.

Dated: October 1, 2009

By: /s/JEFFREY P. FRITZ

Jeffrey P. Fritz
Senior Vice President and Chief Financial Officer
Signing on behalf of the registrant

REVOLVING CREDIT AGREEMENT

This **REVOLVING CREDIT AGREEMENT**, dated as of September 25, 2009, is entered into by and among **PAGE FOUR FUNDING LLC**, a Delaware limited liability company (the "**Borrower**"), **CONSUMER PORTFOLIO SERVICES, INC.**, a California corporation, ("**CPS**"), and **FORTRESS CREDIT CORP.** ("**Fortress**"), as Administrative Agent (in such capacity, the "**Administrative Agent**"), Collateral Agent (in such capacity, the "**Collateral Agent**") and as Lender.

RECITALS:

WHEREAS, the Lender has agreed to extend a credit facility (the "**Facility**") to the Borrower, consisting of up to \$50,000,000 aggregate principal amount of Revolving Commitments, the proceeds of which will be used by the Borrower to acquire Receivables and to pay fees and expenses related to the foregoing; and

WHEREAS, the Borrower has agreed to secure all of its Obligations by granting to the Collateral Agent, for the benefit of the Secured Parties, a first priority Lien on all of its assets;

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

SECTION 1. DEFINITIONS AND INTERPRETATION

1.1. Definitions. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"**Act**" as defined in Section 4.22.

"**Adjusted LIBOR Rate**" means, for any Interest Period for any LIBOR Rate Loan made or continued during such Interest Period, the per annum rate equal to the greater of (i) 2.00% per annum and (ii)(x) the rate per annum (rounded to the nearest 1/100 of 1%) equal to the rate determined by the Administrative Agent to be the offered rate which appears on the page of the Reuters Screen which displays an average British Bankers Association Interest Settlement Rate (such page currently being Reuters Screen LIBOR01 Page) for deposits (for delivery on the first day of such period) for a one-month period in Dollars, determined as of approximately 11:00 a.m. (London, England time) on the related Interest Rate Reset Date, or (y) in the event the rate referenced in the preceding clause (x) does not appear on such page or service or if such page or service shall cease to be available, the rate per annum (rounded to the nearest 1/100 of 1%) equal to the rate determined by the Administrative Agent to be the offered rate on such other page or other service which displays an average British Bankers Association Interest Settlement Rate for deposits (for delivery on the first day of such period) for a one-month period in Dollars, determined as of approximately 11:00 a.m. (London, England time) on the related Interest Rate Reset Date, or (z) in the event the rates referenced in the preceding clauses (x) and (y) are not available, the rate per annum (rounded to the nearest 1/100 of 1%) equal to the offered quotation rate to first class banks in the London interbank market for deposits (for delivery on the first day of the relevant period) in Dollars of amounts in same day funds comparable to the principal amount of the applicable Revolving Loan for which the Adjusted LIBOR Rate is then being

determined with maturities equal to a one-month period as of approximately 11:00 a.m. (London, England time) on such Interest Rate Reset Date.

"Adjusted Tangible Net Worth" means, with respect to any fiscal quarter, the total shareholders' equity of the Servicer and its consolidated Subsidiaries that, in accordance with GAAP, is reflected on the consolidated balance sheet of the Servicer and its consolidated Subsidiaries as of the end of such fiscal quarter, minus the amount equal to the net deferred tax assets of the Servicer and its consolidated Subsidiaries reflected on such consolidated balance sheet, plus the amount equal to the net deferred tax assets of the Servicer and its consolidated Subsidiaries reflected on the consolidated balance sheet of the Servicer and its consolidated Subsidiaries as of December 31, 2008 (which amount is \$52,727,000), minus the aggregate amount of the Servicer's and its consolidated Subsidiaries' intangible assets, including without limitation, goodwill, franchises, licenses, patents, trademarks, tradenames, copyrights and service marks.

"Administrative Agent" as defined in the preamble hereto.

"Adverse Proceeding" means, with respect to any Person, any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of such Person) at law or in equity, or before or by any Governmental Authority, domestic or foreign, whether pending or, to the knowledge of such Person, threatened against or affecting such Person or its properties.

"Affected Loans" as defined in Section 2.14(b).

"Affiliate" means, as applied to any Person, any other Person directly or indirectly controlling (including any member of senior management of such Person), controlled by, or under common control with, that Person. For the purposes of this definition, **"control"** (including, with correlative meanings, the terms **"controlling," "controlled by"** and **"under common control with"**), as applied to any Person, means the possession, directly or indirectly, of the power (a) to vote 20% or more of the Securities having ordinary voting power for the election of directors of such Person or (b) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

"Agent" means each of the Administrative Agent and the Collateral Agent.

"Agreement" means this Revolving Credit Agreement, dated as of September 25, 2009, as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Allowed Financing" as defined in Section 9.22.

"Annualized Third Party Fee Rate" means, with respect to any Collection Period, a per annum percentage equal to a fraction (a) the numerator of which is equal to sum of (i) the aggregate amount paid to the Custodian with respect to the Custodian Fees for such Collection Period, (ii) the aggregate amount paid to the Backup Servicer with respect to the Backup Servicing Fee for such Collection Period and (iii) the aggregate amount paid to the Controlled Account Bank with respect to the Controlled

Account Bank Fee, and (b) the denominator of which is the aggregate principal balance of the Eligible Receivables as of the first day of such Collection Period.

"**Applicable Margin**" as defined in the Fee Letter.

"**APR**" means, with respect to a Receivable, the annual percentage rate of finance charges stated in such Receivable; provided that if the annual percentage rate with respect to such Receivable, is reduced as a result of (i) an insolvency proceeding involving the related Obligor or (ii) pursuant to the Servicemembers Civil Relief Act, the APR shall refer to such reduced rate.

"**Assignment Agreement**" means an Assignment and Assumption Agreement substantially in the form of Exhibit D, with such amendments or modifications as may be approved by the Administrative Agent.

"**Authorized Officer**" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president or one of its vice presidents (or the equivalent thereof), and such Person's chief financial officer or treasurer.

"**Average Delinquency Rate**" means, with respect to any Vintage Pool and any Reporting Date, the arithmetic average of the Delinquency Rate for each of the three (3) Collection Periods immediately preceding the month in which such Reporting Date occurs.

"**Average Elapsed Period**" means, with respect to any Vintage Pool and any Reporting Date, the number of months elapsed between (x) the first day of the second month of the applicable calendar quarter of origination with respect to such Vintage Pool and (y) the first day of the month in which such Reporting Date occurs.

"**Average Maximum Advance Rate**" means, with respect to any date of determination, the weighted average of the Maximum Advance Rates for the Eligible Receivables as of the last calculation of the Borrowing Base.

"**Average Repossession Rate**" means, with respect to any Reporting Date, the arithmetic average of the Repossession Rate for each of the three (3) Collection Periods immediately preceding the month in which such Reporting Date occurs.

"**Backup Servicer**" means Wells Fargo Bank, National Association, or any independent third party selected by the Administrative Agent, in its reasonable discretion, to perform monitoring functions with respect to the Receivables.

"**Backup Servicing Agreement**" means that certain Backup Servicing Agreement, dated as of September 25, 2009, by and among the Backup Servicer, the Servicer and Fortress, as Controlling Party, as may be further amended, modified or supplemented from time to time.

"**Backup Servicing Fees**" as defined in the Backup Servicing Agreement.

"**Bankruptcy Code**" means Title 11 of the United States Code entitled "**Bankruptcy**," as now and hereafter in effect, or any successor statute.

"**Base Rate**" means, for any day, a rate per annum equal to the greater of (i) the Prime Rate in effect on such day, and (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"**Base Rate Loan**" means a Revolving Loan bearing interest at a rate determined by reference to the Base Rate.

"**Borrower**" as defined in the preamble hereto.

"**Borrowing Base**" means, subject to Section 2.18(a), as of any date of determination, the sum of:

(a) the Maximum Advance for such date; plus

(b) the aggregate amount then on deposit in the Collection Account; minus

(c) all interest, fees, expenses (exclusive of legal fees and expenses) and indemnification amounts with respect to the Facility payable on the immediately succeeding Settlement Date.

"**Borrowing Base Certificate**" means a certificate, substantially in the form of Exhibit C, executed by an Authorized Officer of the Borrower and delivered to the Collateral Agent and the Administrative Agent, which sets forth the calculation of the Borrowing Base, including a calculation of each component thereof.

"**Borrowing Base Deficiency**" means the amount (if any) by which the Total Utilization of Revolving Commitments exceeds the lesser of (a) the Revolving Commitments then in effect and (b) the Borrowing Base. For the avoidance of doubt, a "Borrowing Base Deficiency" shall be deemed to exist at any time following the occurrence and continuance of an Event of Default, to the extent that any deficiency balance exists with respect to the Obligations remaining due and payable by the Borrower.

"**Borrowing Base Guaranty**" means that certain Guaranty dated as of September 25, 2009 by CPS in favor of the Administrative Agent, on behalf of the Lender, as may be further amended, modified or supplemented from time to time in accordance with the terms thereof.

"**Business Day**" means (a) any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York, the State of Minnesota or the State of California or is a day on which banking institutions located in either such state are authorized or required by law or other governmental action to close, and (b) with respect to all notices, determinations, fundings and payments in connection with the Adjusted LIBOR Rate or any LIBOR Rate Loans, the term "**Business Day**" shall mean any day which is a Business Day described in clause (a) and which is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"Capital Lease" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person (a) as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person or (b) as lessee which is a transaction of a type commonly known as a **"synthetic lease"** (i.e., a transaction that is treated as an operating lease for accounting purposes but with respect to which payments of rent are intended to be treated as payments of principal and interest on a loan for Federal income tax purposes).

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

"Cash" means money, currency or a credit balance in any demand or deposit account.

"Cash Equivalents" means, as at any date of determination, (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government, or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one (1) year after such date; (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one (1) year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (c) commercial paper maturing no more than one (1) year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (d) certificates of deposit or bankers' acceptances maturing within one (1) year after such date and issued or accepted by the Lender or by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that (i) is at least **"adequately capitalized"** (as defined in the regulations of its primary Federal banking regulator), and (ii) has Tier 1 capital (as defined in such regulations) of not less than \$100,000,000; and (e) shares of any money market mutual fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clauses (a) and (b) above, (ii) has net assets of not less than \$500,000,000, and (iii) has the highest rating obtainable from either S&P or Moody's.

"Change of Control" means, at any time, (i) with respect to the Borrower, CPS shall cease to beneficially own and control 100% on a fully diluted basis of the economic and voting interest in the Capital Stock of the Borrower and (ii) with respect to CPS, the acquisition by any Person, or two (2) or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of outstanding shares of voting stock of CPS, as applicable, at any time if after giving effect to such acquisition such Person or Persons owns fifty percent (50%) or more of such outstanding voting stock.

"Charge-Off Receivable" means any Receivable (or any other automobile receivable acquired or originated by the Originator) with respect to which the earlier of any of the following

shall have occurred (without duplication): (i) the Receivable has been liquidated by the Servicer through the sale of the Financed Vehicle, (ii) the related Obligor has failed to make a Scheduled Receivable Payment by its due date and such failure continues for one hundred and twenty (120) days (or, if the related Financed Vehicle has been repossessed, two hundred and ten (210) days), (iii) ninety (90) days following the repossession of the related Financed Vehicle by the Servicer, (iv) the related Obligor is subject to a proceeding under the Bankruptcy Code or other applicable Debtor Relief Laws and the related Receivable is not a performing contract, (v) the related Obligor is deceased, (vi) proceeds have been received which, in the Servicer's good faith judgment, constitute the final amounts recoverable in respect of such Receivable, or (vii) the Servicer has otherwise determined, in accordance with its Collection Policy, that the related Receivable should be charged-off.

"Closing Date" means the date on which the initial Revolving Loans are made.

"Closing Date Certificate" means a Closing Date Certificate substantially in the form of Exhibit E-1.

"Closing Date Material Adverse Change" means a material adverse change in (i) the business operations, assets, condition (financial or otherwise), liabilities or prospects of any Credit Party or the Originator, since August 31, 2009; (ii) the ability of the Borrower to fully and timely perform its material Obligations under any of the Credit Documents to which it is a party, or the legality, validity, binding effect, or enforceability against the Borrower of any such Credit Documents; or (iii) the ability of CPS to fully and timely perform its material obligations under the Credit Documents to which it is a party, or the legality, validity, binding effect, or enforceability against CPS of any such Credit Documents.

"Collateral" means, collectively, all of the real, personal and mixed property in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

"Collateral Agent" as defined in the preamble hereto.

"Collateral Documents" means the Security Agreement, the Control Agreements and all other instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any of the other Credit Documents in order to grant to the Collateral Agent, for the benefit of Secured Parties, a Lien on any real, personal or mixed property of that Credit Party, as the case may be, as security for the Obligations.

"Collateral Receipt and Exception Report" as defined in the Custodial Agreement.

"Collection Account" as defined in the Security Agreement.

"Collection Period" means, (i) with respect to the initial Settlement Date, the period beginning on the Closing Date and ending on the last day of the immediately preceding calendar month and (ii) with respect to any other Settlement Date, the immediately preceding calendar month.

"Collection Policy" as defined in the Servicing Agreement.

"**Collections**" means all collections on the Receivables, including, without limitation, all Scheduled Receivable Payments, all non-scheduled payments, all prepayments, all late fees, all other fees, all insurance proceeds, all Liquidation Proceeds, all Recoveries, all payments received under any Interest Rate Agreement, investment earnings, rental payments, residual proceeds, payments received under any personal guaranty with respect to a Receivable and all other payments received with respect to the Receivables, but excluding sales and property tax payments.

"**Contractual Obligation**" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"**Control Agreements**" means, collectively, the Lockbox Control Agreement and the Controlled Account Control Agreement.

"**Controlled Account**" as defined in Section 2.11(a).

"**Controlled Account Bank**" means Wells Fargo Bank, National Association, in its capacity as account bank under the Controlled Account Control Agreement, and its successors and assigns.

"**Controlled Account Bank Fee**" as defined in the Controlled Account Control Agreement.

"**Controlled Account Control Agreement**" as defined in the Security Agreement.

"**CPS**" means Consumer Portfolio Services, Inc., a California corporation.

"**Credit Date**" means the date of a Credit Extension.

"**Credit Document**" means any of (a) this Agreement, the Fee Letter, the Revolving Loan Notes, if any, the Collateral Documents, the Related Agreements, the Warrants, the Borrowing Base Guaranty and the Limited Guaranty and (b) all other documents, instruments or agreements executed and delivered by a Credit Party for the benefit of any Agent or the Lender in connection herewith.

"**Credit Extension**" means the making of a Revolving Loan.

"**Credit Party**" means the Borrower and CPS.

"**Credit Score**" means the applicable credit score, for each primary Obligor, as determined by Equifax, Inc. or a comparable credit bureau.

"**Cumulative Net Loss Rate**" means, as of any Reporting Date and with respect to any Vintage Pool, a rate, expressed as a percentage equal to a fraction, (I) the numerator of which is the Cumulative Net Losses with respect to all automobile receivables acquired or originated by the Originator in the related Vintage Pool and (II) the denominator of which is the aggregate

principal balance of all automobile receivables acquired or originated by the Originator in the related Vintage Pool at the time of origination or acquisition by the Originator; provided that, if any sale or securitization of receivables by the Originator occurs on a servicing released basis, the Originator and the Administrative Agent shall negotiate in good faith to amend the calculation of Cumulative Net Loss Rate if such sale or securitization results in an inability to calculate the Cumulative Net Loss Rate because of lack of information upon which to make such calculation.

"Cumulative Net Losses" means, as of any date of determination and with respect to any Vintage Pool, the aggregate cumulative principal amount of automobile receivables acquired or originated by the Originator that have become Charge-Off Receivables during the period beginning on the applicable date of origination through the end of the Collection Period immediately preceding the month in which such date of determination occurs, net of all Net Liquidation Proceeds with respect to such receivables as of the end of the Collection Period immediately preceding the month in which such date of determination occurs.

"Custodial Agreement" means that certain Custodial and Collateral Agency Agreement dated as of September 25, 2009 by and among the Borrower, the Servicer, Custodian and the Collateral Agent, as may be further amended, modified or supplemented from time to time in accordance with the terms thereof.

"Custodian" means Wells Fargo Bank, National Association, in its capacity as custodian under the Custodial Agreement, or any successor thereto acceptable to the Administrative Agent in its sole discretion.

"Custodian Fee" as defined in the Custodial Agreement.

"Custodian Fee and Expenses" as defined in the Custodial Agreement.

"Dealer" means, with respect to a Receivable, the seller of the related Financed Vehicle, who originated and assigned such Receivable to the Originator pursuant to a Dealer Agreement.

"Dealer Agreement" means each agreement between a Dealer and the Originator pursuant to which such Dealer assigned, sold or otherwise conveyed a Receivable to the Originator.

"Debtor Relief Laws" means the Bankruptcy Code, and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshalling of assets, assignment for the benefit of creditors 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 or the rights of creditors of banks.

"Default" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"Default Rate" means the interest rate provided in Section 2.6.

"Defaulted Receivable" means, with respect to any date of determination, a Receivable with respect to which the earliest of any of the following shall have occurred: (i) the related Obligor has failed to make the first periodic payment within thirty (30) days following the last day of the calendar month during which such Receivable's first payment was due under the terms of such Receivable, (ii) the related Obligor has failed to make any Scheduled Receivable Payment by its due date and such failure continues for one hundred and twenty (120) days, (iii) the Servicer has repossessed the related Financed Vehicle (and any applicable redemption period has expired) (iv) such Receivable is in default and the Servicer has determined in good faith that payments thereunder are not likely to be resumed or (v) such Receivable is a Charge-off Receivable.

"Delinquency Rate" means, with respect to any date of determination and any Vintage Pool, a rate, expressed as a percentage, equal to a fraction (I) the numerator of which is the aggregate outstanding principal balance of all automobile receivables acquired or originated by the Originator in such Vintage Pool that are Delinquent Receivables as of the last day of the most recently ended Collection Period and (II) the denominator of which is the aggregate outstanding principal balance of all automobile receivables acquired or originated by the Originator in such Vintage Pool as of the last day of the most recently ended Collection Period; provided that, if any sale or securitization of receivables by the Originator occurs on a servicing released basis, the Originator and the Administrative Agent shall negotiate in good faith to amend the calculation of Delinquency Rate if such sale or securitization results in an inability to calculate the Delinquency Rate because of lack of information upon which to make such calculation.

"Delinquent Receivable" means, with respect to any date of determination, a Receivable (or any other automobile receivable acquired or originated by the Originator) with respect to which the related Obligor is more than thirty (30) days but less than one hundred and twenty (120) days past due with respect to 10% or more of a Scheduled Receivable Payment.

"Depository Institution" means, collectively, any "depository institution" or any "subsidiary" of a depository institution, as such terms are defined in the Federal Deposit Insurance Act of 1950, as amended to date.

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

"Effective Advance Rate" means a fraction (i) the numerator of which is equal to the Total Utilization of Revolving Commitments and (ii) the denominator of which is the aggregate principal balance of all Eligible Receivables.

"Eligible Dealer" means a Dealer that satisfies the following criteria: (a) the related Dealer Agreement provides for full recourse to the Dealer in the event of any fraud or misrepresentation on the part of the Dealer, (b) to the extent applicable, the Dealer has obtained all applicable Governmental Authorizations, and (c) the Dealer otherwise qualifies as an "Eligible Dealer" in accordance with the Underwriting Policies.

"Eligible Hedge Counterparty" means (i) the Lender or any of its Affiliates or (ii) any party that enters into an Interest Rate Agreement with the Borrower; provided, that such hedge

counterparty must maintain long term senior unsecured debt ratings of "A" and "A2" by S&P and Moody's, respectively, and be otherwise acceptable to the Administrative Agent.

"Eligible Obligor" means an Obligor that (a) is not currently in bankruptcy, (b) is not a party to more than one (1) installment loan contract with the Originator or any of its Affiliates, (c) is not an employee, or affiliated with any employee of, the Originator or any of its Affiliates and (d) is domiciled in the United States.

"Eligible Receivable" means a Receivable with respect to which the Eligibility Criteria are satisfied as of any date of determination.

"Eligibility Criteria" means the criteria set forth on Appendix B.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"Event of Default" means any of the conditions or events set forth in Section 7.1.

"Excess Concentration Amounts" means, each of the amounts set forth on Appendix C hereto, which amounts shall be excluded from the calculation of the aggregate unpaid principal balance of Eligible Receivables.

"Excess Interest Rate" means, with respect to any Collection Period, a rate equal to (i) the weighted average APR of the Eligible Receivables, minus (ii) the Servicing Fee Rate, minus (iii) the Annualized Third Party Fee Rate, minus (iv) the product of (x) the applicable Interest Rate for such Collection Period (provided, that, in the event the Interest Rate is determined by reference to the Base Rate, the Interest Rate for a Collection Period shall be the weighted average of the Base Rates in effect during such Collection Period) and (y) the Effective Advance Rate.

"Excess Spread Account Amounts" means amounts, if any, in the Spread Account in excess of the Required Spread Account Amount on any date of determination.

"Exchange Act" means the Securities Exchange Act of 1934, as amended to the date hereof and from time to time hereafter, and any successor statute.

"Exclusivity Covenant" as defined in Section 9.22.

"Facility" as defined in the preamble hereto.

"Federal Funds Effective Rate" means for any day, the rate per annum (expressed, as a decimal, rounded upwards, if necessary, to the next higher 1/100 of 1%) 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 on such day, as published by the Federal Reserve Bank of New York on the next succeeding Business Day; provided, (a) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal

Funds Effective Rate for such day shall be the average rate charged to Fortress on such day on such transactions as determined by the Administrative Agent.

"**Fee Letter**" means the letter agreement, dated as of the date hereof, by and among the Administrative Agent on behalf of the Lender, the Borrower and CPS.

"**Final Bid**" as defined in Section 9.22.

"**Financed Vehicle**" means a new or used automobile, van, minivan, sport utility vehicle or light duty truck, together with all accessions thereto, securing an Obligor's indebtedness under a Receivable.

"**Fiscal Quarter**" means, with respect to a particular Fiscal Year, a fiscal quarter corresponding to such Fiscal Year.

"**Fiscal Year**" means for the Borrower, any consecutive twelve-month period commencing on the date following the last day of the previous Fiscal Year and ending on December 31.

"**Fortress**" as defined in the Preamble hereto.

"**Fortress Affiliate Lender**" as defined in Section 9.6(j).

"**Funding Notice**" means a notice substantially in the form of Exhibit A.

"**Funding Termination Event**" means the occurrence of either of the following: (i) the Originator makes any material change to the Underwriting Guidelines without the prior written consent of the Administrative Agent or (ii) any two (2) Key Employees cease to be involved in the day-to-day operations of the Originator or are unable to work for three (3) consecutive months and are not replaced by successors acceptable to the Administrative Agent within sixty (60) days.

"**GAAP**" means, subject to the limitations on the application thereof set forth in Section 1.2, United States generally accepted accounting principles in effect as of the date of determination thereof.

"**Governmental Authority**" means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"**Governmental Authorization**" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"**Grantor**" as defined in the Security Agreement.

"**Guarantor**" means CPS.

"**Highest Lawful Rate**" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to the Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

"**Indebtedness**," as applied to any Person, means, without duplication, (a) all indebtedness for borrowed money; (b) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP; (c) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money; (d) any obligation owed for all or any part of the deferred purchase price of property or services (excluding any such obligations incurred under ERISA), which purchase price is (i) due more than six (6) months from the date of incurrence of the obligation in respect thereof or (ii) evidenced by a note or similar written instrument; (e) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; (f) the face amount of any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (g) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another; (h) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof; (i) any liability of such Person for an obligation of another through any agreement (contingent or otherwise) (A) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (B) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (A) or (B) of this clause (i), the primary purpose or intent thereof is as described in clause (h) above; and (j) all obligations of such Person in respect of any exchange traded or over the counter derivative transaction, including, without limitation, any Interest Rate Agreement, whether entered into for hedging or speculative purposes; provided, in no event shall obligations under any Interest Rate Agreement be deemed "**Indebtedness**" for any purpose under Section 6.1.

"**Indemnified Liabilities**" means, collectively, any and all liabilities, obligations, losses, damages, penalties, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable, documented, out-of-pocket fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding commenced by any Person, whether or not any such Indemnatee shall be designated as a party or a potential party thereto, and any reasonable, documented, out-of-pocket fees or expenses incurred by Indemnitees in enforcing the indemnification provisions of Section 9.3), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations, on

common law or equitable cause or on contract or otherwise) that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby (including the Lender's agreement to make Credit Extensions or the use or intended use of the proceeds thereof, or any enforcement of any of the Credit Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Limited Guaranty or the Borrowing Base Guaranty)); provided, however, that "Indemnified Liabilities" shall not include any liabilities, obligations, losses, damages, penalties, claims, costs, expenses and disbursements resulting from credit losses on or diminution in value of Receivables or other Collateral unless such credit loss or diminution in value was a result of the action or inaction of the Borrower or the Servicer in contravention of the Credit Documents.

"**Indemnitee**" as defined in Section 9.3(a).

"**Independent Accountants**" means (a) Crowe Horwath LLP or (b) a firm of independent certified public accountants registered with the Public Company Accounting Oversight Board and otherwise acceptable to the Administrative Agent.

"**Independent Manager**" means an employee of Lord Securities Corporation, or another natural person meeting the qualifications set forth in Section 6.15 and otherwise acceptable to the Administrative Agent in its sole discretion.

"**Indicative Bid**" as defined in Section 9.22.

"**Interest Period**" means, (a) with regard to the initial Settlement Date, the period commencing on (and including) the Closing Date and ending on the last day of the immediately preceding calendar month; and (b) with regard to any other Settlement Date, the immediately preceding calendar month; provided, no Interest Period with respect to any portion of the Revolving Loans shall extend beyond the Revolving Commitment Termination Date.

"**Interest Rate**" means, with respect to (i) any Revolving Loan that is a LIBOR Rate Loan and any Interest Period, the Adjusted LIBOR Rate plus the Applicable Margin for such Interest Period and (ii) any Revolving Loan that is a Base Rate Loan and any Interest Period, the Base Rate plus the Applicable Margin for such Interest Period.

"**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement that (a) has been entered into by the Borrower for the purpose of hedging the interest rate exposure associated with the Borrower's operations and not for speculative purposes, (b) is entered into with an Eligible Hedge Counterparty, (c) is approved by the Administrative Agent in its reasonable discretion and (d) has been collaterally assigned to the Collateral Agent pursuant to an instrument satisfactory to the Administrative Agent.

"**Interest Rate Reset Date**" means, with respect to any Interest Period, the date that is two (2) Business Days prior to the first day of such Interest Period.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, and any successor statute.

"Investment" means (a) any direct or indirect purchase or other acquisition by the Borrower of, or of a beneficial interest in, any of the Securities of any other Person; (b) any direct or indirect redemption, retirement, purchase or other acquisition for value, from any Person, of any Capital Stock of such Person; and (c) any direct or indirect loan, advance or capital contributions by the Borrower to any other Person, including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment.

"Key Employee" means each of Charles Bradley, Jr., Robert Riedl and Chris Terry or any successor thereto approved by the Administrative Agent in its sole discretion.

"Lender" means Fortress and its successors and assigns.

"LIBOR Rate Loan" means a Revolving Loan bearing interest at a rate determined by reference to the Adjusted LIBOR Rate and maturing on the last day of each Interest Period (unless otherwise continued pursuant to Section 2.5).

"LIBOR Unavailability" as defined in Section 2.14(a).

"Lien" means (a) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (b) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

"Limited Guaranty" means that certain Limited Guaranty dated as of September 25, 2009 by CPS in favor of the Administrative Agent, on behalf of the Lender, as may be further amended, modified or supplemented from time to time in accordance with the terms thereof.

"Liquidation Proceeds" as defined in the Servicing Agreement.

"Lockbox Account" as defined in the Security Agreement.

"Lockbox Control Agreement" as defined in the Security Agreement.

"Lockbox System" as defined in Section 5.9(a)(i).

"LTV" means, with respect to any Receivable, the ratio, at the time of origination, of (i) the unpaid principal balance of such Receivable to (ii) the wholesale book value of the related Financed Vehicle as set forth in the Kelly Blue Book[®] or the NADA Official Used Car Guide[®].

"Margin Stock" as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"Material Adverse Effect" means, a material adverse effect on (a) the business operations, assets, condition (financial or otherwise), liabilities or prospects of a Credit Party, (b) the ability of a Credit Party to fully and timely perform its obligations under the Credit Documents (including, without limitation, the Obligations of the Borrower); (c) the legality, validity, binding effect, or enforceability against a Credit Party of any Credit Document to which it is a party; or (d) the rights, remedies and benefits available to, or conferred upon, any Agent, the Lender or any Secured Party under any Credit Document.

"Material Contract" means any contract or other arrangement to which a Credit Party is a party (other than the Credit Documents) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

"Maturity Date" means the second (2nd) anniversary of the Closing Date.

"Maximum Advance" means, as of any date of determination, the lesser of (A) \$50,000,000 and (B) the product of (x) the Average Maximum Advance Rate and (y)(i) the aggregate unpaid principal balance of the Eligible Receivables minus (ii) any Excess Concentration Amounts.

"Maximum Advance Rate" means,

(i) with respect to each Receivable that is an Eligible Receivable and is not a Delinquent Receivable or a Defaulted Receivable, the lesser of (A) 75% and (B) the product of (x) one (1) minus the weighted average Purchase Discount and (y) 88%;

(ii) with respect to each Eligible Receivable that is a Delinquent Receivable, 35%; and

(iii) with respect to each Defaulted Receivable, 0%.

"Monthly Servicing Report" means that Monthly Servicing Report in the form attached as Exhibit A to the Servicing Agreement.

"Moody's" means Moody's Investor Services, Inc., and any successor thereto.

"Net Insurance Proceeds" means an amount equal to: (a) any Cash payments or proceeds received by the Borrower under any casualty, business interruption or "key man" insurance policies in respect of any covered loss thereunder, minus (b) any actual and reasonable costs incurred by the Borrower in connection with the adjustment or settlement of any claims of the Borrower in respect thereof.

"Net Liquidation Proceeds" as defined in the Servicing Agreement.

"Obligations" means all obligations of every nature of the Borrower from time to time owed to the Agents (including former Agents), the Lender (including in its capacity as a counterparty to an Interest Rate Agreement) or any of them, under any Credit Document (including, without limitation, with respect to an Interest Rate Agreement, obligations owed thereunder to any person who was a Lender or an Affiliate of a Lender at the time such Interest

Rate Agreement was entered into), whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to the Borrower, would have accrued on any Obligation, whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy proceeding), payments for early termination of Interest Rate Agreements, fees, expenses, indemnification or otherwise.

"Obligor" means, with respect to a Receivable, the purchaser or co-purchasers of the related Financed Vehicle or any other Person who owes or may be liable for payments under such Receivable.

"Offering Materials" as defined in Section 9.22.

"Organizational Documents" means (a) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (b) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (c) with respect to any general partnership, its partnership agreement, as amended, and (d) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such **"Organizational Document"** shall only be to a document of a type customarily certified by such governmental official.

"Originator" means CPS.

"Permitted Expenses" means the reasonable costs and expenses incurred by the Administrative Agent (and its agents or professional advisors) in connection with the preparation, administration, amendment and due diligence of this Agreement and the other Credit Documents and, which costs and expenses the Borrower shall reimburse to the Administrative Agent or shall pay or cause to be paid. "Permitted Expenses" shall include, without limitation, the expenses set forth in Sections 5.4, 5.5, 5.14 and 9.2 hereof.

"Permitted Investments" means the following, subject to qualifications hereinafter set forth:

(i) obligations of, or obligations guaranteed as to principal and interest by, the U.S. government or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America;

(ii) federal funds, unsecured certificates of deposit, time deposits, banker's acceptances, and repurchase agreements having maturities of not more than 365 days of any bank, the short-term debt obligations of which are rated A-1+ (or the equivalent) by each of the Rating Agencies and, if it has a term in excess of three (3) months, the long-term debt obligations of which are rated AAA (or the equivalent) by each of the Moody's and S&P;

(iii) deposits that are fully insured by the Federal Deposit Insurance Corp. (FDIC);

(iv) investments in money market funds (including those owned or managed by the Controlled Account Bank) rated in the highest investment category by each of the Moody's and S&P; and

(v) such other investments as to which the Administrative Agent consents.

Notwithstanding the foregoing, "Permitted Investments" (i) shall exclude any security with the S&P's "r" symbol (or any other Rating Agency's corresponding symbol) attached to the rating (indicating high volatility or dramatic fluctuations in their expected returns because of market risk), as well as any mortgage-backed securities and any security of the type commonly known as "strips"; (ii) shall not have maturities in excess of one (1) year; (iii) shall be limited to those instruments that have a predetermined fixed dollar of principal due at maturity that cannot vary or change; and (iv) shall exclude any investment where the right to receive principal and interest derived from the underlying investment provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment. Interest may either be fixed or variable, and any variable interest must be tied to a single interest rate index plus a single fixed spread (if any), and move proportionately with that index. No investment shall be made which requires a payment above par for an obligation if the obligation may be prepaid at the option of the issuer thereof prior to its maturity. All investments shall mature or be redeemable upon the option of the holder thereof on or prior to the earlier of (x) three (3) months from the date of their purchase or (y) the Business Day preceding the day before the date such amounts are required to be applied hereunder.

"Permitted Liens" means:

(i) Liens imposed by law for taxes, assessments or other governmental charges payable by the Borrower that are not yet due or are being contested in compliance with Section 5.3;

(ii) Liens arising in favor of the applicable financial institution under the Lockbox Account Control Agreement or the Controlled Account Control Agreement;

(iii) Liens arising in favor of the applicable counterparty under any Interest Rate Agreement permitted under this Agreement; and

(iv) Liens on Financed Vehicles that are junior in right to the Lien of the Borrower, or that are possessory liens (such as for storage or repair), tax liens (such as property taxes or registration fees), or statutory enforcement liens (such as for parking tickets).

"Person" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Prime Rate**" means the rate of interest quoted in The Wall Street Journal, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks), as in effect from time to time.

"**Principal Office**" means, for the Administrative Agent, 1345 Avenue of the Americas, 46th Floor, New York, New York 10105 (or such other location in the United States of America as the Administrative Agent may from time to time designate in writing to the Borrower and the Lender).

"**Proposed Facility**" as defined in Section 9.22.

"**Protective Advances**" as defined in Section 2.1(c).

"**Purchase Agreement**" means that certain Receivables Purchase Agreement dated as of September 25, 2009, by and among the Originator and the Borrower, as may be further amended, modified or supplemented from time to time in accordance with the terms thereof.

"**Purchase Discount**" means, with respect to any Eligible Receivable, a fraction, (i) the numerator of which is the difference between (A) the aggregate unpaid principal balance of such Eligible Receivable at the time of acquisition or origination by the Originator and (B) the purchase price paid with respect to such Eligible Receivable by the Originator to the related Eligible Dealer, and (ii) the denominator of which is the aggregate unpaid principal balance of such Eligible Receivable at the time of acquisition or origination by the Originator.

"**Rating Agencies**" means each of Moody's and S&P.

"**Receivable**" means each non-cancelable, unconditional, fixed-rate, automobile installment sale contract or promissory note secured by a first priority, perfected security interest in a Financed Vehicle that was originated or acquired by the Originator, sold by the Originator to the Borrower.

"**Receivable File**" as defined in the Custodial Agreement.

"**Recoveries**" means, with respect to a Defaulted Receivable, the monies collected from whatever source during any Collection Period following the Collection Period in which such Receivable became a Defaulted Receivable, net of any amounts required by law to be remitted to the Obligor.

"**Register**" as defined in Section 2.3(a).

"**Regulation D**" means Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"**Related Agreements**" means, collectively, the Purchase Agreement, the Servicing Agreement, the Custodial Agreement, the Backup Servicing Agreement and any Interest Rate Agreements.

"Reporting Date" means the tenth (10th) calendar day of each month (or if such day is not a Business Day, the immediately succeeding Business Day).

"Repossession Rate" means, with respect to any date of determination, a rate, expressed as a percentage, equal to a fraction (I) the numerator of which is the aggregate number of Financed Vehicles that have been repossessed and not resold as of the last day of the most recently ended Collection Period (excluding, however, any Financed Vehicles that had been repossessed and not resold as of the date of any sale or securitization of all or substantially all of the Receivables) and (II) the denominator of which is the aggregate number of Financed Vehicles as of the last day of the most recently ended Collection Period.

"Repurchase Event" means, at any time during which a Borrowing Base Deficiency exists, with respect to any Receivable, the failure of such Receivable to satisfy the Eligibility Criteria at the time of its pledge under the Security Agreement.

"Repurchase Price" means, with respect to any Receivable and any date of determination, the principal balance of such Receivable, as of the close of business on the last day of the immediately preceding Collection Period plus all accrued and unpaid interest thereon through the date on which such Receivable is repurchased.

"Required Spread Account Amount" means, as of any date of determination, and subject to Section 5.10 hereof, (i) if no Spread Account Increase Event has occurred and is continuing, the Required Spread Account Floor and (ii) if a Spread Account Increase Event has occurred and is continuing, an amount equal to the product of (x) 10% multiplied by (y) the Total Utilization of Revolving Commitments as of such date (after giving effect to any borrowings hereunder on such date).

"Required Spread Account Deposit" as defined in Section 5.10(b).

"Required Spread Account Floor" means, as of any date of determination, an amount equal to the lesser of (x) the product of (i) 0.50% multiplied by (ii) the Revolving Commitments in effect as of such date, and (y) the then outstanding principal balance of the Revolving Loan (after giving effect to any borrowings hereunder on such date).

"Revolving Availability" means, as of any date of determination, the difference of (i) the lesser of (a) the Revolving Commitments and (b) the Borrowing Base, minus (ii) the Total Utilization of Revolving Commitments.

"Revolving Commitment" means the commitment of the Lender to make or otherwise fund any Revolving Loan. The aggregate amount of the Revolving Commitments is \$50,000,000.

"Revolving Commitment Period" means the period from the Closing Date to but excluding the Revolving Commitment Termination Date.

"Revolving Commitment Termination Date" means the earliest to occur of (a) the Maturity Date, (b) the date on which a Funding Termination Event occurs, and (c) the date of the termination of the Revolving Commitments pursuant to Section 7.1.

"**Revolving Loan**" as defined in Section 2.1.

"**Revolving Loan Note**" means a promissory note substantially in the form of Exhibit B, as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Right of First Refusal**" as defined in Section 9.22.

"**S&P**" means Standard & Poor's Ratings Group, a division of The McGraw Hill Corporation, and any successor thereto.

"**Scheduled Receivable Payment**" means, for any Collection Period and for any Receivable, the amount indicated in such Receivable as required to be paid by the Obligor in such Collection Period. If after the Closing Date the Obligor's obligation under such Receivable with respect to a Collection Period has been modified so as to differ from the amount specified in such Receivable as a result of (i) the order of a court in an insolvency proceeding involving the Obligor, (ii) pursuant to the Servicemembers Civil Relief Act or (iii) modifications or extensions of the Receivable permitted by the Credit Documents and the Servicing Agreement, the Scheduled Receivable Payment with respect to such Collection Period shall refer to the Obligor's payment obligation with respect to such Collection Period as so modified.

"**Secured Party**" as defined in the Security Agreement.

"**Securities**" means any stock, shares, partnership interests, limited liability company interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "**securities**" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Act**" means the Securities Act of 1933, as amended to the date hereof and from time to time hereafter, and any successor statute.

"**Security Agreement**" means the Security Agreement, dated as of the date hereof, by and between the Borrower and the Collateral Agent on behalf of the Secured Parties, as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Servicer**" means, initially CPS, subject to removal pursuant to the terms of the Servicing Agreement, and thereafter shall mean the Backup Servicer, or any successor servicer appointed pursuant to the Servicing Agreement.

"**Servicer Default**" as defined in the Servicing Agreement.

"**Servicing Agreement**" means that certain Servicing Agreement dated as of September 25, 2009, by and among the Borrower, the Servicer and the Administrative Agent, as may be

further amended, modified or supplemented from time to time in accordance with the terms thereof.

"**Servicing Fee**" as defined in the Servicing Agreement.

"**Servicing Fee Rate**" as defined in the Servicing Agreement.

"**Settlement Date**" means (a) the fifteenth (15th) calendar day of each month (or if such day is not a Business Day, the immediately succeeding Business Day) beginning in the month of October 2009 and (b) the Maturity Date.

"**Shortfall Percentage**" means, (i) with respect to any Settlement Date beginning on the sixth (6th) Settlement Date following the Closing Date and prior to the twelfth (12th) Settlement Date following the Closing Date, an amount equal to the excess, if any, of (x) 50% minus (y) the percentage equal to (A) the average Total Utilization of Revolving Commitments during the immediately preceding Collection Period divided by (B) the Revolving Commitments during the immediately preceding Collection Period; and (ii) with respect to any Settlement Date beginning on the twelfth (12th) Settlement Date following the Closing Date, an amount equal to the excess, if any, of (x) 75% minus (y) the percentage equal to (A) the average Total Utilization of Revolving Commitments during the immediately preceding Collection Period divided by (B) the Revolving Commitments during the immediately preceding Collection Period.

"**Solvency Certificate**" means a Solvency Certificate of the chief financial officer of CPS or the Borrower, as the case may be, substantially in the form of Exhibit E-2.

"**Solvent**" means, with respect the Borrower or CPS, that as of the date of determination, both (a) (i) the sum of such entity's debt (including contingent liabilities) does not exceed the present fair saleable value of such entity's present assets; (ii) such entity's capital is not unreasonably small in relation to its business as contemplated on the Closing Date; and (iii) such entity has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (b) such entity is "**solvent**" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"**Spread Account**" as defined in the Security Agreement.

"**Spread Account Increase Event**" means an uncured breach of a Tier 1 Performance Trigger; provided, that once a Tier 1 Performance Trigger has been breached, such Tier 1 Performance Trigger shall be deemed to be "uncured" until such time as such Tier 1 Performance Trigger has been cured for three (3) consecutive months.

"**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of

the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "**qualifying share**" of the former Person shall be deemed to be outstanding.

"**Tax**" means any present or future tax, levy, impost, duty, assessment, charge, fee or deduction or withholding in respect thereof of any similar nature and whatever called, imposed by a Governmental Authority, on whomsoever and wherever imposed, levied, collected, withheld or assessed; provided, "**Tax on the overall net income**" of a Person shall be construed as a reference to a Tax imposed by the jurisdiction in which that Person is organized or in which that Person's applicable principal office (and/or, in the case of the Lender, its lending office) is located or in which that Person (and/or, in the case of the Lender, its lending office) is deemed to be doing business on all or part of the net income, profits or gains (whether worldwide, or only insofar as such income, profits or gains are considered to arise in or to relate to a particular jurisdiction, or otherwise) of that Person (and/or, in the case of the Lender, its applicable lending office) and shall include any backup or other withholding tax that shall be eligible to be credited against any such Tax.

"**Tier 1 Performance Trigger**" means the breach of any of the collateral performance tests set forth on Appendix D hereto.

"**Tier 2 Performance Trigger**" means the breach of any of the collateral performance tests set forth on Appendix E hereto.

"**Total Utilization of Revolving Commitments**" means, as of any date of determination, an amount equal to the aggregate principal amount of all outstanding Revolving Loans.

"**Transaction Costs**" means the fees, costs and expenses payable by CPS or the Borrower on or before the Closing Date in connection with the transactions contemplated by the Credit Documents and the Related Agreements, to the extent approved in writing by the Administrative Agent.

"**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"**Underwriting Policies**" means the credit policies and practices and underwriting guidelines of the Originator in effect as of the date hereof and attached hereto as Exhibit F, as such guidelines may be amended from time to time, (x) in the case of any material change, with the prior written consent of the Administrative Agent (such consent to not be unreasonably withheld or delayed) and (y) in the case of any other change, with written notice to the Administrative Agent within ten (10) Business Days of the implementation of any such change.

"**Vintage Pool**" means, as of any date of determination occurring after the last day of the last calendar quarter of 2009, the pool of all automobile receivables originated, or acquired from

Eligible Dealers by the Originator during any completed calendar quarter. The first such calendar quarter to be measured will be the quarter ending December 31, 2009.

"Warrants" means (i) that certain Warrant, dated as of September 25, 2009, issued by CPS to Drawbridge Special Opportunities Fund LP and (ii) any additional Warrants issued by CPS in connection with an assignment in whole or in part of a warrant by Fortress or a designated Affiliate of Fortress, in each case as the same may be further amended, modified or supplemented from time to time in accordance with the terms thereof.

1.2. Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing CPS' audited financial statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and either the Borrower, CPS or the Lender shall so request, the Administrative Agent, the Lender, CPS and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) CPS and the Borrower shall provide to the Administrative Agent and the Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.3. Interpretation, etc. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "**include**" or "**including**," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not no limiting language (such as "**without limitation**" or "**but not limited to**" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The words "**hereof**", "**herein**", "**hereunder**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless the context requires otherwise or otherwise specified in any applicable Credit Document, (a) reference to any Person include that Person's successors and assignees, (b) any definition of or reference to any Credit Document, agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such

amendments, supplements, or modifications set forth herein or therein), and (c) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified or supplemented from time to time.

SECTION REVOLVING LOANS

2.

2.1. Revolving Loans.

(a) Revolving Commitments. During the Revolving Commitment Period, subject to the terms and conditions hereof, the Lender agrees from time to time to make loans to the Borrower (each a "**Revolving Loan**" and collectively, the "**Revolving Loans**") in an aggregate amount up to but not exceeding the Revolving Commitment; provided, that after giving effect to the making of any Revolving Loans in no event shall the Total Utilization of Revolving Commitments exceed the lesser of (i) the Revolving Commitments then in effect and (ii) the Borrowing Base. Amounts borrowed pursuant to this Section 2.1(a) may be repaid and reborrowed during the Revolving Commitment Period. The Revolving Commitment shall expire on the Revolving Commitment Termination Date and all Revolving Loans and all other amounts owed hereunder with respect to the Revolving Loans and the Revolving Commitments shall be paid in full no later than such date.

(b) Borrowing Mechanics for Revolving Loans.

(i) Revolving Loans shall be in an aggregate minimum amount of \$250,000.

(ii) Whenever the Borrower desires that the Lender make Revolving Loans, the Borrower shall deliver to the Administrative Agent a fully executed and delivered Funding Notice together with a Borrowing Base Certificate no later than 1:00 p.m. (New York City time) at least two (2) Business Days in advance of the proposed Credit Date. Each such Funding Notice shall be delivered reflecting sufficient Revolving Availability for the requested Revolving Loans.

(iii) Notice of receipt of each Funding Notice and Borrowing Base Certificate in respect of Revolving Loans, together with the applicable Interest Rate, shall be provided by the Administrative Agent to the Lender by telefacsimile with reasonable promptness, but not later than 2:00 p.m. (New York City time) on the same day as the Administrative Agent's receipt of such Funding Notice from the Borrower (provided the Administrative Agent shall have received such notice from the Borrower by 1:00 p.m. (New York City time)).

(iv) The Lender shall make the amount of its Revolving Loan available to the Administrative Agent not later than 12:00 p.m. (New York City time) on the applicable Credit Date by wire transfer of same day funds in Dollars, at the Administrative Agent's Principal Office. Except as provided herein, upon satisfaction or waiver by the Administrative Agent of the conditions precedent specified herein, the Administrative Agent shall make the proceeds of such Revolving Loans available to the Borrower on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Revolving Loans received by the Administrative

Agent from the Lender to be credited to the account of the Borrower at the Administrative Agent's Principal Office or such other account as may be designated in writing to the Administrative Agent by the Borrower.

(v) Unless otherwise permitted by the Administrative Agent in its sole and absolute discretion and subject to an administration fee of \$2,500 per Revolving Loan, no more than two (2) Revolving Loans shall be made per calendar week.

(c) Protective Advances. Subject to the limitations set forth below and in the proviso to the first sentence of Section 2.1(a), and whether or not an Event of Default or a Default shall have occurred and be continuing, the Administrative Agent is authorized by the Borrower and the Lender, from time to time in the Administrative Agent's sole good faith discretion, to make Revolving Loans to the Borrower on behalf of the Lender, which the Administrative Agent, in its sole discretion, deems necessary (i) to preserve or protect the Collateral, or any portion thereof, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Revolving Loans and other Obligations, or (iii) to pay any other amount chargeable to or required to be paid by the Borrower pursuant to the terms of this Agreement and the other Credit Documents, including, without limitation, payments of principal, interest, fees and reimbursable expenses, in the event that any amounts are still owing after application of the amounts in the Spread Account pursuant to Sections 2.10 or 2.12 (any of such Revolving Loans are herein referred to as "**Protective Advances**"). Notwithstanding anything to the contrary set forth herein, in no event shall the aggregate amount of Protective Advances made by the Administrative Agent pursuant to this Section 2.1(c) exceed \$5,000,000. Protective Advances may be made even if the conditions precedent set forth in Section 3 have not been satisfied. The Protective Advances shall be secured by the Collateral and shall constitute Obligations. The Borrower shall pay the unpaid principal amount and all unpaid and accrued interest of each Protective Advance on the earlier of the Revolving Commitment Termination Date and within two (2) Business Days following demand for payment by the Administrative Agent. All Protective Advances shall be Base Rate Loans.

2.2. Use of Proceeds. The proceeds of the Revolving Loans, if any, made on the Closing Date shall be applied by the Borrower to finance the acquisition of Eligible Receivables from the Originator and to pay Transaction Costs. The proceeds of the Revolving Loans made after the Closing Date shall be applied by the Borrower to finance the acquisition of Receivables from the Originator pursuant to the Purchase Agreement, to fund any Required Spread Account Amount in connection with the funding of a Revolving Loan, to pay distributions on its Capital Stock to CPS and to pay ongoing operating expenses of the Borrower. No portion of the proceeds of any Credit Extension shall be used in any manner that causes such Credit Extension or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation thereof or to violate the Exchange Act.

2.3. Register; Notes.

(a) Register. The Administrative Agent shall maintain at its Principal Office a register for the recordation of the names and addresses of the Lender and the Revolving Commitments and Revolving Loans from time to time (the "**Register**"). The Register shall be

for inspection by the Borrower or the Lender at any reasonable time and from time to time upon reasonable prior notice to the Administrative Agent. The Administrative Agent shall record in the Register the Revolving Commitments and the Revolving Loans, and each repayment or prepayment in respect of the principal amount of the Revolving Loans, and any such recordation shall be conclusive and binding on the Borrower and the Lender, absent manifest error; provided, failure to make any such recordation, or any error in such recordation, shall not affect the Revolving Commitments or the Borrower's Obligations in respect of any Revolving Loan. The Borrower hereby designates the entity serving as Administrative Agent to serve as the Borrower's agent solely for purposes of maintaining the Register as provided in this Section 2.3, and the Borrower hereby agrees that, to the extent such entity serves in such capacity, the entity serving as Administrative Agent and its officers, directors, employees, agents and affiliates shall constitute "**Indemnitees.**"

(b) Revolving Loan Notes. If so requested by the Lender prior to the Closing Date, or upon two (2) Business Days prior written notice at any time after the Closing Date, the Borrower shall execute and deliver to the Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of the Lender pursuant to Section 9.6) on the Closing Date (or, if such notice is delivered after the Closing Date, promptly after the Borrower's receipt of such notice) a Revolving Loan Note or Revolving Loan Notes, as so requested, to evidence the Revolving Loan.

2.4. Interest on Revolving Loans.

(a) Except as otherwise set forth herein, each Revolving Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) as follows: (i) if a Base Rate Loan, at the Base Rate plus the Applicable Margin; or (ii) if a LIBOR Rate Loan, at the Adjusted LIBOR Rate plus the Applicable Margin.

(b) Interest payable pursuant to Section 2.4(a) shall be computed on the basis of a 360-day year, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Revolving Loan, the date of the making of such Revolving Loan or the first day of an Interest Period applicable to such Revolving Loan shall be included, and the date of payment of such Revolving Loan or the expiration date of an Interest Period applicable to such Revolving Loan shall be excluded; provided, if a Revolving Loan is repaid on the same day on which it is made, one (1) day's interest shall be paid on that Revolving Loan.

(c) Except as otherwise set forth herein, interest on each Revolving Loan shall be payable in arrears on (i) each Settlement Date applicable to that Revolving Loan; (ii) with respect to any prepayment in whole or in part of such Revolving Loan, whether voluntary or mandatory, the Settlement Date immediately following such prepayment in an amount equal to the interest accrued and unpaid on the amount so prepaid to the date of prepayment; and (iii) at maturity.

2.5. Continuation. Subject to Section 2.14 and so long as no Default or Event of Default shall have occurred and be continuing, upon the expiration of any Interest Period

applicable to any LIBOR Rate Loan, such LIBOR Rate Loan shall automatically continue for an additional Interest Period at the Adjusted LIBOR Rate calculated as of the most recent Interest Rate Reset Date.

2.6. Default Interest. Upon the occurrence and during the continuance of an Event of Default, the principal amount of all Revolving Loans outstanding and, to the extent permitted by applicable law, any interest payments on the Revolving Loans or any fees or other amounts owed hereunder, shall thereafter bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable Debtor Relief Laws) payable in accordance with the provisions of Section 2.10 or 2.12, as the case may be, at a rate that is 3% per annum in excess of the Interest Rate otherwise payable hereunder with respect to the applicable Revolving Loans until no Event of Default is then continuing. Payment or acceptance of the increased rates of interest provided for in this Section 2.6 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or the Lender.

2.7. Fees. The Borrower and CPS agree, jointly and severally, to pay each of the fees referred to in the Fee Letter.

2.8. Call Protection.

(a) The Facility shall not be terminated prior to the Maturity Date.

(b) Notwithstanding the foregoing, in the event the Facility is terminated by the Borrower or CPS prior to the Maturity Date, the Borrower shall pay to the Lender, on the date of such termination, a fee equal to the product of (x) the applicable Interest Rate at the time of such termination, (y) the Revolving Commitments and (z) the remaining term of the Facility (expressed as an annualized number).

2.9. Mandatory Prepayments.

(a) Borrowing Base Deficiency. The Borrower shall prepay the Revolving Loans within one (1) Business Day of the earlier of (i) an Authorized Officer of the Borrower becoming aware that a Borrowing Base Deficiency exists and (ii) receipt by the Borrower of notice from the Administrative Agent that a Borrowing Base Deficiency exists, in each case in an amount equal to such Borrowing Base Deficiency, which shall be applied to repay the Revolving Loans.

(b) Repurchase Events. Upon the occurrence of a Repurchase Event: (i) the Borrower shall cause the Originator to repurchase each affected Receivable at a price equal to the Repurchase Price and (ii) the Borrower shall prepay the Revolving Loans in an amount equal to the Repurchase Price with respect to the related Receivable(s).

(c) Prepayment Certificate. Concurrently with any prepayment of the Revolving Loans pursuant to Sections 2.9(a) and 2.9(b), the Borrower shall deliver, or cause to be delivered, to the Administrative Agent a certificate of an Authorized Officer demonstrating the calculation of the amount of the applicable net proceeds.

2.10. Payments during Event of Default or Following a Funding Termination Event. Upon the occurrence and during the continuance of an Event of Default or a Funding Termination Event on each Settlement Date, (a) all payments made hereunder and under the other Credit Documents (including in respect of proceeds from any Collateral) and (b) all amounts on deposit in the Controlled Accounts and any income and gains from investment of funds in any Controlled Account that accrued during the immediately preceding Collection Period shall be applied by the Controlled Account Bank at the written direction of the Collateral Agent as follows:

- below;
- (i) First, to the payment of, and in the same priority as, items (i) through (vi) and (viii) through (ix) in Section 2.12
 - (ii) Second, to the Lender, to reduce the outstanding principal balance on the Revolving Loans to zero; and
 - (iii) Third, to the Borrower, any remaining amounts.

2.11. Controlled Accounts and Amounts.

(a) On or prior to the date hereof, the Borrower shall cause to be established and maintained, (i) securities accounts at the Controlled Account Bank in the name of the Collateral Agent designated as the Collection Account and the Spread Account as to which the Collateral Agent for the benefit of the Lender has control over such accounts within the meaning of Section 9-106 of the UCC pursuant to the Controlled Account Control Agreement (each, a "**Controlled Account**" and collectively, the "**Controlled Accounts**"), and (ii) a deposit account at the Lockbox Account Bank in the name of the Borrower designated as the Lockbox Account as to which the Collateral Agent has control over such account for the benefit of the Lender within the meaning of Section 9-104(a)(2) of the UCC pursuant to the Lockbox Account Control Agreement.

(b) So long as no Event of Default has occurred and shall be continuing, the Borrower or the Servicer shall be permitted to direct the investment of the funds from time to time held in the Controlled Accounts in Permitted Investments and to sell or liquidate such Permitted Investments and reinvest proceeds from such sale or liquidation in other Permitted Investments (but none of the Collateral Agent, the Administrative Agent, or the Lender shall have liability whatsoever in respect of any failure by the Controlled Account Bank to do so), with all such proceeds and reinvestments to be held in the applicable Controlled Account; provided, however, that the maturity of the Permitted Investments on deposit in the Controlled Accounts shall be no later than the Business Day immediately preceding the date on which such funds are required to be withdrawn therefrom pursuant to this Agreement; and, provided further, that the Borrower shall remit into the applicable Controlled Account an amount equal to any losses realized on Permitted Investments contained therein. No Permitted Investment shall be liquidated at a loss at the direction of the Borrower except to the extent necessary to make a required payment as described herein. All income and gains from the investment of funds in the Controlled Accounts shall be retained in the respective Controlled Account from which they were derived, until the next Settlement Date, at which time such income and gains shall be applied in accordance with Section 2.10 or Section 2.12, as the case may be. As between the

Borrower and the Collateral Agent, the Borrower shall treat all income, gains and losses from the investment of amounts in the Controlled Accounts as its income or loss for federal, state and local income tax purposes.

(c) The Control Agreements will provide that all funds in the Lockbox will be swept daily into the Collection Account.

2.12. Application of Collections.

To the extent no Event of Default or Funding Termination Event has occurred and is continuing, the Collateral Agent will instruct the Controlled Account Bank (or will instruct the Servicer to instruct the Controlled Account Bank pursuant to the Servicing Agreement), on each Settlement Date, to transfer collected funds held by the Controlled Account Bank in the Collection Account, in the following amounts and priority in accordance with the Monthly Servicing Report:

(i) to any Eligible Hedge Counterparty, amounts due under any outstanding Interest Rate Agreement, except amounts due as fees, expenses or as a result of the occurrence of an event of default or termination event under such Interest Rate Agreement or otherwise due upon termination of such Interest Rate Agreement, which amounts shall be paid as provided in (vi) below;

(ii) to the Servicer, any unpaid Servicing Fees;

(iii) on a *pari passu* basis, (1) to the Custodian, the Custodian Fees and Expenses accrued and unpaid as of the last day of the preceding month, (2) to the Backup Servicer, the Backup Servicing Fees and reimbursable expenses (including, without limitation, any transition costs) of the Backup Servicer accrued and unpaid as of the last day of the preceding month, and (3) to the Controlled Account Bank, the Controlled Account Bank Fees accrued and unpaid as of the last day of the preceding month;

(iv) to the Administrative Agent, to pay any costs or fees due to the Administrative Agent and the Collateral Agent,

(v) to the Lender, any accrued but unpaid interest, fees and expenses in connection with this Agreement and any other Credit Document;

(vi) to any Eligible Hedge Counterparty, any unpaid fees, expenses or amounts owed as a consequence of an event of default or termination event under an outstanding Interest Rate Agreement or otherwise due upon termination of such Interest Rate Agreement;

(vii) to the Lender, any amounts necessary to reduce the Borrowing Base Deficiency, if any, to zero;

(viii) to the Administrative Agent, to be deposited in the Spread Account to fund the excess of the Required Spread Account Amount over the amounts then on deposit in the Spread Account;

(ix) on a *pari passu* basis, (1) to the Custodian, any other amounts payable to the Custodian in its capacity as Custodian pursuant to this Agreement or the Custodial Agreement to the extent unpaid by the Borrower and not covered under item (iii) above, (2) to the Backup Servicer, any other amounts payable to the Backup Servicer pursuant to this Agreement or the Backup Servicing Agreement to the extent unpaid by the Borrower and not covered under item (iii) above, and (3) to the Controlled Account Bank, any other amounts payable to the Controlled Account Bank pursuant to this Agreement or the Control Agreements to the extent unpaid by the Borrower hereunder and not covered under item (iii) above; and

(x) prior to the Maturity Date, and provided that no Borrowing Base Deficiency would occur after giving effect to such distribution, to the Borrower for its own account.

2.13. General Provisions Regarding Payments.

(a) All payments by the Borrower of principal, interest, fees and other Obligations shall be made in Dollars in immediately available funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition, and delivered to the Administrative Agent, for the account of the Lender, not later than 3:00 p.m. (New York City time) on the date due at 1345 Avenue of the Americas, 46th Floor, New York, New York 10105 or via wire transfer of immediately available funds to account number 2047628893919 maintained by the Administrative Agent with Bank of America (ABA No. 026 009 593) in New York City (or at such other location or bank account within the City and State of New York as may be designated by the Administrative Agent from time to time); funds received by the Administrative Agent after that time on such due date shall be deemed to have been paid by the Borrower on the next Business Day (except to the extent such delay in payment results solely from the Controlled Account Bank's failure to distribute funds on deposit in the Collection Account and available for distribution as of 3:00 p.m. on such Business Day in accordance with Section 2.10 or 2.12).

(b) All payments in respect of the principal amount of any Revolving Loan (other than voluntary or mandatory prepayments of any Revolving Loan as provided in Section 2.4(c)) shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid.

(c) The Administrative Agent shall promptly distribute to the Lender at such address or via wire transfer as the Lender shall indicate in writing, all payments and prepayments of principal and interest due hereunder, together with all other amounts due with respect thereto, including, without limitation, all fees payable with respect thereto, to the extent received by the Administrative Agent.

(d) Notwithstanding the foregoing provisions hereof, if the Lender makes Base Rate Loans in lieu of LIBOR Rate Loans, the Administrative Agent shall give effect thereto in apportioning payments received thereafter.

(e) Subject to the proviso set forth in the definition of "**Interest Period**," whenever any payment to be made hereunder shall be stated to be due on a day that 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 the computation of the payment of interest hereunder.

(f) The Borrower hereby authorizes the Administrative Agent to charge the Borrower's accounts with the Administrative Agent or any of its Affiliates in order to cause timely payment to be made to the Administrative Agent of all principal, interest, fees and expenses due hereunder (subject to sufficient funds being available in its accounts for that purpose).

(g) The Administrative Agent shall give prompt telephonic notice to the Borrower and the Lender (confirmed in writing) if any payment is not made in conformity with this Section 2.13. Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the Default Rate determined pursuant to Section 2.6 (if applicable) from the date such amount was due and payable until the date such amount is paid in full.

2.14. Making or Maintaining LIBOR Rate Loans.

(a) Inability to Determine Applicable Interest Rate. In the event that the Administrative Agent shall have reasonably determined in good faith (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Reset Date with respect to any LIBOR Rate Loans, that by reason of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the interest rate applicable to such LIBOR Rate Loans on the basis provided for in the definition of Adjusted LIBOR Rate ("**LIBOR Unavailability**"), the Administrative Agent shall on such date give notice (by telefacsimile or by telephone confirmed in writing) to the Borrower and the Lender of such determination, whereupon (i) no Revolving Loans may be made as LIBOR Rate Loans until such time as the Administrative Agent notifies the Borrower and the Lender that the circumstances giving rise to such notice no longer exist, (ii) the Borrower shall have the right to rescind any Funding Notice previously given by the Borrower with respect to the Revolving Loans in respect of which such determination was made by giving notice (by telefacsimile or by telephone confirmed in writing) to the Administrative Agent of such rescission on the date on which the Administrative Agent gives notice of its determination as described above (which notice of rescission the Administrative Agent shall promptly transmit to the Lender), (iii) all then-existing Revolving Loans shall convert automatically to Base Rate Loans at the end of the then-applicable Interest Period if such circumstances still exist at such time and (iv) any subsequent borrowings shall be made as Base Rate Loans until such circumstances no longer exist. At such time as the Administrative Agent shall notify the Borrower and the Lender that any period of LIBOR Unavailability has ended, on the first day of the Interest Period next following such determination, all Base Rate Loans carried by the Lender as a consequence of this Section 2.14(a) shall automatically convert to LIBOR Rate Loans having an initial Interest Period commencing on the first day of such Interest Period.

(b) Illegality or Impracticability of LIBOR Rate Loans. In the event that on any date the Lender shall have reasonably determined in good faith (which determination shall be final and conclusive and binding upon all parties hereto but shall be made only after consultation with the Borrower and the Administrative Agent) that the making or maintaining of its LIBOR Rate Loans (i) has become unlawful after the date hereof as a result of compliance by such Lender in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or (ii) has become impracticable, as a result of contingencies occurring after the date hereof which materially and adversely affect the London interbank market or the position of the Lender in that market, then, and in any such event, the Lender shall on that day give notice (by telefacsimile or by telephone confirmed in writing) to the Borrower and the Administrative Agent of such determination. Thereafter (1) the obligation of the Lender to make Revolving Loans as LIBOR Rate Loans shall be suspended until such notice shall be withdrawn by the Lender at such time as the circumstances giving rise to such notice no longer exist, (2) to the extent such determination by the Lender relates to a LIBOR Rate Loan then being requested by the Borrower pursuant to a Funding Notice, the Lender shall make such Revolving Loan (or continue such Revolving Loan) as a Base Rate Loan, (3) the Lender's obligation to maintain its outstanding LIBOR Rate Loans (the "**Affected Loans**") shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law, and (4) the Affected Loans shall automatically convert into Base Rate Loans on the date of such termination. Notwithstanding the foregoing, to the extent a determination by the Lender as described above relates to a LIBOR Rate Loan then being requested by the Borrower pursuant to a Funding Notice, the Borrower shall have the option, notwithstanding anything to the contrary in Section 2.1(b)(ii), to rescind such Funding Notice by giving notice (by telefacsimile or by telephone confirmed in writing) to the Administrative Agent of such rescission on the date on which the Lender gives notice of its determination as described above (which notice of rescission the Administrative Agent shall promptly transmit to the Lender).

(c) Compensation for Breakage or Non-Commencement of Interest Periods. The Borrower shall compensate the Lender, upon written request by the Lender (which request shall set forth the basis for requesting such amounts), for all reasonable losses, expenses and liabilities (including any interest paid or calculated to be due and payable by the Lender to lenders of funds borrowed by it to make or carry its LIBOR Rate Loans and any loss, expense or liability sustained by the Lender in connection with the liquidation or re-employment of such funds but excluding loss of anticipated profits) which the Lender would sustain: (i) if for any reason (other than a default by the Lender) a borrowing of any LIBOR Rate Loan does not occur on a date specified therefor in a Funding Notice; (ii) if any prepayment or other principal payment of any of its LIBOR Rate Loans occurs on any day other than the last day of an Interest Period applicable to that Revolving Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise); or (iii) if any prepayment of any of its LIBOR Rate Loans is not made on any date specified in a notice of prepayment given by the Borrower.

(d) Booking of LIBOR Rate Loans. The Lender may make, carry or transfer LIBOR Rate Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Lender.

2.15. Increased Costs; Capital Adequacy.

(a) Compensation For Increased Costs and Taxes. Subject to the provisions of Section 2.16 (which shall be controlling with respect to the matters covered thereby), in the event that the Lender shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or governmental authority, in each case that becomes effective after the date hereof, or compliance by the Lender with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law): (i) subjects the Lender (or its applicable lending office) to any additional Tax (other than any Tax on the overall net income of the Lender) with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to the Lender (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of the Lender (other than any such reserve or other requirements); or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting the Lender (or its applicable lending office) or its obligations hereunder or the London interbank market; and the result of any of the foregoing is to increase the cost to the Lender of agreeing to make, making or maintaining Revolving Loans hereunder or to reduce any amount received or receivable by the Lender (or its applicable lending office) with respect thereto; then, in any such case, the Borrower shall pay to the Lender within ten (10) Business Days of receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as the Lender in its sole discretion shall determine) as may be necessary to compensate the Lender for any such increased cost or reduction in amounts received or receivable hereunder. The Lender shall deliver to the Borrower (with a copy to the Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 2.15(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) Capital Adequacy Adjustment.

(i) In the event that any Lender shall have determined that the adoption, effectiveness, phase-in or applicability after the Closing Date of any law, rule or regulation (or any provision thereof) regarding capital adequacy, or any change therein 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 any Lender (or its applicable lending office) with any guideline, request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of, or with reference to, such Lender's

Revolving Loans or Revolving Commitments or participations therein or other obligations hereunder with respect to the Revolving Loans to a level below that which such Lender or such controlling corporation could have achieved but for such adoption, effectiveness, phase-in, applicability, change or compliance (taking into consideration the policies of such Lender or such controlling corporation with regard to capital adequacy), then from time to time, within ten (10) Business Days after receipt by the Borrower from such Lender of the statement referred to in the next sentence, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such controlling corporation on an after-tax basis for such reduction. Such Lender shall deliver to the Borrower (with a copy to the Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to the Lender under this Section 2.15(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(ii) If any of the events requiring payments of additional amounts by Borrower under Section 2.15(a) or (b) occurs, Lender shall take such steps as may be reasonable to avoid Borrower being required to pay such additional amounts and shall consult with Borrower in good faith with a view to agreeing to alternative arrangements whereby any such requirement can be avoided or mitigated, including without limitation, fulfilling any of Lender's obligations through another branch or affiliate in the United States, *provided* that no such alternative arrangements will be required that would be disadvantageous to Lender and would result in significantly increased cost to Lender.

(iii) If Lender demands payment with respect to amounts owed under Section 2.15(a) or (b), Borrower shall have the right, if no Default or Event of Default has occurred and is then continuing, within ninety (90) days after receipt of such demand, to remove Lender (the "*Affected Person*") and to designate another lender (the "*Replacement Person*") reasonably acceptable to the Administrative Agent to purchase the Affected Person's outstanding Revolving Loans and to assume the Affected Person's obligations under this Agreement; *provided* that increased costs incurred by such Lender prior to the date of its replacement shall have been paid as provided herein. The Affected Person agrees to sell to the Replacement Person its outstanding Loans (at par, with accrued interest through the date of purchase, in immediately available funds) and to delegate to the Replacement Person its obligations to Borrower under this Agreement. Upon such sale and delegation by the Affected Person and the purchase and assumption by the Replacement Person, and compliance with the provisions of Section 9.6 hereof, the Affected Person shall cease to be a Lender hereunder and the Replacement Person shall become a Lender under this Agreement. Each Affected Person shall continue to be entitled to receive from Borrower its share of interest, fees, costs and other sums which have not been assigned by the Affected Person to the Replacement Person.

2.16. Taxes; Withholding, etc.

(a) Payments to Be Free and Clear. All sums payable by each Credit Party hereunder and under the other Credit Documents shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax (other than a Tax on the overall net income of the Lender) imposed, levied, collected,

withheld or assessed by or within the United States of America or any political subdivision in or of the United States of America or any other jurisdiction from or to which a payment is made by or on behalf of a Credit Party or by any federation or organization of which the United States of America or any such jurisdiction is a member at the time of payment.

(b) Withholding of Taxes. If a Credit Party or any other Person is required by law to make any deduction or withholding on account of any such Tax from any sum paid or payable by any Credit Party in respect of interest paid or payable by the Borrower to the Administrative Agent or the Lender under any of the Credit Documents: (i) the Borrower shall notify the Administrative Agent as soon as practicable of any such requirement or any change in any such requirement as soon as the Borrower becomes aware of it; (ii) the Borrower shall pay any such Tax before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Credit Party) for its own account or (if that liability is imposed on the Administrative Agent or the Lender, as the case may be) on behalf of and in the name of the Administrative Agent or the Lender; (iii) the sum payable by any Credit Party in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, the Administrative Agent or the Lender, as the case may be, receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made; and (iv) within thirty (30) days (or as soon as practicable thereafter) after paying any sum from which it is required by law to make any deduction or withholding, and within thirty (30) days (or as soon as practicable thereafter) after the due date of payment of any Tax which it is required by clause (ii) above to pay, the Borrower shall use commercially reasonable efforts to deliver to the Administrative Agent evidence satisfactory to the other affected parties of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority; provided, no such additional amount shall be required to be paid to any Lender under clause (iii) above (and in the case of any payment required under clause (ii) above, such payment shall be treated as a payment under the Credit Documents to the Borrower, the Administrative Agent or the Lender as the case may be) except to the extent that any change after the date hereof in any such requirement for a deduction, withholding or payment as is mentioned therein shall result in an increase in the rate of such deduction, withholding or payment from that in effect at the date hereof, in respect of payments to the Lender.

(c) The Borrower shall not be required to pay any additional amounts to the Lender in respect of United States federal withholding taxes pursuant to Section 2.16(b) above if the obligation to pay such additional amounts would not have arisen but for a failure by Lender to comply with the provisions of Section 2.16(d) hereof. In the event the Borrower has actual knowledge that it is required to, or there arises, in the Borrower's reasonable opinion, a substantial likelihood that the Borrower will be required to, pay an increased amount or otherwise indemnify the Lender for or on account of any Taxes pursuant to Section 2.16(b), the Borrower shall promptly notify the Lender of the nature of such Taxes and shall furnish such information to Lender as it may reasonably request. In the event the Borrower provides the notice described in the previous sentence, the Lender shall consult with the Borrower in good faith to determine what action may be required to avoid or reduce such Taxes and shall use reasonable efforts to avoid or reduce such Taxes, *provided* that no action shall be required to be taken that would be disadvantageous to the Lender and would result in significantly increased cost to such Lender.

(d) If the Lender is not incorporated under the laws of the United States, any state thereof or the District of Columbia, prior to the first payment to the Lender under this Agreement, the Lender shall deliver to the Borrower (i) two duly completed copies of United States Internal Revenue Service Form W-8BEN or Form W-8ECI (or applicable successor form and any related forms as may from time to time be adopted to document a claim to which such form relates), and (ii) a duly completed copy of United States Internal Revenue Service Form W-8 or W-9 (or applicable successor form and any related forms as may from time to time be adopted to document a claim to which such form relates). The Lender shall certify that (x) in the case of any form provided pursuant to clause (i) of the preceding sentence it is entitled to receive payments hereunder without deduction or withholding of any United States federal income taxes and (y) in the case of any form provided pursuant to clause (ii) of the preceding sentence it is entitled to receive payments hereunder without deduction or withholding of any United States federal backup withholding taxes. The Lender also agrees to deliver further copies of said Form W-8BEN, W-8ECI or W-9 (or applicable successor form and any related forms as may from time to time be adopted to document a claim to which such form relates), and any related certification as described in the preceding sentence, as the case may be, (i) on or before the date that any such form previously provided expires or becomes obsolete, (ii) after the occurrence of any event requiring a change in the most recent form previously provided unless a change in a treaty, law or regulation has occurred prior to the date on which delivery would otherwise be required that renders all such forms inapplicable or that would prevent the Lender from duly completing and delivering any such form with respect to it and the Lender so advises the Borrower and (iii) upon reasonable request of the Borrower.

2.17. Obligation to Mitigate.

(a) If the Administrative Agent or any Lender determines, in its sole and reasonable discretion, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to Section 2.16, it shall pay to the Borrower an amount equal to such refund, as determined in good faith by the Administrative Agent or the Lender in its sole and reasonable discretion (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under Section 2.16 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses incurred by the Administrative Agent or the Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or the Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or the Lender in the event the Administrative Agent or the Lender is required to repay such refund to such governmental authority. This subsection shall not be construed to require the Administrative Agent or the Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

2.18. Determination of Borrowing Base; Eligible Receivables.

(a) The Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Administrative Agent as may be modified by the Administrative Agent in good faith (subject to the following clause (ii)) to

assure that the Borrowing Base is accurately calculated in accordance with the terms of this Agreement.

(b) Subject to the relevant terms and provisions set forth in this Agreement, including, without limitation, Section 9.5, the Administrative Agent shall be entitled at all times to make reasonable changes to the Eligibility Criteria, upon thirty (30) days prior written notice to the Borrower setting forth such changes and consultation with the Borrower and CPS; provided, that such changes shall (1) only apply to Receivables originated or purchased after the date of such change and (2) be effected only to the extent necessary to reflect circumstances that adversely impact the Lender's valuation of the Receivables.

SECTION CONDITIONS PRECEDENT

3.

3.1. Closing Date. The obligation of the Lender to make a Credit Extension on the Closing Date is subject to the satisfaction, or waiver in accordance with Section 9.5, of the following conditions on or before the Closing Date:

(a) Credit Documents. The Administrative Agent shall have received copies of each Credit Document originally executed and delivered by each applicable Credit Party.

(b) Organizational Documents; Incumbency. The Administrative Agent shall have received copies of (i) each Organizational Document executed and delivered by each Credit Party, as applicable, and, to the extent applicable, certified as of a recent date by the appropriate governmental official, each dated the Closing Date or a recent date prior thereto; (ii) signature and incumbency certificates of the officers of such Person executing the Credit Documents to which it is a party; (iii) resolutions of the board of directors, board of managers or similar governing body of each Credit Party approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents and the Related Agreements to which it is a party or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment; (iv) a good standing certificate from the applicable Governmental Authority of each Credit Party's jurisdiction of incorporation, organization or formation, each dated a recent date prior to the Closing Date; and (v) such other documents as the Administrative Agent may reasonably request.

(c) Consummation of Transactions Contemplated by Related Agreements. The Administrative Agent shall have received a fully executed or conformed copy of each Related Agreement and any documents executed in connection therewith. Each Related Agreement shall be in full force and effect, shall include terms and provisions reasonably satisfactory to the Administrative Agent and no provision thereof shall have been modified or waived in any respect determined by the Administrative Agent to be material, in each case without the consent of the Administrative Agent.

(d) Transaction Costs. On or prior to the Closing Date, the Borrower shall have delivered to the Administrative Agent the Borrower's reasonable best estimate of the Transaction Costs (other than fees payable to any Agent).

(e) Governmental Authorizations and Consents. Each Credit Party shall have obtained all Governmental Authorizations and all consents of other Persons, in each case that are necessary or advisable in connection with the transactions contemplated by the Credit Documents and the Related Agreements and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to the Administrative Agent. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Credit Documents or the Related Agreements or the financing thereof and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(f) Collateral. In order to create in favor of the Collateral Agent, for the benefit of Secured Parties, a valid, perfected first priority Lien in the Collateral and in the Capital Stock of the Borrower, the Collateral Agent shall have received:

(i) evidence satisfactory to the Administrative Agent of the compliance by each of the Originator and the Borrower of their obligations under the Security Agreement and the other Collateral Documents (including, without limitation, their obligations to authorize or execute, as the case may be, and deliver UCC financing statements, originals of securities, instruments and chattel paper and any agreements governing deposit accounts as provided therein);

(ii) the results of a recent search of all effective UCC financing statements (or equivalent filings) made with respect to any personal or mixed property of the Originator in California and the Borrower in Delaware together with copies of all such filings disclosed by such search, which shall be provided by CPS;

(iii) UCC termination statements (or similar documents) duly approved by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search with respect to the Collateral;

(iv) evidence that the Originator and the Borrower shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by the Collateral Agent or the Administrative Agent;

(v) opinions of counsel (which counsel shall be reasonably satisfactory to the Collateral Agent) with respect to the creation and perfection of the security interests in favor of the Collateral Agent in such Collateral and such other matters governed by the laws of each jurisdiction in which the Borrower or the Collateral is located as the Administrative Agent may reasonably request, in each case in form and substance reasonably satisfactory to the Administrative Agent; and

(vi) evidence that any Indebtedness (other than the Obligations) secured by the Collateral has been paid in full.

(g) Financial Statements; Forecasts. The Administrative Agent shall have received from CPS (i) any historical financial information regarding the Credit Parties requested by the Administrative Agent, (ii) any financial projections with respect to the Credit Parties requested by the Administrative Agent and (iii) any other financial information regarding the Credit Parties as the Administrative Agent, in its sole discretion, may request.

(h) Evidence of Insurance. The Collateral Agent shall have received a certificate from the Servicer's insurance broker, or other evidence satisfactory to it that all insurance required to be maintained hereunder and under the Servicing Agreement is in full force and effect, and the Administrative Agent shall have completed its review of the insurance coverage for CPS and the Borrower and the results of such review shall be satisfactory to the Administrative Agent.

(i) Opinions of Counsel to Credit Parties. The Administrative Agent shall have received originally executed copies of the favorable written opinions of Andrews Kurth LLP, counsel for CPS and the Borrower, and internal counsel for CPS and the Borrower, and as to such matters as the Administrative Agent may reasonably request, dated as of the Closing Date and otherwise in form and substance reasonably satisfactory to the Administrative Agent and its counsel (and CPS and the Borrower hereby instruct counsel for CPS and the Borrower to deliver such opinions to the Agents and the Lender).

(j) Upfront Fee. The Borrower and/or CPS shall have paid to the Lender the fee payable on the Closing Date referred to in the Fee Letter.

(k) Solvency Certificate. On the Closing Date, the Administrative Agent shall have received Solvency Certificates from the Borrower and CPS dated as of the Closing Date and addressed to the Administrative Agent and Lender, substantially in the form of Exhibit E-2, attesting that before and after giving effect to the consummation of the transactions contemplated by the Credit Documents and the Related Agreements, each of the Borrower and CPS, as the case may be, is Solvent.

(l) Closing Date Certificate. Each of CPS and the Borrower shall have delivered to the Administrative Agent an originally executed Closing Date Certificate, together with all attachments thereto.

(m) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority that, in the reasonable opinion of the Administrative Agent, singly or in the aggregate, materially impairs the transactions contemplated by the Related Agreements or any of the other transactions contemplated by the Credit Documents, or that could reasonably be expected to have a Material Adverse Effect, except has been previously disclosed in writing to the Administrative Agent or in CPS' public reports filed under the Exchange Act, provided that CPS has notified the Administrative Agent of such filing.

(n) No Closing Date Material Adverse Change. A Closing Date Material Adverse Change shall not have occurred.

(o) No New Information. The Administrative Agent shall not have become aware, since August 31, 2009, of any new information or other matters not previously disclosed to the Administrative Agent relating to the Borrower, CPS or its Subsidiaries or the transactions contemplated herein which the Administrative Agent, in its reasonable judgment, deems inconsistent in a material and adverse manner with the information or other matters previously disclosed to the Administrative Agent relating to the Borrower, CPS or its Subsidiaries.

(p) Delivery of Receivable Files to Custodian; Collateral Receipt. In accordance with the terms of the Custodial Agreement, the Borrower has delivered, or caused to be delivered, to the Custodian, the related Receivable File and the Collateral Agent has received a Collateral Receipt and Exception Report from the Custodian, which Collateral Receipt and Exception Report is acceptable to the Collateral Agent in its sole discretion.

(q) Service of Process. On the Closing Date, the Administrative Agent shall have received evidence that each of CPS and the Borrower has appointed an agent in New York City for the purpose of service of process in New York City and such agent shall agree in writing to give the Administrative Agent notice of any resignation of such service agent or other termination of the agency relationship.

(r) Borrowing Base Confirmation. The Administrative Agent shall have received a Borrowing Base Certificate evidencing that there is sufficient Revolving Availability with respect to the initial Credit Extension requested by the Borrower.

(s) Servicing Report. The Administrative Agent shall have received a pro forma Monthly Servicing Report as of August 31, 2009, acceptable to the Administrative Agent in its sole discretion.

(t) Diligence.

(i) The Administrative Agent shall have completed its diligence, including but not limited to, legal diligence and due diligence on the Credit Parties and the results of such diligence are satisfactory to the Administrative Agent in its sole discretion;

(ii) The Administrative Agent shall be satisfied, in its sole discretion, with the results of background investigations, if any, performed on principals and employees of any Credit Party, including, without limitation, Charles Bradley, Jr.; and

(iii) The Administrative Agent shall be satisfied, in its sole discretion, with the Credit Parties' cash management systems and the Servicer's procedures and systems.

(u) Backup Servicing. The Backup Servicer shall have completed all required data mapping as set forth in the Backup Servicing Agreement.

3.2. Conditions to Each Credit Extension.

(a) Conditions Precedent. The obligation of the Lender to make any Revolving Loan, on any Credit Date, including the Closing Date, are subject to the satisfaction, or waiver in accordance with Section 9.5, of the following conditions precedent:

(i) the Administrative Agent shall have received a fully executed and delivered Funding Notice together with a Borrowing Base Certificate two (2) Business Days prior to such Credit Date, evidencing sufficient Revolving Availability with respect to the requested Revolving Loan;

(ii) after making the Credit Extensions requested on such Credit Date, the Total Utilization of Revolving Commitments as of such Credit Date shall not exceed the lesser of (A) the Revolving Commitments then in effect and (B) the Borrowing Base;

(iii) as of such Credit Date, the representations and warranties made by each of the Credit Parties contained herein and in the other Credit Documents shall be true and correct in all material respects on and as of that Credit Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date;

(iv) as of such Credit Date, after giving effect to such Revolving Loan, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that would constitute an Event of Default or a Default;

(v) as of such Credit Date, after giving effect to such Revolving Loan, the Spread Account is fully funded at the Required Spread Account Amount;

(vi) as of such Credit Date, the Collateral Agent shall have received satisfactory evidence of the valid transfer of the Eligible Receivables comprising the Borrowing Base to the Borrower; and

(vii) in accordance with the terms of the Custodial Agreement, the Borrower has delivered, or caused to be delivered, to the Custodian, the related Receivable File and the Collateral Agent has received a Collateral Receipt and Exception Report from the Custodian, which Collateral Receipt and Exception Report is acceptable to the Collateral Agent in its sole discretion.

Any Agent shall be entitled, but not obligated to, request and receive, prior to the making of any Credit Extension, additional information reasonably satisfactory to the requesting party confirming the satisfaction of any of the foregoing if, in the good faith judgment of such Agent such request is warranted under the circumstances.

(b) Funding Notices. Any Funding Notice shall be executed by an Authorized Officer of the Borrower delivered to the Administrative Agent. In lieu of delivering a Funding Notice, the Borrower may give the Administrative Agent telephonic notice by the required time

of any proposed borrowing; provided each such notice shall be promptly confirmed in writing by delivery of the applicable Funding Notice and Borrowing Base Certificate to the Administrative Agent on or before the applicable Credit Date. Neither the Administrative Agent nor the Lender shall incur any liability to the Borrower in acting upon any telephonic notice referred to above that the Administrative Agent believes in good faith to have been given by a duly Authorized Officer of the Borrower.

SECTION REPRESENTATIONS AND WARRANTIES

4.

In order to induce Agents and the Lender to enter into this Agreement and to make each Credit Extension to be made thereby, each of the Borrower and CPS (with respect to itself) represents and warrants, to each Agent and the Lender, on the Closing Date and on each Credit Date, that the following statements are true and correct (it being understood and agreed that the representations and warranties made on the Closing Date are deemed to be made concurrently with the consummation of the transactions contemplated by Related Agreements):

4.1. Organization; Requisite Power and Authority; Qualification; Other Names. Each of the Borrower and CPS (a) is duly organized or formed, validly existing and in good standing under the laws of the State of its organization, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents and the Related Agreements to which it is a party, and to carry out the transactions contemplated thereby and fulfill its Obligations thereunder, (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect. The Borrower does not operate or do business under any assumed, trade or fictitious name. The Borrower has no Subsidiaries.

4.2. Capital Stock and Ownership. The Capital Stock of the Borrower has been duly authorized and validly issued and is fully paid and non-assessable. There is no existing option, warrant, call, right, commitment or other agreement to which the Borrower is a party requiring, and there is no Capital Stock of the Borrower outstanding which upon conversion or exchange would require, the issuance by the Borrower of Capital Stock of the Borrower or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, Capital Stock of the Borrower.

4.3. Due Authorization. The execution, delivery and performance of the Credit Documents and the Related Agreements to which each Credit Party is a party have been duly authorized by all necessary action on the part of such Credit Party.

4.4. No Conflict. The execution, delivery and performance by each Credit Party of the Credit Documents and the Related Agreements to which it is a party and the consummation of the transactions contemplated by the Credit Documents and the Related Agreements do not and will not (a) (i) violate any provision of any law or any governmental rule or regulation applicable to such Credit Party, (ii) violate any of the Organizational Documents of such Credit Party, or (iii) violate any order, judgment or decree of any court or other agency of government binding on such Credit Party; (b) conflict with, result in a breach of or constitute (with due notice

or lapse of time or both) a default under any Contractual Obligation of such Credit Party, except as could not reasonably be expected to result in a Material Adverse Effect; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of such Credit Party (other than any Liens created under any of the Credit Documents in favor of the Collateral Agent, on behalf of the Secured Parties); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of such Credit Party, except for such approvals or consents which will be obtained on or before the Closing Date and disclosed in writing to the Administrative Agent.

4.5. Governmental Consents. The execution, delivery and performance by each Credit Party of the Credit Documents and the Related Agreements to which it is a party and the consummation of the transactions contemplated by the Credit Documents and the Related Agreements do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority, except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to the Collateral Agent for filing and/or recordation, as of the Closing Date.

4.6. Binding Obligation. Each Credit Document and each Related Agreement to which each Credit Party is a party has been duly executed and delivered by such Credit Party and is the legally valid and binding obligation of such Credit Party and is in full force and effect, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.7. Receivables. Each Receivable is a bona fide existing payment obligation of a Obligor, owed to the Borrower without defenses, disputes, offsets, counterclaims, or rights of return or cancellation. Each Receivable that is identified by the Borrower as an Eligible Receivable on a Borrowing Base Certificate or Funding Notice, or by the Servicer on a Monthly Servicing Report, satisfies the Eligibility Criteria. No Depository Institution assisted in the origination of any Receivable and at no time has any Receivable been owned, purchased, or serviced by a Depository Institution.

4.8. No Material Adverse Effect. Since August 31, 2009, no event, circumstance or change has occurred that has caused or evidences, either individually or in the aggregate, a Material Adverse Effect.

4.9. Adverse Proceedings, etc. There are no Adverse Proceedings pending, individually or in the aggregate, that could reasonably be expected to have a Material Adverse Effect. No Credit Party is (a) in violation of any applicable laws that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (b) subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.10. Payment of Taxes. Except as otherwise permitted under Section 5.3, all tax returns and reports of the Borrower required to be filed have been timely filed, and all taxes

shown on such tax returns to be due and payable and all assessments, fees and other governmental charges upon the Borrower and upon its properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable. The Borrower knows of no proposed tax assessment against it which is not being actively contested by the Borrower in good faith and by appropriate proceedings; provided, such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.11. Title to Assets. The Borrower has good and valid title to all of its assets reflected in the most recent financial statements delivered pursuant to Section 5.13. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens, other than Permitted Liens.

4.12. No Indebtedness. The Borrower does not have any Indebtedness, other than Indebtedness incurred under (or contemplated by) the terms of this Agreement, the other Credit Documents or otherwise permitted hereunder.

4.13. No Defaults. Other than the defaults set forth on Schedule 1 hereto, no Credit Party is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and to each Credit Party's knowledge no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where, (a) such defaults have been waived, or (b) individually or in the aggregate, the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

4.14. Governmental Regulation. The Borrower is not subject to regulation under the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. The Borrower is not a "**registered investment company**" or a company "**controlled**" by a "**registered investment company**" or a "**principal underwriter**" of a "**registered investment company**" as such terms are defined in the Investment Company Act of 1940.

4.15. Margin Stock. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Revolving Loans made to the Borrower will be used directly or indirectly to purchase or carry any such Margin Stock, for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry Margin Stock, to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

4.16. [Reserved].

4.17. Certain Fees. No broker's or finder's fee or commission will be payable by the Borrower with respect hereto or any of the transactions contemplated hereby.

4.18. Solvency and Fraudulent Conveyance. The Borrower is and, upon the incurrence of any Credit Extension by the Borrower on any date on which this representation and warranty is made, will be, Solvent. Neither the Borrower nor CPS is transferring any Collateral with any intent to hinder, delay or defraud any of its creditors. Neither the Borrower nor CPS shall use the proceeds from the transactions contemplated by this Agreement to give preference to any class of creditors. The Borrower has given fair consideration and reasonably equivalent value in exchange for the sale of the Receivables under the Purchase Agreement.

4.19. Related Agreements.

(a) Delivery. The Borrower has delivered, or caused to be delivered, to the Administrative Agent complete and correct copies of (i) each Related Agreement and of all exhibits and schedules thereto as of the date hereof, and (ii) copies of any material amendment, restatement, supplement or other modification to or waiver of each Related Agreement entered into after the date hereof.

(b) Representations and Warranties. Except to the extent otherwise expressly set forth herein or in the schedules hereto, and subject to the qualifications set forth therein, each of the representations and warranties given by each of the Borrower and CPS in any Related Agreement is true and correct in all material respects as of the Closing Date (or as of any earlier date to which such representation and warranty specifically relates). Notwithstanding anything in the Related Agreement to the contrary, the representations and warranties of each of the Borrower and CPS set forth in any Related Agreement shall, solely for purposes hereof, survive the Closing Date for the benefit of the Lender.

(c) Governmental Approvals. All Governmental Authorizations and all other authorizations, approvals and consents of any other Person required by the Related Agreements or to consummate the transactions contemplated therein have been obtained and are in full force and effect.

(d) Conditions Precedent. On the Closing Date, all of the conditions to effecting or consummating the transactions described herein and set forth in the Credit Documents and in the Related Agreements have been duly satisfied or, with the consent of the Administrative Agent, waived, and the transactions described set forth in the Related Agreements, have been consummated in accordance with the Related Documents

4.20. Compliance with Statutes, etc. Each Credit Party is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property, except such non-compliance that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

4.21. Disclosure. The representations and warranties of each of the Borrower and CPS contained in any Credit Document or in any other documents, certificates or written statements furnished to the Lender by or on behalf of CPS or any of its Subsidiaries for use in connection with the transactions contemplated hereby, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact (known to CPS or the Borrower, in the case of

any document not furnished by either of them) necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions by the preparer thereof believed to be reasonable at the time made, it being recognized by the Lender that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results. There are no facts known (or which should upon the reasonable exercise of diligence be known) to the Borrower (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to the Lender for use in connection with the transactions contemplated hereby.

4.22. Money Control Acts/FCPA. To the extent applicable, each of the Borrower and CPS is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "**Act**"). No part of the proceeds of the Revolving Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

SECTION AFFIRMATIVE COVENANTS

5.

Each of CPS and the Borrower covenants and agrees that so long as any Revolving Commitment is in effect and until payment in full of all of the Obligations (other than contingent indemnification obligations), CPS and/or the Borrower, as applicable, shall perform all covenants in this Section 5.

5.1. Reports. Unless otherwise provided below, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent:

(a) **Collateral Reporting.** On each Credit Date and at such other times as the Administrative Agent shall request, the Borrower shall deliver a Borrowing Base Certificate to the Administrative Agent, in form and substance satisfactory to the Administrative Agent. Each Borrowing Base Certificate delivered to the Administrative Agent shall bear a signed statement by an Authorized Officer certifying the accuracy and completeness of all information included therein. The execution and delivery of a Borrowing Base Certificate shall in each instance constitute a representation and warranty by the Borrower to the Lender that each Eligible Receivable included therein satisfies the Eligibility Criteria. In the event any Funding Notice with respect to a Revolving Loan or other information required by this Section 5.1(a) is delivered to the Administrative Agent by the Borrower electronically or otherwise without signature, such Funding Notice or other information shall, upon such delivery, be deemed to be signed and certified on behalf of the Borrower by an Authorized Officer and constitute a representation to

the Administrative Agent as to the authenticity thereof. The Administrative Agent shall have the right to review and adjust any such calculation of the Borrowing Base in accordance with Section 2.18 hereof;

(b) Notice of Default. Promptly upon any Authorized Officer of CPS or the Borrower obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default; (ii) that any Person has given any notice to CPS or the Borrower or taken any other action with respect to any event or condition set forth in Section 7.1(b) (captioned "Cross-Defaults"); or (iii) of the occurrence of any event or change that has caused or evidences, either individually or in the aggregate, a Material Adverse Effect, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action CPS or the Borrower, as applicable, has taken, is taking and proposes to take with respect thereto;

(c) Notice of Litigation. Promptly upon any Authorized Officer of CPS or the Borrower obtaining knowledge of (i) the institution of, or non-frivolous threat of, any Adverse Proceeding not previously disclosed in writing by CPS or the Borrower to the Lender, or (ii) any material development in any Adverse Proceeding that, in the case of either clause (i) or (ii) if adversely determined, is reasonably likely to result in a judgment in an amount in excess of \$250,000, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to CPS or the Borrower, as applicable, to enable the Lender and its counsel to evaluate such matters;

(d) [Reserved].

(e) Breach of Representations and Warranties. Promptly upon CPS or the Borrower becoming aware of a material breach with respect to any representation or warranty made or deemed made by CPS or the Borrower in any Credit Document or in any certificate at any time given by CPS or the Borrower in writing pursuant hereto or thereto or in connection herewith or therewith, a certificate of its Authorized Officers specifying the nature and period of existence of such breach and what action CPS or the Borrower, as applicable, has taken, is taking and proposes to take with respect thereto;

(f) Information Regarding Collateral. The Borrower will furnish to the Collateral Agent prior written notice of any change (i) in its corporate name, (ii) in its identity, corporate structure or jurisdiction of organization, or (iii) in its Federal Taxpayer Identification Number. The Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. The Borrower also agrees promptly to notify the Collateral Agent if any material portion of the Collateral is damaged or destroyed; and

(g) Tax Returns. As soon as practicable and in any event within fifteen (15) days following the filing thereof, the Borrower shall provide to the Administrative Agent copies of each federal income tax return filed by or on behalf of the Borrower.

5.2. **Existence.** Each of CPS and the Borrower shall at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business.

5.3. **Payment of Taxes and Claims.** The Borrower shall pay all Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contested proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. The Borrower shall not file or consent to the filing of any consolidated income tax return with any Person (other than CPS or any of its Subsidiaries).

5.4. **Audits of Receivables.** Each of CPS and the Borrower shall, at any time and as frequently as may be reasonably requested by the Administrative Agent, at the Borrower's expense, permit the Administrative Agent, or its agents or professional advisors, at reasonable times during business hours and upon reasonable notice to CPS or the Borrower, as applicable, to audit the Receivables and to inspect, audit, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, financings and accounts with any Person, including, without limitation, employees of the Borrower or CPS and independent public accountants. The Borrower agrees to pay the reasonable out-of-pocket expenses incurred by the Administrative Agent in connection with its field examinations and audits and the preparation of reports thereof performed or prepared. Subject to Section 2.18(b), the Administrative Agent may redetermine the value of Eligible Receivables based on any such audits, or updates of audits, and, as a result, redetermine the Borrowing Base.

5.5. **Annual Meetings.** Each of CPS and the Borrower will, upon the request of the Administrative Agent or the Lender, participate in a meeting of the Administrative Agent and the Lender once during each Fiscal Year to be held at the Borrower's corporate offices (or at such other location as may be agreed to by CPS, the Borrower, the Administrative Agent and the Lender) at such time as may be agreed to by CPS, the Borrower, the Administrative Agent and the Lender.

5.6. **Compliance with Laws.** Each of CPS and the Borrower shall comply with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority noncompliance with which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.7. **Further Assurances.** At any time or from time to time upon the request of the Administrative Agent, each of CPS and the Borrower will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Administrative Agent or the Collateral Agent may reasonably request in order to effect fully the

purposes of the Credit Documents, including providing the Lender with any information reasonably requested pursuant to Section 9.19.

5.8. Separateness. The Borrower acknowledges that the Lender is entering into this Agreement in reliance upon the Borrower's identity as a legal entity that is separate from any other Person. Therefore, from and after the date of this Agreement, the Borrower shall take all reasonable steps, including without limitation, all steps that the Lender may from time to time reasonably request, to maintain the Borrower's identity as a separate legal entity and to make it manifest to third parties that the Borrower is a separate legal entity. Without limiting the generality of the foregoing, the Borrower agrees that it has not and shall not:

- (a) engage, either directly or indirectly, in any business or activity other than the acquisition, ownership, financing and disposition of the Receivables in accordance with the Credit Documents and the Related Agreements and activities incidental thereto;
- (b) acquire or own any material asset other than the Collateral and proceeds thereof;
- (c) merge into or consolidate with any Person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case, to the extent permitted by law, the Administrative Agent's consent;
- (d) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation, or without the prior written consent of the Administrative Agent, amend, modify, change, repeal, terminate or fail to comply with the provisions of the Borrower's certificate of formation, or its limited liability company agreement, as the case may be; provided, however, the Borrower may amend its operating agreement without the Administrative Agent's consent (i) to cure any ambiguity, (ii) with respect to administrative matters, or (iii) to convert or supplement any provision in a manner consistent with the intent of this Agreement or the other Credit Documents or the Related Agreements;
- (e) own any Subsidiary or make any investment in, any Person or entity without the consent of the Administrative Agent;
- (f) commingle its assets with the assets of any of its general partners, members, Affiliates, principals or any other Person or entity;
- (g) incur any Indebtedness except the Obligations and Indebtedness with respect to any Interest Rate Agreement required hereby;
- (h) fail to remain Solvent;
- (i) fail to maintain its records, books of account and bank accounts, separate and apart from those of the general partners, members, principals and Affiliates of the Borrower or the Affiliates of a general partner or member of the Borrower or any other Person;

(j) except for the Credit Documents and the Related Agreements, and as otherwise expressly permitted by the Credit Documents, enter into any contract or agreement with any general partner, member, principal or Affiliate of the Borrower, CPS, or any general partner, member, principal or Affiliate thereof, except with the Administrative Agent's consent and upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any general partner, member, principal or affiliate of the Borrower, CPS, or any general partner, member, principal or Affiliate thereof or fail to maintain separate financial statements from those of its general partners, members, principles and Affiliates; provided, however, the Borrower's financial position, assets, liabilities, net worth and operating results may be included in the consolidated financial statements of CPS and its Affiliates; provided that such consolidated financial statements disclose that the Borrower is a separate legal entity and that its assets are not generally available to satisfy the claims of creditors of CPS;

(k) seek the dissolution or winding up, in whole or in part, of the Borrower or take any action that would cause the Borrower to become insolvent;

(l) fail to take reasonable efforts to correct any misunderstanding known to the Borrower regarding the separate identity of the Borrower;

(m) maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(n) except as provided in the Credit Documents, assume or guaranty the debts of any other Person, hold itself out to be responsible for the debts of any other Person, or otherwise pledge its assets for the benefit of any other Person or hold out its credit as being available to satisfy the obligations of any other Person;

(o) except as provided in the Credit Documents, make any loans or advances to any third party, including any general partner, member, principal or affiliate of the Borrower, or any general partner, member, principal or Affiliate thereof;

(p) fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or Person or to conduct its business solely in its own name in order not (i) to mislead others as to the identity with which such other party is transacting business, or (ii) to suggest that the Borrower is responsible for the debts of any third party (including any general partner, member, principal or Affiliate of the Borrower, or any general partner, member, principal or Affiliate thereof);

(q) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(r) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors;

(s) hold itself out as or be considered as a department or division (other than for tax purposes) of any general partner, principal, member or Affiliate of the Borrower or any other Person or entity;

(t) fail to allocate fairly and reasonably shared expenses (including, without limitation, shared office space and services performed by an employee of an Affiliate) among the Persons sharing such expenses and to use separate stationery, invoices and checks;

(u) acquire obligations or securities of its partners, members, shareholders of other Affiliates, as applicable;

(v) violate or cause to be violated the assumptions made with respect to the Borrower in any opinion letter pertaining to substantive consolidation delivered to the Lender in connection with the Credit Documents;

(w) [Reserved];

(x) fail to have Organizational Documents that provide that, so long as the Obligations of the Borrower shall be outstanding, the Borrower shall not (i) seek the dissolution or winding up in whole, or in part, of the Borrower or (ii) file or consent to the filing of any petition, either voluntary or involuntary, or commence a case under any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors without the consent of the Independent Manager;

(y) fail to observe all requisite organizational formalities under Delaware law;

(z) account for or treat (whether in financial statements or otherwise) the transactions contemplated by the Purchase Agreement in any manner other than the sale of the Receivables to the Borrower or in any other respect account for or treat the transactions contemplated therein in any manner other than as a sale of Receivables to the Borrower; provided, that the Receivables may be reflected on the consolidated balance sheets of CPS in accordance with GAAP.

(aa) make any revision or amendment to the Purchase Agreement without the consent of the Administrative Agent; and

(bb) fail to cause its members, managers, directors, officers, agents and other representatives to act at all times with respect to the Borrower consistently and in furtherance of the foregoing and in the best interests of the Borrower.

In the event of any inconsistency between the covenants set forth in this Section 5.8 or the other covenants set forth in this Agreement, or in the event that any covenant set forth in this Section 5.8 poses a greater restriction or obligation than is set forth elsewhere in this Agreement, the covenants set forth in this Section 5.8 shall control.

5.9. **Cash Management Systems.** The Borrower shall establish and maintain cash management systems as set forth below.

(a) Lockbox System.

(i) The Borrower has established, or has caused the Servicer to establish, pursuant to the Control Agreements for the benefit of the Collateral Agent, on behalf of the Secured Parties, a lockbox and Lockbox Account as described in Section 2.11 (the "**Lockbox System**") into which all Collections shall be deposited.

(ii) The Borrower shall not establish any new lockbox or lockbox arrangement without consent of the Administrative Agent in its sole discretion, and prior to establishing any such new lockbox or lockbox arrangement, the Borrower shall cause each bank or financial institution with which it seeks to establish such a lockbox or lockbox arrangement to enter into a control agreement with respect thereto.

(iii) Without the prior written consent of the Administrative Agent, the Borrower shall not, in a manner adverse to the Lender, (A) change the general instructions given to the Servicer in respect of payments on account of Receivables to be deposited in the Lockbox System or (B) change any instructions given to any bank or financial institution which in any manner redirects the proceeds of any collections in the Lockbox System to any account which is not a Controlled Account.

(iv) The Borrower acknowledges and agrees that (A) the funds on deposit in the Lockbox System shall continue to be collateral security for the Obligations secured thereby, (B) upon the occurrence and during the continuance of an Event of Default, the funds on deposit in the Lockbox System shall be applied as provided in Section 2.10 and (C) the Control Agreements will provide that all funds in the Lockbox will be swept daily into the Collection Account.

(b) Payment Collection. The Borrower has directed, and will at all times hereafter direct, the Servicer to direct each of the Obligor to forward all payments on account of Receivables directly to the Lockbox System in accordance with Section 2.11. The Borrower agrees (i) to instruct the Servicer to instruct each Obligor to make all payments with respect to Receivables directly to the Lockbox System and (ii) promptly (and, except as set forth in the proviso to this Section 5.9(b), in no event later than two (2) Business Days following receipt) to deposit all payments received by it on account of Receivables, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise, in the Lockbox System in precisely the form in which they are received (but with any endorsements of the Borrower necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Collateral Agent; provided, however, that with respect to any payment received that does not contain sufficient identification of the account number to which such payment relates or cannot be processed due to an act beyond the control of the Servicer, such deposit shall be made no later than the second Business Day following the date on which such account number is identified or such payment can be processed, as applicable.

5.10. Spread Account.

(a) The Borrower shall maintain at all times a minimum balance in the Spread Account equal to the Required Spread Account Amount. On the initial Credit Date, the Required Spread Account Amount shall be \$250,000.

(b) On each Credit Date and on each Settlement Date, and on any other Business Day, in accordance with Section 2.12, the Borrower shall deposit in the Spread Account an amount equal to the excess of (i) the Required Spread Account Amount over (ii) the balance of the Spread Account on such day (such excess, the "**Required Spread Account Deposit**").

(c) After the occurrence of a Spread Account Increase Event, if no Tier 1 Performance Trigger is breached for three (3) consecutive months, such Spread Account Increase Event shall no longer be continuing, the Required Spread Account Percentage shall be reduced by 25% each calendar month until the amount on deposit in the Spread Account equals the Required Spread Account Floor and any Excess Spread Account Amounts (after giving effect to such adjustments to the Required Spread Account Percentage) shall promptly be released to the Borrower; provided, that, no Default or Event of Default has occurred and is continuing, and no Borrowing Base Deficiency exists.

(d) After the occurrence of a Tier 2 Performance Trigger, all amounts on deposit in the Spread Account shall be applied in accordance with Section 2.10 hereof.

(e) Any transfers from the Spread Account or reductions in the Required Spread Account Amount resulting from application of this Section 5.10 shall be effected by the Controlled Account Bank at the written direction of the Administrative Agent.

5.11. Interest Rate Agreements. In the event that the Excess Interest Rate is less than or equal to 1.50% for any Collection Period, the Borrower shall promptly enter into and maintain one or more Interest Rate Agreements with one or more Eligible Hedge Counterparties to appropriately hedge the Receivables in a manner satisfactory to the Administrative Agent in form and substance; the Borrower shall observe and perform all covenants and agreements under such Interest Rate Agreements and shall be responsible for any costs incurred with respect to such Interest Rate Agreements.

5.12. Insurance. From the period commencing on the Closing Date until the termination of this Agreement, CPS shall maintain in force an "errors and omissions" insurance policy and an employee fidelity insurance policy, in each case, (i) in an amount not less than \$1,000,000, (ii) in a form reasonably acceptable to the Administrative Agent, (iii) with an insurance company reasonably acceptable to the Administrative Agent and (iv) naming the Administrative Agent, for the benefit of the Lender, as beneficiary and loss payee. Unless otherwise directed by the Administrative Agent, CPS shall prepare and present, on behalf of itself, the Administrative Agent and the Lender, claims under any such policy in a timely fashion in accordance with the terms of such policy, and upon the filing of any claim on any policy described in this Section 5.12, CPS shall promptly notify the Administrative Agent of such claim and deposit, or cause to be deposited, the proceeds of any such claim into the Collection

Account. CPS shall deliver copies of such policies to the Administrative Agent on or prior to the Closing Date together with a certification from the applicable insurance company that such policy is in force on such date. CPS shall deliver proof of maintenance of such policies and payment of premiums no less frequently than annually, in form and substance reasonably acceptable to the Administrative Agent, on the six-month anniversary from the Closing Date and on each succeeding twelve month anniversary thereafter (or if such day is not a Business Day, the next succeeding Business Day).

5.13. Financial Statements.

(a) As soon as available and no later than ninety (90) days after the end of each fiscal year of the Borrower, the Borrower shall deliver to the Administrative Agent one (1) copy of: (A) the audited balance sheet of the Borrower as of the end of the fiscal year, setting forth in comparative form the figures for the previous fiscal year and accompanied by an opinion of the Independent Accountants stating that such balance sheet presents fairly the financial condition of the companies being reported upon and has been prepared in accordance with GAAP consistently applied (except for changes in application in which such accountants concur); and (B) audited statements of income, stockholders' equity and cash flow of the Borrower for such fiscal year; in each case setting forth in comparative form the figures for the previous fiscal year and accompanied by an opinion of the Independent Accountants stating that such financial statements present fairly the financial condition of the Borrower and have been prepared in accordance with GAAP consistently applied (except for changes in application in which such accountants concur).

(b) As soon as available and no later than thirty (30) days after the end of each fiscal month in each fiscal year of CPS, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent one (1) copy of: (A) the unaudited consolidated balance sheet of CPS and its consolidated Subsidiaries (including the Borrower) as of the end of such fiscal month, which balance sheet shall be prepared and presented in accordance with, and provide all necessary disclosure required by, GAAP and shall be accompanied by a certificate signed by the financial vice president, treasurer, chief financial officer, chief investment officer or controller of CPS stating that such balance sheet presents fairly the financial condition of CPS and has been prepared in accordance with GAAP consistently applied; and (B) the unaudited consolidated statements of income, stockholders' equity and cash flow of CPS and its consolidated Subsidiaries (including the Borrower) for such fiscal month, which such statements shall be prepared and presented in accordance with, and provide all necessary disclosure required by, GAAP and shall be accompanied by a certificate signed by the financial vice president, treasurer, chief financial officer, chief investment officer or controller of CPS stating that such financial statements present fairly the financial condition and results of operations of CPS and have been prepared in accordance with GAAP consistently applied.

(c) As soon as available and no later than forty-five (45) days after the end of each fiscal quarter in each fiscal year of CPS, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent one (1) copy of: (A) the unaudited consolidated balance sheet of CPS and its consolidated Subsidiaries (including the Borrower) as of the end of such fiscal quarter, which such balance sheet shall be prepared and presented in accordance with, and provide all necessary disclosure required by GAAP and shall be accompanied by a certificate

signed by the financial vice president, treasurer, chief financial officer, chief investment officer or controller of CPS or another officer of CPS acceptable to the Administrative Agent stating that such balance sheet presents fairly the financial condition of the companies being reported upon and has been prepared in accordance with GAAP consistently applied; and (B) the unaudited consolidated statements of income, stockholders' equity and cash flow of CPS and its consolidated Subsidiaries (including the Borrower) for such fiscal quarter, which such statements shall be prepared and presented in accordance with, and provide all necessary disclosure required by, GAAP and shall be accompanied by a certificate signed by the financial vice president, treasurer, chief financial officer, chief investment officer or controller of CPS or another officer of CPS acceptable to the Administrative Agent stating that such financial statements present fairly the financial condition and results of operations of the companies being reported upon and have been prepared in accordance with GAAP consistently applied;

(d) As soon as available and no later than ninety (90) days after the end of each fiscal year of CPS, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent one (1) copy of: (A) the audited consolidated balance sheet of CPS and its consolidated Subsidiaries (including the Borrower) as of the end of the fiscal year, setting forth in comparative form the figures for the previous fiscal year and accompanied by an opinion of the Independent Accountants stating that such balance sheet presents fairly the financial condition of the companies being reported upon and has been prepared in accordance with GAAP consistently applied (except for changes in application in which such accountants concur); and (B) the audited consolidated statements of income, stockholders' equity and cash flow of CPS and its consolidated Subsidiaries (including the Borrower) for such fiscal year; in each case setting forth in comparative form the figures for the previous fiscal year and accompanied by an opinion of the Independent Accountants stating that such financial statements present fairly the financial condition of the companies being reported upon and have been prepared in accordance with GAAP consistently applied (except for changes in application in which such accountants concur).

(e) For so long as CPS is subject to the periodic reporting obligations of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, Borrower and CPS may comply with the covenants set forth in the preceding paragraphs (c) and (d) by electronic filing of the annual and quarterly reports required by such act; provided, that the Borrower and/or CPS shall notify, or cause to be notified, the Administrative Agent promptly upon any such electronic filing.

5.14. Due Diligence; Access to Certain Documentation. The Administrative Agent, the Lender (and their respective agents or professional advisors) shall have the right under this Agreement, from time to time, at their discretion and upon reasonable prior notice to the relevant party, to examine and audit, during business hours or at such other times as might be reasonable under applicable circumstances, any and all of the books, records, financial statements, credit and collection policies, legal and regulatory compliance, operating and reporting procedures and information systems, their respective directors, officers and employees, or other information and information systems (including without limitation customer service and/or whistleblower hotlines) of the Credit Parties, or held by another for a Credit Party or on its behalf, concerning or otherwise affecting the Receivables or this Agreement. The Administrative Agent (and their respective agents and professional advisors) shall treat as confidential any information obtained

during the aforementioned examinations which is not already publicly known or available; provided, however, that the Administrative Agent (and their respective agents or professional advisors) may disclose such information if required to do so by law or by any regulatory authority.

Upon notice and during regular business hours, each Credit Party agrees to promptly provide the Administrative Agent (and its agents or professional advisors) with access to, copies of and extracts from any and all documents, records, agreements, instruments or information (including, without limitation, any of the foregoing in computer data banks and computer software systems) the Administrative Agent (and its agents or professional advisors) may reasonably require in order to conduct periodic due diligence relating to the Credit Parties in connection with the Receivables and this Agreement.

Each Credit Party will make available to the Administrative Agent (and its agents or professional advisors) knowledgeable financial, accounting, legal and compliance officers for the purpose of answering questions with respect to the Credit Parties and the Receivables and to assist in the Administrative Agent's diligence. In addition, the Borrower shall provide, or shall cause the Servicer to provide, the Administrative Agent with remote access to any electronic Receivable Files and any related documents to the extent CPS or the Borrower provides such access to any Person. Each of CPS and the Borrower agrees that the Administrative Agent will have the right to confirm any information relating to the Receivables directly with the applicable Obligor.

All reasonable costs and expenses incurred by the Administrative Agent (and their respective agents or professional advisors) in connection with the due diligence and other matters outlined in this Section 5.14 shall be Permitted Expenses, which the Borrower shall reimburse to the Administrative Agent, as the case may be, or shall pay or cause to be paid.

Without limiting the generality of the foregoing, the Borrower acknowledges that Lender shall make Revolving Loans to the Borrower based solely upon the information provided by the Credit Parties to the Administrative Agent and the representations, warranties and covenants contained herein, and that the Administrative Agent has the right at any time and from time to time to conduct a partial or complete due diligence review, at their option and, to the extent that the expense of such review exceeds the Permitted Expenses discussed above, at their expense, on some or all of the Receivables, including, without limitation, re-generating the information used to originate such Receivables.

5.15. Financial Covenants. CPS shall maintain (i) as of the end of any fiscal quarter, an Adjusted Tangible Net Worth of at least \$60,000,000 plus 50% of positive net income for each fiscal year after December 31, 2008, (ii) at each month end, unrestricted Cash of at least \$8,500,000, (iii) as of the end of any fiscal quarter, a ratio of Indebtedness (exclusive of nonrecourse debt) to Adjusted Tangible Net Worth of no more than 2.5:1 and (iv) beginning with the fiscal year ended 2010 and each fiscal year thereafter, a positive net income.

SECTION NEGATIVE COVENANTS

6.

Each of CPS and the Borrower covenants and agrees that, so long as any Revolving Commitment is in effect and until payment in full of all Obligations (other than contingent indemnification obligations), CPS and/or the Borrower, as applicable, shall perform all covenants in this Section 6.

6.1. Indebtedness. The Borrower shall not directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except the Obligations.

6.2. Liens. The Borrower shall not, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of the Borrower, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC of any State or under any similar recording or notice statute, except (i) Liens in favor of the Collateral Agent for the benefit of Secured Parties granted pursuant to any Credit Document; (ii) Permitted Liens (provided, that the existence of a non-Permitted Lien on a Financed Vehicle shall not be a breach of this Section 6.2 to the extent that the resulting removal of the related Receivable from the Borrowing Base does not then result in an uncured Borrowing Base Deficiency); and (iii) financing statements (w) naming Consumer Portfolio Services, Inc. as debtor and Page Four Funding LLC as secured party in accordance with the Purchase Agreement, (x) naming Page Four Funding LLC as debtor and Fortress Credit Corp., as Collateral Agent, as the secured party in accordance with the Security Agreement, (y) assigning any of the above to Page Four Funding LLC or Fortress Credit Corp., as Collateral Agent, as the case may be, in accordance with the Security Agreement or (z) filed in connection with other Permitted Liens.

6.3. [Reserved]

6.4. Investments. The Borrower shall not make or own any Investment, except Investments in Cash, Cash Equivalents and Receivables, and Permitted Investments in the Controlled Accounts.

6.5. Fundamental Changes; Disposition of Assets; Acquisitions. The Borrower shall not (i) enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or (ii) convey, sell, lease or sub-lease (as lessor or sublessor), exchange, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, assets (including, but not limited to, the Receivables) or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, except the sale, in the ordinary course of business, for Cash of Charge-Off Receivables to a Person that is not an Affiliate of the Borrower, or (iii) acquire by purchase or otherwise the business, property or fixed assets of, or stock or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, except Investments made in accordance with Section 6.4. CPS shall not enter into any transaction of merger or consolidation in which CPS is not the surviving

entity, liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed).

6.6. Material Contracts and Organizational Documents. The Borrower shall not (a) enter into any Material Contract with any Person; (b) agree to any material amendment, restatement, supplement or other modification to, or waiver of, any of its material rights under any Related Agreement after the Closing Date or (c) amend or permit any amendments to its Organizational Documents (other than as permitted by Section 5.8(d)), without in each case obtaining the prior written consent of the Administrative Agent to such amendment, restatement, supplement, modification or waiver, as the case may be.

6.7. Sales and Lease-Backs. The Borrower shall not directly or indirectly become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which the Borrower (a) has sold or transferred or is to sell or to transfer to any other Person, or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by the Borrower to any Person in connection with such lease.

6.8. Transactions with Shareholders and Affiliates. The Borrower shall not directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with CPS, any holder of 5% or more of any class of Capital Stock of CPS or any of its Subsidiaries or with any Affiliate of CPS or of any such holder other than the transactions contemplated by the Credit Documents and the Related Agreements.

6.9. Conduct of Business. From and after the Closing Date, the Borrower shall not engage in any business other than the businesses engaged in by the Borrower on the Closing Date.

6.10. Fiscal Year. The Borrower shall not change its Fiscal Year-end.

6.11. Accounts. The Borrower shall not establish or maintain a deposit account or a securities account that is not the Lockbox Account or a Controlled Account and the Borrower shall not, nor direct any Person to, deposit Collections in a deposit account or a securities account that is not the Lockbox Account or a Controlled Account.

6.12. Underwriting Policies. CPS shall not change or modify the Underwriting Policies in any material respect without the prior written consent of the Administrative Agent (such consent to not be unreasonably withheld or delayed). CPS shall provide written notice to the Administrative Agent of any other change or modification to the Underwriting Policies within ten (10) Business Days of the implementation of any such change or modification.

6.13. Prepayments of Certain Indebtedness. The Borrower shall not, directly or indirectly, voluntarily purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness prior to its scheduled maturity, other than the Obligations.

6.14. Servicing Agreement and Backup Servicing Agreement. The Borrower shall not (a) terminate the Servicing Agreement or Backup Servicing Agreement or (b) select a replacement servicer, in each case without the consent of the Administrative Agent.

6.15. Independent Manager. The Borrower shall not fail at any time to have at least one (1) Independent Manager that is not and has not been for at least five (5) years, either (i) a shareholder (or other equity owner) of, or an officer, director, partner, manager, member (other than as a special member in the case of single member Delaware limited liability companies), employee, attorney or counsel of, the Borrower or any of its Affiliates; (ii) a customer or creditor of, or supplier to, the Borrower or any of its Affiliates who derives any of its purchases or revenue from its activities with the Borrower or any Affiliate thereof (other than a *de minimis* amount); (iii) a person who controls or is under common control with any such officer, director, partner, manager, member, employee, supplier, creditor or customer; or (iv) a member of the immediate family of any such officer, director, partner, manager, member, employee, supplier, creditor or customer; provided that the foregoing subclause (i) shall not apply to any Person who serves as an independent director or an independent manager for any Affiliate of the Borrower; provided, further, that upon the death or incapacity of such Independent Manager, the Borrower will have a period of ten (10) Business Days following such event to appoint a replacement Independent Manager; provided, further, that the Borrower shall cause the Independent Manager not to resign until a replacement independent manager has been appointed.

6.16. Asset Sales. The Borrower shall not sell Receivables to any third party without the prior written consent of the Administrative Agent, subject to Section 9.22.

SECTIONEVENTS OF DEFAULT

7.

7.1. Events of Default. If any one or more of the following conditions or events shall occur:

(a) Failure to Make Payments When Due. Other than with respect to a Borrowing Base Deficiency the failure by the Borrower or the Servicer to make any payment or deposit required under any Credit Document within two (2) Business Days of the date such payment or deposit is due; or

(b) Cross Defaults. (i) Failure of a Credit Party to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness in excess of \$250,000 (other than Indebtedness in respect of the Obligations) beyond the grace period, if any, provided therefor; or (ii) breach or default by a Credit Party with respect to any other material term of (1) one or more items of the Indebtedness referred to in clause (i) above, or (2) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness, in each case beyond the grace period, if any, provided therefor, if the effect of such breach or default is to cause that Indebtedness to be declared (in writing, to the extent required by the related loan agreement, mortgage, indenture or other agreement) due and payable (or subject to a compulsory repurchase or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or

(c) Breach of Certain Covenants. Failure of a Credit Party to perform or comply with any term or condition contained in Section 5.2, Section 5.6, Section 5.8, Section 5.9, Section 5.10, Section 5.15, Section 6 or Section 9.22(e); or

(d) Breach of Representations, etc. Any representation, warranty, certification or other statement made or deemed made by any Credit Party in any Credit Document or in any statement or certificate at any time given by any Credit Party or any of its Subsidiaries in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made and which adversely affects the Lender's or any Agent's interests and shall not have been remedied or waived within ten (10) Business Days after the earlier of (i) an Authorized Officer of the applicable Credit Party becoming aware of such breach, or (ii) receipt by the Borrower of written notice from the Administrative Agent or the Lender of such breach.

(e) Other Defaults Under Credit Documents. Any Credit Party shall default in the performance of or compliance with any covenant or other term contained herein or any of the other Credit Documents, other than any such term referred to in any other provision of this Section 7.1, and such default adversely affects the Lender's or any Agent's interests and shall not have been remedied or waived within ten (10) Business Days after the earlier of (i) an Authorized Officer of such Credit Party becoming aware of such default, or (ii) receipt by the Borrower of written notice from the Administrative Agent or the Lender of such default; or

(f) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief (other than a decree or order described in clause (ii)) in respect of any Credit Party in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against any Credit Party under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over such Credit Party, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of such Credit Party for all or a substantial part of its property, and any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or

(g) Voluntary Bankruptcy; Appointment of Receiver, etc. (i) Any Credit Party shall commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or the Borrower shall make any assignment for the benefit of creditors; or (ii) any Credit Party shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of such Credit Party (or any

committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 7.1(f); or

(h) Judgments and Attachments. Any money judgment, writ or warrant of attachment or similar process involving (i) in any individual case an amount in excess of \$150,000 or (ii) in the aggregate at any time an amount in excess of \$500,000 (in either case to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has not denied coverage) shall be entered or filed against a Credit Party or any of its assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days (or in any event later than five (5) days prior to the date of any proposed sale thereunder in connection with any enforcement proceedings commenced by a creditor upon such judgment, writ, warrant of attachment or similar process); or

(i) Dissolution. Any order, judgment or decree shall be entered against any Credit Party decreeing the dissolution or split up of the Borrower and such order shall remain undischarged or unstayed for a period in excess of sixty (60) days; or

(j) [Reserved]

(k) Change of Control. A Change of Control shall occur with respect to any Credit Party, without the prior written consent of the Administrative Agent; or

(l) Collateral Documents and other Credit Documents. At any time after the execution and delivery thereof, (i) this Agreement or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations in accordance with the terms hereof) or shall be declared null and void, or the Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document, in each case for any reason other than the failure of the Collateral Agent or any Secured Party to take any action within its control; or (ii) any of the Credit Documents identified in clause (a) of the definition thereof for any reason, other than the satisfaction in full of all Obligations (other than contingent indemnification obligations), shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or a party thereto, as the case may be, shall repudiate its obligations thereunder or shall contest the validity or enforceability of any Credit Document or Related Agreement in writing; or

(m) Servicing Agreement. A Servicer Default shall have occurred and be continuing; or

(n) Defaults Under Guaranties. A default in CPS' obligations under the Limited Guaranty or the Borrowing Base Guaranty shall have occurred; or

(o) Borrowing Base Deficiency. Failure by the Borrower to pay any Borrowing Base Deficiency within two (2) Business Days after the due date thereof; or

(p) Maturity Date. Failure of the Borrower to pay the unpaid principal amount of and accrued interest on the Revolving Loans and all other Obligations on the Maturity Date; or

(q) Financial Statements. The auditor's opinion accompanying the audited annual financial statements of any Credit Party delivered hereunder is qualified in any manner other than a qualification that relates solely to the internal controls or accounting processes and which is, in any event, not classified as a material weakness; or

(r) Performance Triggers. The breach of a Tier 2 Performance Trigger; or

(s) Material Adverse Change. A material adverse change in the financial condition of the Borrower (provided, that for the avoidance of doubt, any change to the market value of the Receivables or other Collateral shall not be deemed a material adverse change in the financial condition of the Borrower).

THEN, (A) upon the occurrence of any Event of Default described in Section 7.1(f), 7.1(g) or 7.1(i), automatically, and (B) upon the occurrence of any other Event of Default, at the request of (or with the consent of) the Administrative Agent and the Lender, upon written notice to the Borrower and the Backup Servicer by the Administrative Agent, (w) the Revolving Commitments, if any, shall immediately terminate; (x) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by the Borrower: (1) the unpaid principal amount of and accrued interest on the Revolving Loans and (2) all other Obligations; (y) all amounts on deposit in the Spread Account, if any, shall be distributed pursuant to Section 2.10 and (z) the Administrative Agent shall cause the Collateral Agent to enforce any and all Liens and security interests created pursuant to the Collateral Documents.

SECTION 8 AGENTS

8.

8.1. Appointment of Agents. Fortress is hereby appointed Administrative Agent and Collateral Agent hereunder and under the other Credit Documents and the Lender hereby authorizes Fortress, in such capacity, to act as its agent in accordance with the terms hereof and the other Credit Documents. Each Agent hereby agrees to act upon the express conditions contained herein and the other Credit Documents, as applicable. The provisions of this Section 8 are solely for the benefit of Agents and the Lender and the Borrower shall not have any rights as a beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of the Lender and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for the Borrower.

8.2. Powers and Duties. The Lender irrevocably authorizes each Agent to take such action on the Lender's behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Agent shall have only those duties and responsibilities that are expressly specified herein and the other Credit Documents. Each Agent may exercise such powers, rights

and remedies and perform such duties by or through its agents or employees. No Agent shall have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of the Lender; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein.

8.3. Collateral Documents and Guaranties. The Lender hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit the Lender, to be the agent for and representative of the Lender with respect to the Limited Guaranty, the Borrowing Base Guaranty, the Collateral and the Collateral Documents. Subject to Section 9.5, without further written consent or authorization from the Lender, the Administrative Agent or the Collateral Agent, as applicable may execute any documents or instruments necessary to release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted hereby or to which the Lender has otherwise consented, or with respect to which the Lender has otherwise consented.

SECTION MISCELLANEOUS

9.

9.1. Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to CPS, the Borrower, any other Credit Party, the Collateral Agent or the Administrative Agent shall be sent to such Person's address as set forth on Appendix A or in the other relevant Credit Document, and in the case of the Lender, the address as indicated on Appendix A or otherwise indicated to the Administrative Agent in writing. Each notice hereunder shall be in writing and may be personally served, sent by telefacsimile (with telephonic confirmation of receipt) or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile; provided, no notice to any Agent shall be effective until received by such Agent.

9.2. Expenses. Whether or not the transactions contemplated hereby shall be consummated, the Borrower agrees to pay promptly (a) all the Agents' actual and reasonable, documented, out-of-pocket costs and expenses of preparation of the Credit Documents and any consents, amendments, waivers or other modifications thereto; (b) all the reasonable, documented fees, expenses and disbursements of counsel to the Agents in connection with the negotiation, preparation, execution and administration of the Credit Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by the Borrower; (c) all the actual costs and reasonable, documented, out-of-pocket expenses of creating and perfecting Liens in favor of the Collateral Agent, for the benefit of the Secured Parties, including filing and recording fees, expenses and taxes, stamp or documentary taxes, search fees, title insurance premiums and reasonable fees, expenses and disbursements of counsel to each Agent; (d) each Agent's actual costs and reasonable documented, out-of-pocket fees, expenses for, and disbursements of any of such Agent's, auditors, accountants, consultants or appraisers whether internal or external, and all reasonable, documented attorneys' fees (including expenses and disbursements of outside counsel) incurred by such Agent; (e) all the actual costs and reasonable, documented, out-of-pocket expenses (including the reasonable fees, expenses and disbursements of any appraisers, consultants, advisors and agents employed or retained by the Collateral Agent and its counsel) in connection

with the custody or preservation of any of the Collateral; (f) all other actual and reasonable, documented out-of-pocket costs and expenses incurred by each Agent in connection with the syndication of the Revolving Loans and Commitments and the negotiation, preparation and execution of the Credit Documents and any consents, amendments, waivers or other modifications thereto and the transactions contemplated thereby; provided, that such costs and expenses shall not exceed \$10,000 unless such syndication is in connection with an increase in the Revolving Commitment; and (g) after the occurrence of a Default or an Event of Default, all documented costs and expenses, including reasonable attorneys' fees and costs of settlement, incurred by any Agent and the Lender in enforcing any Obligations of or in collecting any payments due from any Credit Party hereunder or under the other Credit Documents by reason of such Default or Event of Default (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Limited Guaranty or the Borrowing Base Guaranty) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "**work-out**" or pursuant to any insolvency or bankruptcy cases or proceedings.

9.3. **Indemnity.**

(a) IN ADDITION TO THE PAYMENT OF EXPENSES PURSUANT TO SECTION 9.2, WHETHER OR NOT THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE CONSUMMATED, EACH OF CPS AND THE BORROWER AGREES, SEVERALLY BUT NOT JOINTLY, TO DEFEND (SUBJECT TO INDEMNITEES' SELECTION OF COUNSEL), INDEMNIFY, PAY AND HOLD HARMLESS, EACH AGENT AND THE LENDER, THEIR AFFILIATES AND THEIR RESPECTIVE OFFICERS, PARTNERS, DIRECTORS, TRUSTEES, EMPLOYEES AND AGENTS OF EACH AGENT AND THE LENDER (EACH, AN "**INDEMNITEE**"), FROM AND AGAINST ANY AND ALL INDEMNIFIED LIABILITIES, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE; PROVIDED, NEITHER CPS NOR THE BORROWER SHALL HAVE ANY OBLIGATION TO ANY INDEMNITEE HEREUNDER WITH RESPECT TO ANY INDEMNIFIED LIABILITIES TO THE EXTENT SUCH INDEMNIFIED LIABILITIES ARISE FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE, AS DETERMINED BY A COURT OF COMPETENT JURISDICTION IN A FINAL NON-APPEALABLE ORDER OR JUDGMENT. TO THE EXTENT THAT THE UNDERTAKINGS TO DEFEND, INDEMNIFY, PAY AND HOLD HARMLESS SET FORTH IN THIS SECTION 9.3 MAY BE UNENFORCEABLE IN WHOLE OR IN PART BECAUSE THEY ARE VIOLATIVE OF ANY LAW OR PUBLIC POLICY, CPS OR THE BORROWER, AS APPLICABLE, SHALL CONTRIBUTE THE MAXIMUM PORTION THAT IT IS PERMITTED TO PAY AND SATISFY UNDER APPLICABLE LAW TO THE PAYMENT AND SATISFACTION OF ALL INDEMNIFIED LIABILITIES INCURRED BY INDEMNITEES OR ANY OF THEM.

(b) To the extent permitted by applicable law, neither CPS nor the Borrower shall assert, and each of CPS and the Borrower hereby waives, any claim against the Lender, the Agents and their respective Affiliates, directors, employees, attorneys or agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any

applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Revolving Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and each of CPS and the Borrower hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

9.4. Set-Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of any Event of Default the Lender and its Affiliates each is hereby authorized by the Borrower at any time or from time to time subject to the consent of the Administrative Agent, without notice to the Borrower or to any other Person (other than the Administrative Agent) except to the extent required by applicable law, any such notice being hereby expressly waived to the maximum extent under applicable law, and subject to any requirements or limitations imposed by applicable law, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts (in whatever currency)) and any other Indebtedness at any time held or owing by the Lender to or for the credit or the account of the Borrower (in whatever currency) against and on account of the obligations and liabilities of the Borrower to the Lender arising hereunder or under the other Credit Documents, including all claims of any nature or description arising out of or connected hereto or with any other Credit Document, irrespective of whether or not (a) the Lender shall have made any demand hereunder, (b) the principal of or the interest on the Revolving Loans or any other amounts due hereunder shall have become due and payable pursuant to Section 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured or (c) such obligation or liability is owed to a branch or office of the Lender different from the branch or office holding such deposit or obligation or such Indebtedness.

9.5. Amendments and Waivers.

(a) Agent Consent. No amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of each Credit Party that is party thereto and the Administrative Agent.

(b) Lender Consent. Without the written consent of the Lender, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

- (i) extend the scheduled final maturity of any Revolving Loan or Revolving Loan Note;
- (ii) waive, reduce or postpone any scheduled repayment;
- (iii) reduce the rate of interest on any Revolving Loan (other than any waiver of any increase in the interest rate applicable to any Revolving Loan pursuant to Section 2.6) or any fee payable hereunder;

(iv) extend the time for payment of any such interest or fees;

(v) reduce the principal amount of any Revolving Loan;

(vi) (A) amend the definition of "**Borrowing Base**" in a manner that increases the Revolving Availability to the Borrower or (B) amend, modify, terminate or waive any provision of this Section 9.5(b) or Section 9.5(c);

(vii) release all or substantially all of the Collateral, the Guarantor from the Borrowing Base Guaranty or the Limited Guaranty, except as expressly provided in the Credit Documents; or

(viii) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under any Credit Document.

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall:

(i) increase the Revolving Commitment without the consent of the Lender;

(ii) amend, modify, terminate or waive any provision of Section 3.2(a) with regard to any Credit Extension without the consent of the Lender;

(iii) amend, modify, terminate or waive any provision of Section 8 as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the consent of such Agent; or

(iv) adversely affect the Controlled Account Bank, the Lockbox Account Bank, the Backup Servicer or the Custodian without the consent of such affected party.

(d) Execution of Amendments, etc. The Administrative Agent may, but shall have no obligation to, with the concurrence of the Lender, execute amendments, modifications, waivers or consents on behalf of the Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on a Credit Party in any case shall entitle such Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 9.5 shall be binding upon the Lender at the time outstanding, each future Lender and, if signed by a Credit Party, upon such Credit Party. Notwithstanding anything to the contrary contained in this Section 9.5, if the Administrative Agent and the Credit Parties shall have jointly identified an obvious error or any error or omission of a technical nature, in each case that is immaterial (as determined by the Administrative Agent in its sole discretion), in any provision of the Credit Documents, then the Administrative Agent (in their respective applicable capacities as the Administrative Agent or Collateral Agent) and the Credit Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent by the Lender if the

same is not objected to in writing by the Lender within five (5) Business Days following receipt of notice thereof.

9.6. Successors and Assigns; Participations.

(a) Generally. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of the Lender. None of CPS' nor the Borrower's rights or obligations hereunder nor any interest herein may be assigned or delegated without the prior written consent of the Lender. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, Indemnitees under Section 9.3, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of the Agents and the Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Register. The Borrower, CPS, the Administrative Agent and the Lender shall deem and treat the Persons listed as "Lenders" in the Register as the holders and owners of the corresponding Revolving Commitments and Revolving Loans listed therein for all purposes hereof, and no assignment or transfer of any such Revolving Commitment or Revolving Loan shall be effective, in each case, unless and until an Assignment Agreement effecting the assignment or transfer thereof shall have been delivered to and accepted by the Administrative Agent and recorded in the Register as provided in Section 9.6(e). Prior to such recordation, all amounts owed with respect to the applicable Revolving Commitment or Revolving Loan shall be owed to the Lender listed in the Register as the owner thereof, and any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Lender shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Revolving Commitments or Revolving Loans.

(c) Right to Assign. Each Agent and the Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including, without limitation, all or a portion of its Revolving Commitment or Revolving Loans owing to it or other Obligations to any Person that, at the time of such assignment, is able to perform the obligations of the Lender hereunder, or to any Fortress Affiliate Lender without the consent of the Borrower or CPS.

(d) Rating Agencies. Each of the Borrower and CPS agrees that the Lender and the Administrative Agent shall have the right to disclose the terms of this Agreement and the transactions contemplated hereby to any Rating Agency. In addition, each of the Borrower and CPS agrees to provide, or cause to be provided, to the Rating Agencies any information, books, records, financial statements or other documents as reasonably requested by the Rating Agencies.

(e) Notice of Assignment. Upon its receipt and acceptance of a duly executed and completed Assignment Agreement, any forms, certificates or other evidence required by this Agreement in connection therewith, the Administrative Agent shall record the information contained in such Assignment Agreement in the Register, shall give prompt notice thereof to CPS and the Borrower and shall maintain a copy of such Assignment Agreement.

(f) Representations and Warranties of Assignee. Each assignee of the Lender, upon executing and delivering an Assignment Agreement, represents and warrants as of the applicable Effective Date (as defined in the applicable Assignment Agreement) that (i) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Revolving Commitments or Revolving Loans, as the case may be; (ii) it will make or invest in, as the case may be, its Revolving Commitments or Revolving Loans for its own account in the ordinary course of its business and without a view to distribution of such Revolving Commitments or Revolving Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 9.6, the disposition of such Revolving Commitments or Revolving Loans or any interests therein shall at all times remain within its exclusive control); and (iii) such assignee does not own or control, or own or control any Person owning or controlling, any trade debt or Indebtedness of CPS or the Borrower other than the Obligations or any Capital Stock of CPS or the Borrower.

(g) Effect of Assignment. Subject to the terms and conditions of this Section 9.6, as of the "Effective Date" specified in the applicable Assignment Agreement: (i) the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent such rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement and shall thereafter be a party hereto and a "Lender" for all purposes hereof; (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned thereby pursuant to such Assignment Agreement, relinquish its rights (other than any rights which survive the termination hereof under Section 9.8) and be released from its obligations hereunder (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto; provided, anything contained in any of the Credit Documents to the contrary notwithstanding, such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); (iii) the Revolving Commitments shall be modified to reflect the Revolving Commitment of such assignee and any Revolving Commitment of such assigning Lender, if any; and (iv) if any such assignment occurs after the issuance of any Revolving Loan Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Revolving Loan Notes to the Administrative Agent for cancellation, and thereupon the Borrower shall issue and deliver new Revolving Loan Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the new Revolving Commitments and/or outstanding Revolving Loans of the assignee and/or the assigning Lender.

(h) Participations. The Lender shall have the right at any time to sell one or more participations to any Person (other than CPS, any of its Subsidiaries or any of its Affiliates) in all or any part of its Revolving Commitments, Revolving Loans or in any other Obligation; provided, however, that notwithstanding the foregoing, no participations may be sold to any Person acquiring such participation with the assets of, or for the benefit of, any employee benefit plan subject to Title I of ERISA, any "plan" subject to Section 4975 of the Internal Revenue Code, or any entity whose underlying assets include plan assets by reason of a plan's investment in such entity. The holder of any such participation, other than an Affiliate of the Lender

granting such participation, shall not be entitled to require such Lender to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (i) extend the final scheduled maturity of any Revolving Loan or Revolving Loan Note in which such participant is participating, or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Revolving Commitment shall not constitute a change in the terms of such participation, and that an increase in any Revolving Commitment or Revolving Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by CPS or the Borrower of any of its rights and obligations under this Agreement, or (iii) release all or substantially all of the Collateral under the Collateral Documents, the Guarantor from the Borrowing Base Guaranty or the Limited Guaranty (in each case, except as expressly provided in the Credit Documents) supporting the Revolving Loans hereunder in which such participant is participating. Each of CPS and the Borrower agrees that each participant shall be entitled to the benefits of Sections 2.15 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (c) of this Section 9.6; provided, (i) a participant shall not be entitled to receive any greater payment under Section 2.15 and 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with the Borrower's prior written consent, (ii) a participant that would be a Non-US Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless the Borrower is notified of the participation sold to such participant and such participant complies with Section 2.16 as though it were a Lender and (iii) such participant complies with the written statement and notice requirements therein. To the extent permitted by law, each participant also shall be entitled to the benefits of Section 9.4 as though it were a Lender. Notwithstanding any participation made hereunder (i) such selling Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the Borrower for the performance of its obligations hereunder, and (iii) except as set forth above, the Credit Parties, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Credit Parties relating to the Obligations and to approve, without the consent of or consultation with any participant, any amendment, modification or waiver of any provision of this Agreement. Each Lender that sells a participation shall maintain a register on which it enters the name and address of each participant and the amounts of each participant's participation (the "**Participant Register**"). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(i) Certain Other Assignments. In addition to any other assignment permitted pursuant to this Section 9.6, the Lender may assign, pledge and/or grant a security interest in, all or any portion of its Revolving Loans, the other Obligations owed by or to the Lender, and its Revolving Loan Notes, if any, to secure obligations of the Lender including, without limitation, any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any operating circular issued by such Federal

Reserve Bank; provided, the Lender, as between the Borrower and the Lender, shall not be relieved of any of its obligations hereunder as a result of any such assignment and pledge, and provided further, in no event shall the applicable Federal Reserve Bank, pledgee or trustee be considered to be a "**Lender**" or be entitled to require the assigning Lender to take or omit to take any action hereunder.

(j) Fortress Affiliate Lenders. Notwithstanding anything to the contrary set forth in this Section 9.6, each party hereto acknowledges and agrees that (a) Fortress and/or its Affiliates may, in its sole discretion, at any time, and from time to time, in connection with any assignment made in accordance with this Section 9.6 to any Affiliates of Fortress (each such Affiliate, a "**Fortress Affiliate Lender**"), (i) assign to any Fortress Affiliate Lender all or any portion of Fortress' or any Fortress Affiliate Lender's Revolving Loans then existing and/or Fortress' or any such Fortress Affiliate Lender's Revolving Commitments then outstanding in such percentages or fixed dollar amounts as Fortress or any such Fortress Affiliate Lender shall determine in their respective sole discretion, and (ii) in furtherance of the foregoing, request the Borrower to, and the Borrower shall, execute and deliver to Fortress or such Fortress Affiliate Lender, as the case may be, any Revolving Loan Note (or replacement therefor) requested pursuant to Section 2.3(b) to reflect such assignment and (b) Fortress and one or more Fortress Affiliate Lenders may enter into agreements by and among Fortress and such Fortress Affiliate Lenders and (if applicable) the Administrative Agent with respect to such assignments, including, without limitation, the ability to create a sequential pay feature amongst Fortress and such Fortress Affiliate Lenders; provided that the terms of any such agreements do not affect the terms of the Credit Documents (other than the Assignment Agreement to the extent required to reflect such assignments) or the Borrower's rights or obligations under any Credit Document; provided, further, that (1) the percentage or fixed dollar amount of such assignment is set forth in the related Assignment Agreement, (2) the aggregate Revolving Commitment amongst Fortress and such Fortress Affiliate Lenders immediately following any such assignment remains unchanged from the aggregate Revolving Commitments of Fortress and the Fortress Affiliate Lenders immediately prior to such assignment and (3) no such assignment shall increase any of the Borrower's Obligations hereunder; and provided, further, any such Fortress Affiliate Lender subject to any such assignment for any such percentage or fixed dollar amount (whether such assignment is solely of the existing Revolving Loans or the outstanding Revolving Commitments, or both) shall be a "Lender" for all purposes hereunder, under the other Credit Documents and under the Related Agreements subject, solely as among Fortress and the Fortress Affiliate Lenders, to such restrictions set forth amongst Fortress and any such Fortress Affiliate Lenders set forth in the related Assignment Agreement (including the ability for any such assignee to not be assigned any future funding obligations in respect of Revolving Commitments other than to the extent of any repayments received by such assignee on the principal balance of the assigned Revolving Loan (provided that such Assignment Agreement shall also provide that the relevant assignor expressly retains any such future funding obligations beyond principal repayments to such assignee on the principal balance of such assigned Revolving Loan)).

9.7. Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be 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 condition exists.

9.8. Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements of the Borrower set forth in Sections 2.15, 2.16, 9.2, 9.3, 9.4 and 9.10 shall survive the payment of the Revolving Loans and the termination hereof.

9.9. No Waiver; Remedies Cumulative. No failure or delay on the part of any Agent or the Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to each Agent and the Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents or any of the Interest Rate Agreements. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

9.10. Marshalling; Payments Set Aside. Neither any Agent nor the Lender shall be under any obligation to marshal any assets in favor of the Borrower or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to the Administrative Agent or the Lender (or to the Administrative Agent, on behalf of the Lender), or the Administrative Agent, the Collateral Agent or the Lender enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

9.11. Severability. In case any provision or obligation hereunder or any Revolving Loan Note or other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

9.12. Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

9.13. APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS

9.14. CONSENT TO JURISDICTION.

(a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST CPS OR THE BORROWER ARISING OUT OF OR RELATING HERETO OR ANY OTHER CREDIT DOCUMENT, OR ANY OF THE OBLIGATIONS, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH OF CPS AND THE BORROWER, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (i) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (ii) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (iii) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE CREDIT PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 9.1 AND TO ANY PROCESS AGENT SELECTED IN ACCORDANCE WITH SECTION 3.1(q) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER CPS OR THE BORROWER, AS APPLICABLE, IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (iv) AGREES THAT AGENTS AND THE LENDER RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST CPS OR THE BORROWER, AS APPLICABLE, IN THE COURTS OF ANY OTHER JURISDICTION.

(b) EACH OF CPS AND THE BORROWER HEREBY AGREES THAT PROCESS MAY BE SERVED ON IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES PERTAINING TO IT AS SPECIFIED IN SECTION 9.1, AND HEREBY APPOINTS CT CORPORATION SYSTEM, 111 8TH AVENUE, NEW YORK, NEW YORK 10011, AS ITS AGENT TO RECEIVE SUCH SERVICE OF PROCESS. ANY AND ALL SERVICE OF PROCESS AND ANY OTHER NOTICE IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE EFFECTIVE AGAINST CPS OR THE BORROWER, AS APPLICABLE, IF GIVEN BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY ANY OTHER MEANS OR MAIL WHICH REQUIRES A SIGNED RECEIPT, POSTAGE PREPAID, MAILED AS PROVIDED ABOVE. IN THE EVENT CT CORPORATION SYSTEM. SHALL NOT BE ABLE TO ACCEPT SERVICE OF PROCESS AS AFORESAID AND IF CPS OR THE BORROWER, AS APPLICABLE, SHALL NOT MAINTAIN AN OFFICE IN NEW YORK CITY, SUCH CREDIT PARTY SHALL PROMPTLY APPOINT AND MAINTAIN AN AGENT QUALIFIED TO ACT AS AN AGENT FOR SERVICE OF PROCESS WITH RESPECT TO THE COURTS SPECIFIED IN THIS SECTION 9.14 ABOVE, AND ACCEPTABLE TO THE ADMINISTRATIVE AGENT, AS CPS' OR THE BORROWER'S, AS APPLICABLE, AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON THE BORROWER'S BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH ACTION, SUIT OR PROCEEDING.

9.15. WAIVER OF JURY TRIAL. EACH OF CPS AND THE BORROWER HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN IT RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH OF CPS AND THE BORROWER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT IT HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT IT WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH OF CPS AND THE BORROWER FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 9.15 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE REVOLVING LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

9.16. Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged or agreed to be paid with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Revolving Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Revolving Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrower shall pay to the Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of the Lender and the Borrower to conform strictly to any applicable usury laws. Accordingly, if the Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at the Lender's

option be applied to the outstanding amount of the Revolving Loans made hereunder or be refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or the Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Obligations hereunder.

9.17. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic image scan transmission (e.g., "PDF" or "tif" via email) shall be as effective as delivery of a manually signed counterpart of this Agreement.

9.18. Effectiveness. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto and receipt by the Borrower and the Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

9.19. Money Control Act. The Lender and the Administrative Agent (for itself and not on behalf of the Lender) hereby notifies CPS and the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies CPS and the Borrower, which information includes the name and address of each of CPS and the Borrower and other information that will allow the Lender or the Administrative Agent, as applicable, to identify CPS and the Borrower in accordance with the Act.

9.20. Prior Agreements. This Agreement and the other Credit Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, are superseded by the terms of this Agreement and the other Credit Documents and unless specifically set forth in a writing contemporaneous herewith the terms, conditions and provisions of any and all such prior agreements do not survive execution of this Agreement.

9.21. Third Party Beneficiaries. The Backup Servicer, the Custodian, the Controlled Account Bank and the Lockbox Account Bank shall be express third party beneficiaries of the provisions of Section 2.10(i), Section 2.12(iii) and Section 2.12(ix).

9.22. Exclusivity; Right of First Refusal.

(a) Each Credit Party agrees that, subject to the availability of Revolving Commitments, no less than 50% of receivables (by principal balance) that qualify as Eligible Receivables that the Originator or its Affiliates originates or acquires during any Collection Period during the Revolving Commitment Period shall be financed through the Facility (such agreement, the "**Exclusivity Covenant**").

(b) CPS shall notify Fortress of its intention to enter into as a borrower, either directly or indirectly (acting through a special purpose borrowing entity, or otherwise indirectly)

any financing facility other than the Facility contemplated by this Agreement (any such facility, a "**Proposed Facility**"). Subject to clause (c) below, within ten (10) days of receipt of such notice, Fortress shall have the right to prevent CPS from entering into such Proposed Facility by providing financing on all of the same material terms as the Proposed Facility (such right, the "**Right of First Refusal**"). In no event shall the Borrower enter into any financing facility other than the Facility contemplated by this Agreement.

(c) Notwithstanding the foregoing, Fortress shall not be entitled to exercise the Right of First Refusal with respect to additional financing obtained by CPS or its Affiliates after the Closing Date (the "**Allowed Financing**") so long as CPS and its Affiliates remain in compliance with the Exclusivity Covenant. At any time as the amount financed hereunder reaches 85% of the maximum initial Revolving Commitment, the Lender, at its sole discretion, may increase the Revolving Commitment at such time by two (2) \$25,000,000 increments (which increments may be exercised together or separately in Lender's sole discretion), provided, however, that advances pursuant to such increased Revolving Commitment, but not advances pursuant to the initial Revolving Commitment, shall be on substantially the same financial terms as are applicable to the Allowed Financing at the time of the related increase in the Revolving Commitment. In compliance with the foregoing, CPS and its Affiliates shall remain obligated to comply with the Exclusivity Covenant.

(d) In the event that the Administrative Agent chooses not to provide such financing, the Credit Parties (other than the Borrower) may enter into the Proposed Facility; provided, however, that prior to entering into the Proposed Facility, the Credit Parties shall have taken measures reasonably acceptable to the Administrative Agent to ensure that the selection procedures used to allocate receivables among any Proposed Facility or Allowed Financing, on the one hand, and the Facility contemplated hereby, on the other, will not (x) result in the Receivables pledged hereunder and under the Security Agreement being less desirable or valuable than other comparable Receivables originated or acquired by a Credit Party or (y) materially and adversely affect the interests of the Lender or the Agents.

(e) In addition, each of CPS and the Borrower agrees that, prior to selling any Receivables to (x) any third party or (y) any Affiliate other than an Affiliate that intends to hold such Receivables until the Revolving Commitment Termination Date or to securitize such Receivables, the Borrower shall offer such Receivable for sale to the Lender; provided, that in no event shall CPS or the Borrower sell any Receivables in a transaction that results in a loss to any Agent or the Lender. The Lender shall have five (5) Business Days following the day on which the Lender receives offering materials (the "**Offering Materials**") with respect to such Receivables from CPS or the Borrower, as applicable, to provide an indicative bid (the "**Indicative Bid**"). If CPS or the Borrower, as applicable, accepts a Lender's Indicative Bid, the Lender shall have fifteen (15) Business Days from the time of acceptance of such Indicative Bid to complete its due diligence on the Receivables and either provide its final bid (the "**Final Bid**") for such Receivables or provide a rejection thereof to CPS or the Borrower, as applicable. After providing a Final Bid, the Lender shall have an additional fifteen (15) Business Days to close the purchase of such Receivables. The failure of the Lender to so respond or purchase within the applicable five (5) or fifteen (15) Business Day periods, shall constitute a waiver of the Lender's right to purchase such Receivables.

(f) Each of CPS and the Borrower agrees that, subject to eligibility criteria used by a Rating Agency in connection with rating a term securitization of receivables, Receivables selected to be sold, or offered for sale, pursuant to the preceding paragraph shall be selected in a manner designed not to (x) result in the Receivables pledged hereunder and under the Security Agreement being less desirable or valuable than other comparable receivables originated or acquired by a Credit Party or (y) materially and adversely affect the interests of the Lender or the Agents.

9.23. Confidentiality. Each Credit Party agrees that the terms included in this Agreement and disclosed in connection with the consummation of the transactions contemplated hereby shall be kept strictly confidential, shall not be reproduced or disclosed (except as required by law, including, without limitation, the filing requirements of the Exchange Act), and shall not be used by either Credit Party other than in connection with the transaction described herein except with the prior written consent of Fortress; provided, however, that Fortress hereby consents to each Credit Party's disclosure of (i) this Agreement to its respective officers, directors, employees, attorneys, accountants, agents and advisors who are directly involved in the implementation of the terms and conditions of this Agreement to the extent such persons agree to hold the same in confidence, (ii) this Agreement as required by applicable law or compulsory legal process (in which case each Credit Party agrees to inform Fortress promptly thereof) and (iii) the terms of this Agreement upon and after its filing by CPS in accordance with the Exchange Act.

[Remainder of page intentionally left blank]

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

PAGE FOUR FUNDING LLC

By: _____
Name:
Title:

CONSUMER PORTFOLIO SERVICES, INC.

By: _____
Name:
Title:

FORTRESS CREDIT CORP.,

as Administrative Agent, Collateral Agent and Lender

By: _____
Name:
Title:

[Signature Page to Credit Agreement]

Notice Addresses

Page Four Funding LLC
19500 Jamboree Road
Irvine, California 92612
Attention: General Counsel
Facsimile Number: (888) 577-7923
Confirmation: (888) 785-6891

Consumer Portfolio Services, Inc.
19500 Jamboree Road
Irvine, California 92612
Attention: General Counsel
Facsimile Number: (888) 577-7923
Confirmation: (888) 785-6891

[Signature Page to Credit Agreement]

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION OR QUALIFICATION THEREFROM.

WARRANT NO. DBSO -1

September 25, 2009

WARRANT TO PURCHASE

1,158,087 SHARES OF COMMON STOCK

FOR VALUE RECEIVED, CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "COMPANY"), hereby certifies that DRAWBRIDGE SPECIAL OPPORTUNITIES FUND LP, a Delaware limited partnership, or its assigns (the "HOLDER"), is entitled to purchase, on the terms and subject to the conditions contained herein, One Million, One Hundred Fifty Eight Thousand, Eighty Seven (1,158,087) shares (the "WARRANT SHARES") of the Company's common stock, no par value per share ("COMMON STOCK"), at the exercise price of \$0.879 per Warrant Share (the "WARRANT PURCHASE PRICE") at any time and from time to time during the Exercise Period (as such term is defined below). The number of Warrant Shares and the Warrant Purchase Price shall be subject to adjustment as set forth in SECTION 3.

This Warrant (this "WARRANT") is the "Warrant" referred to in, and is being issued in connection with the consummation of the transactions contemplated by, that certain Revolving Credit Agreement dated as of September 25, 2009, by and among the Company, Page Four Funding LLC and Fortress Credit Corp., an affiliate of the initial holder of this Warrant (as amended or modified from time to time, the "CREDIT AGREEMENT"), and is subject to the following terms and conditions:

1. DEFINITIONS. For the purposes of this Warrant, the following terms shall have the respective meanings set forth below:

"APPLICABLE LAW" means all provisions of statutes, rules and regulations, interpretations and orders of any Governmental Authority applicable to a Person, and all orders and decrees of all courts and arbitrators in proceedings or actions in which the Person in question is a party including applicable federal, state and local laws and regulations thereunder.

"BUSINESS DAY" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or the State of California or is a day on which banking institutions located in either such state are authorized or required by law or other governmental action to close.

"COMMON STOCK" has the meaning set forth in the preamble of this Warrant.

"COMPANY" has the meaning set forth in the preamble of this Warrant.

"CONVERTIBLE SECURITIES" means, with respect to any Person, any securities or other obligations issued or issuable by such Person or any other Person that are exercisable or exchangeable for, or convertible into, any Equity Interests of the Company.

"CURRENT MARKET PRICE" per share of Common Stock means, as of any specified date on which the Common Stock is publicly traded, the average of the daily market prices of the Common Stock over the twenty (20) consecutive trading days immediately preceding (and not including) such date. The 'daily market price' for each such trading day shall be (i) the closing sales price on such day on the principal stock exchange on which the Common Stock is then listed or admitted to trading or on Nasdaq, as applicable, (ii) if no sale takes place on such day on any such exchange or system, the average of the closing bid and asked prices, regular way, on such day for the Common Stock as officially quoted on any such exchange or system, (iii) if the Common Stock is not then listed or admitted to trading on any stock exchange or system, the last reported sale price, regular way, on such day for the Common Stock, or if no sale takes place on such day, the average of the closing bid and asked prices for the Common Stock on such day, as reported by Nasdaq or the National Quotation Bureau, or (iv) if the Common Stock is not then listed or admitted to trading on any securities exchange and if no such reported sale price or bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reputable quotation service, or a newspaper of general circulation in the City of Los Angeles customarily published on each Business Day. If the daily market price cannot be determined for the twenty (20) consecutive trading days immediately preceding such date in the manner specified in the foregoing sentence, then the Common Stock shall not be deemed to be publicly traded as of such date.

"DESIGNATED OFFICE" has the meaning set forth in SECTION 2.1.

"DILUTIVE ISSUANCE" has the meaning set forth in SECTION 3.9.

"DISTRIBUTION" has the meaning set forth in SECTION 3.3.

"DISTRIBUTION AMOUNT" has the meaning set forth in SECTION 3.3.

"DOJ" has the meaning set forth in SECTION 2.4.

"EQUITY INTERESTS" means, with respect to any Person, (i) if such Person is a corporation, any and all shares of capital stock, participations in profits or other equivalents (however designated) or other equity interests of such Person, including any preferred stock of such Person, (ii) if such Person is a limited liability company, any and all membership interests, or (iii) if such Person is a partnership or other entity, any and all partnership or entity interests or other units.

"EQUITY RIGHTS" means any warrants, options or other rights to subscribe for or purchase, or obligations to issue, any Equity Interests of the Company, or any Convertible Securities, or any stock appreciation rights, including any options or similar rights issued or issuable under any employee stock option plan, pension plan or other employee benefit plan of the Company.

"EXCLUDED SHARES" means Common Stock, Equity Rights or Convertible Securities issued in any of the transactions described in SECTIONS 3.1, 3.2, 3.3 or 3.5, (ii) shares of Common Stock issued after the Issuance Date upon conversion, exercise or exchange of (A) Equity Rights or Convertible Securities outstanding on the Issuance Date or (B) Equity Rights issued in connection with an exchange and re-pricing of outstanding options issued under the Company's 2006 Long Term Equity Incentive Plan as described in the Company's proxy statement filed with the Securities and Exchange Commission on June 24, 2009, and (iii) this Warrant or any securities issued upon exercise hereof. Notwithstanding the foregoing, shares of Common Stock, Equity Rights or Convertible Securities, and the shares of Common Stock issuable in respect thereof described in clauses (i) or (ii) shall not constitute "Excluded Shares" if the terms thereof are amended or revised after the Issuance Date.

"EXERCISE NOTICE" has the meaning set forth in SECTION 2.1.

"EXERCISE PERIOD" means the period commencing on the Issuance Date and ending on (and including) the Expiration Date.

"EXPIRATION DATE" means September 25, 2019.

"FAIR MARKET VALUE" per share of Common Stock as of any specified date means (i) if the Common Stock is publicly traded on such date, the Current Market Price per share, or (ii) if the Common Stock is not publicly traded (or deemed not to be publicly traded) on such date, the fair market value per share of Common Stock as determined in good faith by the Board of Directors of the Company and set forth in a written notice to the Holder, subject to the Holder's right to dispute such determination under SECTION 3.8(E).

"FTC" has the meaning set forth in SECTION 2.4.

"GOVERNMENTAL AUTHORITY" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"HOLDER" has the meaning set forth in the preamble of this Warrant.

"HSR ACT" has the meaning set forth in SECTION 2.4.

"ISSUANCE DATE" means September 25, 2009.

"NASDAQ" means the Nasdaq Stock Market or any successor reporting system thereof.

"OTHER PROPERTY" has the meaning set forth in SECTION 3.5.

"PERSON" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary

thereto), unincorporated organization or government or any agency or political subdivision thereof.

"REFERENCE PRICE" means the Warrant Purchase Price.

"REGISTRATION RIGHTS AGREEMENT" shall mean a Registration Rights Agreement dated as of the date hereof, in form and substance satisfactory to the initial Holder, among the Company, the initial Holder and Charles E. Bradley, Jr.

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

"WARRANT" means this Warrant, any amendment of this Warrant, and any warrants issued upon transfer, division or combination of, or in substitution for, this Warrant or any other such warrant. All such Warrants shall at all times be identical as to terms and conditions and date, except as to the number of Warrant Shares for which they may be exercised.

"WARRANT PURCHASE PRICE" has the meaning set forth in the preamble of this Warrant (as adjusted in accordance with the terms of this Warrant).

"WARRANT SHARES" has the meaning set forth in the preamble of this Warrant.

2. EXERCISE.

2.1. EXERCISE; DELIVERY OF CERTIFICATES. Subject to the provisions of SECTION 2.4, this Warrant may be exercised, in whole or in part, at the option of the Holder, at any time and from time to time during the Exercise Period, by (a) delivering to the Company at its principal executive office (the "DESIGNATED OFFICE") (i) a notice of exercise, in substantially the form attached hereto (the "EXERCISE NOTICE"), duly completed and signed by the Holder, and (ii) this Warrant, and (b) paying the Warrant Purchase Price pursuant to SECTION 2.2 for the number of Warrant Shares proposed to be purchased in the Exercise Notice. Subject to the provisions of SECTION 2.4, the Warrant Shares being purchased under this Warrant will be deemed to have been issued to the Holder, as the record owner of such Warrant Shares, as of the close of business on the date on which payment therefor is made by the Holder pursuant to SECTION 2.2. Stock certificates representing the Warrant Shares so purchased shall be delivered to the Holder within three (3) Business Days after this Warrant has been exercised (or, if applicable, immediately after the conditions set forth in SECTION 2.4 have been satisfied); PROVIDED, HOWEVER, that in the case of a purchase of less than all of the Warrant Shares issuable upon exercise of this Warrant, the Company shall cancel this Warrant and, within three (3) Business Days after this Warrant has been surrendered, execute and deliver to the Holder a new Warrant of like tenor for the number of unexercised Warrant Shares. Each stock certificate representing the number of Warrant Shares purchased pursuant to this Warrant shall be registered in the name of the Holder or, subject to compliance with Applicable Laws, such other name as designated by the Holder.

2.2. PAYMENT OF WARRANT PRICE. Payment of the Warrant Purchase Price shall be made, at the option of the Holder, by (i) check from the Holder, (ii) wire transfer, (iii) instructing the Company to withhold and cancel a number of Warrant Shares then issuable

upon exercise of this Warrant with respect to which the excess, if any, of the Fair Market Value over the Warrant Purchase Price for such canceled Warrant Shares is at least equal to the Warrant Purchase Price for the Warrant Shares being purchased, (iv) surrendering to the Company of shares of Common Stock previously acquired by the Holder with a Fair Market Value equal to the Warrant Purchase Price for the Warrant Shares then being purchased or (v) any combination of the foregoing.

2.3. NO FRACTIONAL SHARES. The Company shall not be required to issue fractional shares of Common Stock upon the exercise of this Warrant. If any fraction of a share of Common Stock would, except for the provisions of this paragraph, be issuable on the exercise of this Warrant (or specified portion thereof), the Company shall pay to the Holder an amount in cash calculated by it to be equal to the then Fair Market Value per share of Common Stock multiplied by such fraction computed to the nearest whole cent.

2.4. ANTITRUST NOTIFICATION. If the Holder determines, in its sole judgment upon the advice of counsel, that an exercise of this Warrant pursuant to the terms hereof is subject to the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), the Holder shall notify the Company, and the Company and the Holder shall, prior to the payment of the Warrant Purchase Price, file with the United States Federal Trade Commission (the "FTC") and the United States Department of Justice (the "DOJ") the notification and report form, if any, required in connection with the exercise of this Warrant, and any supplemental information required in connection therewith, pursuant to the HSR Act. Any information required to be provided by or with respect to the Company shall be provided by the Company within seven (7) Business Days after receiving notification from the Holder of the applicability of the HSR Act. Any such notification, report form and supplemental information will be in full compliance with the requirements of the HSR Act. The Company will furnish to the Holder such necessary information and such assistance as the Holder may reasonably request in connection with the preparation of any filing or submission which is necessary under the HSR Act.

The Company shall respond promptly after receiving any inquiries or requests for additional information from the FTC or the DOJ (and in no event more than five (5) Business Days after receipt of such inquiry or request). The Company shall keep the Holder apprised of the status of any communications with, and any inquiries or requests for additional information from, the FTC or the DOJ, and shall respond promptly to any such inquiries or requests. The Company shall bear all filing or other fees required to be paid by the Company and the Holder (or the "ultimate parent entity" of the Holder, if any) under the HSR Act or any other Applicable Law and the Company shall bear all costs and expenses (including, without limitation, attorneys' fees) incurred by the Company and the Holder (or the "ultimate parent entity" of the Holder, if any) in connection with the preparation of such filings, responses to inquiries or requests and compliance with the HSR Act and other Applicable Laws. In the event that this SECTION 2.4 is applicable to any exercise of this Warrant, the purchase of the Warrant Shares subject to the Exercise Notice, and the payment of the Warrant Purchase Price, will be subject to the expiration or earlier termination of the waiting period under the HSR Act.

3. ADJUSTMENTS TO THE NUMBER OF WARRANT SHARES AND TO THE WARRANT PURCHASE PRICE. The number of Warrant Shares for which this Warrant is

exercisable and the Warrant Purchase Price shall be subject to adjustment from time to time as set forth in this SECTION 3.

3.1. STOCK DIVIDENDS, SUBDIVISIONS AND COMBINATIONS. If at any time the Company:

(a) pays a dividend or other distribution on its Common Stock in shares of Common Stock or shares of any other class or series of Capital Stock;

(b) subdivides its outstanding shares of Common Stock (by stock split, reclassification or otherwise) into a larger number of shares of Common Stock; or

(c) combines (by reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares of Common Stock, then the number of Warrant Shares purchasable upon exercise of this Warrant immediately prior to the record date for such dividend or distribution or the effective date of such subdivision or combination shall be adjusted so that the Holder shall thereafter be entitled to receive upon exercise of this Warrant the kind and number of shares of Common Stock that the Holder would have owned or have been entitled to receive immediately after such record date or effective date had this Warrant been exercised immediately prior to such record date or effective date. Any adjustment made pursuant to this SECTION 3.1 shall become effective immediately after the effective date of such event, but be retroactive to the record date, if any, for such event.

Upon any adjustment of the number of Warrant Shares purchasable upon the exercise of this Warrant as herein provided, the Warrant Purchase Price per share shall be adjusted by multiplying the Warrant Purchase Price immediately prior to such adjustment by a fraction, the numerator of which shall be the number of Warrant Shares purchasable upon the exercise of this Warrant immediately prior to such adjustment and the denominator of which shall be the number of Warrant Shares so purchasable immediately thereafter.

3.2. RIGHTS; OPTIONS; WARRANTS. If, at any time after the Issuance Date, the Company issues (without payment of any consideration) to all holders of outstanding Common Stock any rights, options or warrants to subscribe for or purchase shares of Common Stock or securities convertible into or exchangeable for Common Stock, then the Company shall also distribute, at the same time as the distribution to such holders, such rights, options, warrants or securities to the Holder as if this Warrant had been exercised immediately prior to the record date for such issuance.

3.3. DISTRIBUTION OF ASSETS OR SECURITIES. If at any time the Company makes a distribution (other than a distribution covered by SECTION 3.1 or 3.2) to its shareholders of any asset, including cash or securities (such distribution, a "DISTRIBUTION", and the total of the cash, assets or securities so distributed, the "DISTRIBUTION AMOUNT"), then, at the Holder's option:

(i) the Holder shall have the right to receive an amount of assets, including cash or securities equal to the number of Warrant Shares for which this Warrant is exercisable immediately prior to the Distribution, multiplied by the Distribution Amount, divided by the number of shares of Common Stock outstanding at such time. Upon the closing of the

Distribution, the Company shall distribute such portion of the Distribution Amount to the Holder; or

(ii) the Warrant Purchase Price shall be adjusted and shall be equal to the Warrant Purchase Price in effect immediately prior to the close of business on the date fixed for the determination of shareholders entitled to receive such distribution, multiplied by a fraction (which shall not be less than zero), the numerator of which shall be the Fair Market Value per share of Common Stock on the date fixed for such determination, less the amount of cash, the then-fair market value of the portion of the assets, or the fair market value of the portion of the securities, as the case may be (as determined in good faith by the Board of Directors of the Company, subject to the Holder's rights under SECTION 3.8(E)), so distributed applicable to one share of Common Stock, and the denominator of which shall be the Fair Market Value per share of Common Stock. Such adjustment to the Warrant Purchase Price shall become effective immediately prior to the opening of business on the day immediately following the date fixed for the determination of shareholders entitled to receive such distribution. Upon any adjustment to the Warrant Purchase Price as provided for in this SECTION 3.3(ii), the number of Warrant Shares issuable upon the exercise of this Warrant shall also be adjusted and shall be equal to the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Warrant Purchase Price in effect immediately prior to such adjustment and the denominator of which is the Warrant Purchase Price as so adjusted.

3.4. ISSUANCE OF EQUITY SECURITIES AT LESS THAN FAIR MARKET VALUE OR WARRANT PURCHASE PRICE.

(a) If, at any time after Issuance Date, the Company shall issue or sell (or, in accordance with SECTION 3.4(b), shall be deemed to have issued or sold) shares of Common Stock, Equity Rights or Convertible Securities representing the right to subscribe for or purchase shares of Common Stock (other than any Excluded Shares) at a price per share of Common Stock that is lower than the Reference Price in effect immediately prior to such sale and issuance, then the Warrant Purchase Price shall be adjusted so that it shall equal the price determined by multiplying the Warrant Purchase Price in effect immediately prior thereto by a fraction, the numerator of which shall be an amount equal to the sum of (A) the number of shares of Common Stock outstanding immediately prior to such sale and issuance plus (B) the number of shares of Common Stock which the aggregate consideration received by the Company (and in the case of adjustments triggered in full or in part by the issuance of Equity Rights or Convertible Securities, the aggregate consideration deemed received in respect of such issuance determined as provided in SECTION 3.4(b) below) for such sale or issuance would purchase at such Reference Price per share, and the denominator of which shall be the total number of shares of Common Stock outstanding (and in the case of adjustments triggered in full or in part by the issuance of Equity Rights or Convertible Securities, the number of shares of Common Stock deemed to be outstanding as a result of such issuance determined as provided in SECTION 3.4(b) below) immediately after such sale or issuance.

Adjustments shall be made successively whenever such an issuance is made. Upon any adjustment in the Warrant Purchase Price as provided in this SECTION 3.4(a), the number of shares of Common Stock purchasable upon the exercise of this Warrant shall also be

adjusted and shall be that number determined by multiplying the number of Warrant Shares issuable upon exercise immediately prior to such adjustment by a fraction, the numerator of which is the Warrant Purchase Price in effect immediately prior to such adjustment and the denominator of which is the Warrant Purchase Price as so adjusted.

(b) For the purpose of determining the adjusted Warrant Purchase Price under SECTION 3.4(a), the following shall be applicable:

(i) If the Company in any manner issues or grants any Equity Rights (including Equity Rights to acquire Convertible Securities), and the price per share for which shares of Common Stock are issuable upon the exercise of such Equity Rights or upon conversion or exchange of such Convertible Securities is less than the Reference Price determined as of the date of such issuance or grant of such Equity Rights, then the total maximum number of shares of Common Stock issuable upon the exercise of such Equity Rights (or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Equity Rights) shall be deemed to be outstanding and to have been issued and sold by the Company for such lower price per share. For purposes of this paragraph, the price per share for which shares of Common Stock are issuable upon exercise of Equity Rights or upon conversion or exchange of Convertible Securities issuable upon exercise of Equity Rights shall be determined by dividing (A) the total amount, if any, received or receivable by the Company as consideration for the issuing or granting of such Equity Rights, plus the minimum aggregate amount of additional consideration payable to the Company upon the exercise of all such Equity Rights, plus in the case of such Equity Rights which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable to the Company upon the issuance or sale of such Convertible Securities and the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock issuable upon exercise of such Equity Rights or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Equity Rights.

(ii) If the Company in any manner issues or grants any Convertible Securities having an exercise or conversion or exchange price per Share which is less than the Reference Price determined as of the date of issuance or sale, then the maximum number of shares of Common Stock issuable upon the conversion or exchange of such Convertible Securities shall be deemed to be outstanding and to have been issued and sold by the Company for such lower price per share. For purposes of this paragraph, the price per share for which shares of Common Stock are issuable upon conversion or exchange of Convertible Securities is determined by dividing (A) the total amount received by the Company as consideration for the issuance or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities.

(iii) If the purchase price provided for in any Equity Rights, the additional consideration, if any, payable upon the issuance, conversion or exchange of any Convertible Securities or the rate at which any Convertible Securities are convertible into or exchangeable for shares of Common Stock decreases at any time, or if the number of shares of Common Stock issuable upon the exercise, issuance, conversion or exchange of any Equity

Rights or Convertible Securities increases at any time, then the Warrant Purchase Price in effect at the time of such decrease (or increase) shall be readjusted to the Warrant Purchase Price which would have been in effect at such time had such Equity Rights or Convertible Securities still outstanding provided for such decreased purchase price, additional consideration, changed conversion rate or increased shares, as the case may be, at the time initially granted, issued or sold and the number of Warrant Shares shall be correspondingly readjusted, by taking the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Warrant Purchase Price in effect immediately prior to such adjustment and the denominator of which is the Warrant Purchase Price as so adjusted.

(iv) If at any time the Company sells and issues shares of Common Stock or Equity Rights or Convertible Securities containing the right to subscribe for or purchase shares of Common Stock for a consideration consisting, in whole or in part, of property other than cash or its equivalent, then in determining the "price per share of Common Stock" and the "consideration received by the Company" for purposes of the preceding paragraphs of this SECTION 3.4, the Board of Directors of the Company shall determine, in good faith, the fair market value of property, subject to the Holder's rights under SECTION 3.8(E).

(v) There shall be no adjustment of the Warrant Purchase Price in respect of the Common Stock pursuant to this SECTION 3.4 if the amount of such adjustment is less than \$0.00001 per share of Common Stock; PROVIDED, HOWEVER, that any adjustments which by reason of this provision are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

3.5. REORGANIZATION, RECLASSIFICATION, MERGER, CONSOLIDATION OR DISPOSITION OF ASSETS. If at any time the Company reorganizes its capital, reclassifies its capital stock, consolidates, merges or combines with or into another Person (where the Company is not the surviving corporation or where there is any change whatsoever in, or distribution with respect to, the outstanding Common Stock), or the Company sells, transfers or otherwise disposes of all or substantially all of its property, assets or business to another Person, other than in a transaction provided for in SECTION 3.1, 3.2, 3.3, 3.4 or 3.6, and, pursuant to the terms of such reorganization, reclassification, consolidation, merger, combination, sale, transfer or other disposition of assets, (i) shares of common stock of the successor or acquiring Person or of the Company (if it is the surviving corporation) or (ii) any cash, shares of stock or other securities or property of any nature whatsoever (including warrants or other subscription or purchase rights) in addition to or in lieu of common stock of the successor or acquiring Person or the Company ("OTHER PROPERTY") are to be received by or distributed to the holders of Common Stock who are holders immediately prior to such transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the number of shares of Common Stock, common stock of the successor or acquiring Person, and/or Other Property which holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event would have owned or received immediately after and as a result of such event. In such event, the aggregate Warrant Purchase Price otherwise payable for the Warrant Shares issuable upon exercise of this Warrant shall be allocated among such securities and Other Property in proportion to the respective fair market

values of such securities and Other Property as determined in good faith by the Board of Directors of the Company, subject to the Holder's rights under SECTION 3.8(e).

In case of any such event, the successor or acquiring Person (if other than the Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant to be performed and observed by the Company and all the obligations and liabilities hereunder, subject to such modifications as the Holder may approve in writing (as determined by resolution of the Board of Directors of the Company) in order to provide for adjustments of any shares of common stock of such successor or acquiring Person for which this Warrant thus becomes exercisable, which modifications shall be as equivalent as practicable to the adjustments provided for in this SECTION 3.5. For purposes of this SECTION 3.5, "common stock of the successor or acquiring Person" shall include stock or other equity securities, or securities that are exercisable or exchangeable for or convertible into equity securities, of such corporation, or other securities if such Person is not a corporation, of any class that is not preferred as to dividends or assets over any other class of stock of such corporation or Person and that is not subject to redemption and shall also include any evidences of indebtedness, shares of stock or other securities that are convertible into or exchangeable for any such stock, either immediately or upon the arrival of a specified date or the happening of a specified event and any warrants or other rights to subscribe for or purchase any such stock. The foregoing provisions of this SECTION 3.5 shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, transfers and other dispositions of assets.

3.6. **DISSOLUTION, TOTAL LIQUIDATION OR WINDING-UP.** If at any time there is a voluntary or involuntary dissolution, total liquidation or winding-up of the Company, other than as contemplated by SECTION 3.5, then the Company shall cause to be mailed (by registered or certified mail, return receipt requested, postage prepaid) to the Holder at the Holder's address as shown on the Warrant register, at the earliest practicable time (and, in any event, not less than thirty (30) calendar days before any date set for definitive action) written notice of the date on which such dissolution, liquidation or winding-up shall take place, as the case may be. Such notice shall also specify the date as of which the record holders of shares of Common Stock shall be entitled to exchange their shares for securities, money or other property deliverable upon such dissolution, liquidation or winding-up, as the case may be. On such date, the Holder shall be entitled to receive upon surrender of this Warrant the cash or other property, less the Warrant Purchase Price for this Warrant then in effect, that the Holder would have been entitled to receive had this Warrant been exercised immediately prior to such dissolution, liquidation or winding-up. Upon receipt of the cash or other property, any and all rights of the Holder to exercise this Warrant shall terminate in their entirety. If the cash or other property distributable in the dissolution, liquidation or winding-up has a fair market value (as determined in good faith by the board of directors of the Company and set forth in a written notice to the Holder, subject to the Holder's right to dispute such determination under SECTION 3.8(E)) which is less than the Warrant Purchase Price for this Warrant then in effect, this Warrant shall terminate and be of no further force or effect upon the dissolution, liquidation or winding-up.

3.7. **OTHER DILUTIVE EVENTS.** If any event occurs as to which the other provisions of this SECTION 3 are not strictly applicable but as to which the failure to make any adjustment would not protect the purchase rights represented by this Warrant in accordance with the intent and principles hereof then, in each such case, the Holder (or if the Warrant has been

divided up, the Holders of Warrants exercisable for the purchase of more than fifty percent (50%) of the aggregate number of Warrant Shares then issuable upon exercise of all of the then exercisable Warrants) may appoint an independent investment bank or firm of independent public accountants which shall give its opinion as to the adjustment, if any, on a basis consistent with the intent and principles established herein, necessary to preserve the purchase rights represented by this Warrant (or such Warrants). Upon receipt of such opinion, the Company will mail (by registered or certified mail, return receipt requested, postage prepaid) a copy thereof to the Holder within three (3) Business Days and shall make the adjustments described therein. The fees and expenses of such investment bank or independent public accountants shall be borne by the Company.

3.8. OTHER PROVISIONS APPLICABLE TO ADJUSTMENTS UNDER THIS SECTION. The following provisions shall be applicable to the adjustments provided for pursuant to this SECTION 3:

(a) WHEN ADJUSTMENTS TO BE MADE. The adjustments required by this SECTION 3 shall be made whenever and as often as any specified event requiring such an adjustment shall occur. For the purpose of any such adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence.

(b) RECORD DATE. If the Company fixes a record date of the holders of Common Stock for the purpose of entitling them to (i) receive a dividend or other distribution payable in shares of Common Stock or in shares of any other class or series of capital stock or securities convertible into or exchangeable for Common Stock or shares of any other class or series of capital stock or (ii) subscribe for or purchase shares of Common Stock or such other shares or securities, then all references in this SECTION 3 to the date of the issuance or sale of such shares of Common Stock or such other shares or securities shall be deemed to be references to that record date.

(c) WHEN ADJUSTMENT NOT REQUIRED. If the Company fixes a record date of the holders of its Common Stock for the purpose of entitling them to receive a dividend or distribution or subscription or purchase rights to which the provisions of SECTION 3.1 would apply, but shall, thereafter and before the distribution to shareholders, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(d) NOTICE OF ADJUSTMENTS. Whenever the number of shares of Common Stock for which this Warrant is exercisable or the Warrant Purchase Price shall be adjusted or recalculated pursuant to this SECTION 3, the Company shall immediately prepare a certificate to be executed by the chief financial officer of the Company setting forth, in reasonable detail, the event requiring the adjustment or recalculation and the method by which such adjustment or recalculation was calculated, specifying the number of shares of Common Stock for which this Warrant is exercisable and (if such adjustment was made pursuant to SECTION 3.5) describing the number and kind of any other shares of stock or Other Property for which this Warrant is exercisable, and any related change in the Warrant Purchase Price, after giving effect to such adjustment, recalculation or change. The Company shall mail (by registered

or certified mail, return receipt requested, postage prepaid) a signed copy of the certificate to be delivered to the Holder within three (3) Business Days of the event which caused the adjustment or recalculation. The Company shall keep at the Designated Office copies of all such certificates and cause them to be available for inspection at the Designated Office during normal business hours by the Holder or any prospective transferee of this Warrant designated by the Holder.

(e) CHALLENGE TO GOOD FAITH DETERMINATION. Whenever the Board of Directors of the Company is required to make a determination in good faith of the fair market value of any item under this Warrant, or any item that may affect the value of this Warrant, that determination may be challenged or disputed by the Holder (or if the Warrant has been divided up, the Holders of Warrants exercisable for more than fifty percent (50%) of the aggregate number of Warrant Shares then issuable upon exercise of all of the then exercisable Warrants), and any such challenge or dispute shall be resolved promptly, but in no event in more than thirty (30) days, by an investment banking firm of recognized national standing or one of the four (4) largest national accounting firms agreed upon by the Company and the Holders and whose decision shall be binding on the Company and the Holders. If the Company and the Holders cannot agree on a mutually acceptable investment bank or accounting firm, then the Holders, jointly, and the Company shall within five (5) Business Days each choose one investment bank or accounting firm and the respective chosen firms shall within five (5) Business Days jointly select a third investment bank or accounting firm, which shall make the determination promptly, but in no event in more than thirty (30) days, and such determination shall be binding upon all parties thereto. The Company shall bear all costs in connection with such determination, including without limitation, fees of the investment bank(s) or accounting firm(s), unless the change in Warrant Purchase Price determined pursuant to this paragraph is within five percent (5%) of the change in warrant purchase price as computed by the Company, in which case the Holder or Holders challenging the determination shall bear such costs pro rata.

(f) INDEPENDENT APPLICATION. Except as otherwise provided herein, all subsections of this SECTION 3 are intended to operate independently of one another (but without duplication). If an event occurs that requires the application of more than one subsection, all applicable subsections shall be given independent effect without duplication.

3.9. FIDUCIARY DUTIES TO HOLDER. The board of directors of the Company shall at all times, whether or not this Warrant has been exercised, owe the Holder the same fiduciary duties that it would owe to a holder of the Warrant Shares underlying the Warrant.

4. MISCELLANEOUS.

4.1. RESTRICTIVE LEGEND. This Warrant, any Warrant issued upon transfer of this Warrant and, unless registered under the Securities Act, any Warrant Shares issued upon exercise of this Warrant or any portion thereof shall be imprinted with the following legend, in addition to any legend required under applicable state securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD, TRANSFERRED,

PLEGDED, HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION OR QUALIFICATION THEREFROM.

The legend shall be appropriately modified upon issuance of certificates for shares of Common Stock.

Upon request of the holder of a Common Stock certificate, the Company shall issue to that holder a new certificate free of the foregoing legend, if, with such request, such holder provides the Company with an opinion of counsel reasonably acceptable to the Company (PROVIDED that Dewey & LeBoeuf LLP shall be deemed to be acceptable to the Company) to the effect that the securities evidenced by such certificate may be sold without restriction under Rule 144 (or any other rule permitting resales of securities without restriction) promulgated under the Securities Act.

4.2. **HOLDER ENTITLED TO BENEFITS.** This Warrant is the "Warrant" referred to in the Credit Agreement. The Holder is entitled to certain rights, benefits and privileges with respect to this Warrant and the Warrant Shares pursuant to the terms of this Warrant and the Registration Rights Agreement.

4.3. **OTHER COVENANTS.** The Company covenants and agrees that, as long as this Warrant remains outstanding or any Warrant Shares are issuable with respect to this Warrant, the Company will perform all of the following covenants for the express benefit of the Holder: (a) the Warrant Shares shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable shares of Common Stock; (b) the Holder shall, upon the exercise hereof in accordance with the terms hereof, receive good and marketable title to the Warrant Shares, free and clear of all voting and other trust arrangements to which the Company is a party or by which it is bound, preemptive rights of any shareholder, liens, encumbrances, equities and claims whatsoever, including, but not limited to, all Taxes, Liens and other charges with respect to the issuance thereof; (c) at all times prior to the Expiration Date, the Company shall have reserved for issuance a sufficient number of authorized but unissued shares of Common Stock, or other securities or property for which this Warrant may then be exercisable, to permit this Warrant (or if this Warrant has been divided, all outstanding Warrants) to be exercised in full; (d) the Company shall deliver to the Holder the information and reports delivered to any other holder of the Company's common stock; and (e) the Company shall provide the Holder with written notice of all corporate actions, including, without limitation, prior written notice of any dividends in the same manner and to the same extent as the shareholders of the Company.

4.4. **ISSUE TAX.** The issuance of shares of Common Stock upon the exercise of this Warrant shall be made without charge to the Holder for any stamp, documentary, issue or similar tax in respect thereof.

4.5. **CLOSING OF BOOKS.** The Company will at no time close its transfer books against the transfer of this Warrant or of any Warrant Shares in any manner which interferes with the timely exercise hereof.

4.6. NO VOTING RIGHTS; LIMITATION OF LIABILITY. Except as expressly set forth in this Warrant or the Registration Rights Agreement, nothing contained in this Warrant shall be construed as conferring upon the Holder (a) the right to vote or to consent as a shareholder in respect of meetings of shareholders for the election of directors of the Company or any other matter, or (b) the right to receive dividends except as set forth in Section 3. No provisions hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Warrant Purchase Price or as a shareholder of the Company, whether such liability is asserted by the Company or by its creditors.

4.7. MODIFICATION AND WAIVER. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement is sought.

4.8. NOTICES. All notices, requests, demands and other communications which are required or may be given under this Warrant shall be in writing and shall be deemed to have been duly given if transmitted by telecopier with receipt acknowledged, or upon delivery, if delivered personally or by recognized commercial courier with receipt acknowledged, or upon receipt, if mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:	Consumer Portfolio Services, Inc. 19500 Jamboree Road Irvine, California 92612 Attention: General Counsel Telecopier No.: (888) 577-7923 Telephone No.: (888) 785-6691
If to the initial Holder:	Drawbridge Special Opportunities Fund LP 1345 Avenue of the Americas 46th Floor New York, New York 10105 Attention: Constantine Dakolias Facsimile No.: (212) 798-6131 Confirmation No.: (212) 798-6100

or at such other address or addresses as the Holder or the Company, as the case may be, may specify by written notice given in accordance with this SECTION 4.8.

4.9. SUCCESSORS AND ASSIGNS. The Company may not assign any of its rights, or delegate any of its obligations, under this Warrant without the prior written consent of the Holder (which consent may be withheld for any reason or no reason at all). The Holder may make an Assignment of this Warrant, in whole or in part, at any time or from time to time, without the consent of the Company. Each Assignment of this Warrant, in whole or in part, shall be registered on the books of the Company to be maintained for such purpose, upon surrender of this Warrant at the Designated Office, together with appropriate instruments of assignment, duly

completed and executed. Upon such surrender, the Company shall, at its own expense, within three (3) Business Days of surrender, execute and deliver a new Warrant or Warrants in the name of the assignee or assignees specified in such assignment and in the denominations specified therein and this Warrant shall promptly be canceled. If any portion of this Warrant is not being assigned, the Company shall, at its own expense, within three (3) Business Days issue to the Holder a new Warrant evidencing the part not so assigned. If the Holder makes an Assignment of this Warrant to one or more Persons, any decisions that the Holder is entitled to make at any time hereunder shall be made by the Holders holding more than fifty percent (50%) of the aggregate number of Warrant Shares issuable upon exercise of all of the then exercisable Warrants.

In addition, the Holder may, without notice to or the consent of the Company, grant or sell Participations to one or more participants in all or any part of its right, title and interest in and to this Warrant.

This Warrant shall be binding upon and inure to the benefit of the Company, the Holder and their respective successors and permitted assigns, and shall include, with respect to the Company, any Person succeeding the Company by merger, consolidation, combination or acquisition of all or substantially all of the Company's assets, and in such case, except as expressly provided herein, all of the obligations of the Company hereunder shall survive such merger, consolidation, combination or acquisition.

4.10. CONSTRUCTION AND INTERPRETATION. The headings of the paragraphs of this Warrant are for convenience of reference only and do not constitute a part of this Warrant and are not to be considered in construing or interpreting this Warrant. No party, nor its counsel, shall be deemed the drafter of this Warrant for purposes of construing the provisions of this Warrant, and all provisions of this Warrant shall be construed in accordance with their fair meaning, and not strictly for or against any party.

4.11. LOST WARRANT OR CERTIFICATES. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant or of a stock certificate evidencing Warrant Shares and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to the Company or, in the case of any such mutilation, upon surrender and cancellation of the Warrant or stock certificate, the Company shall make and deliver to the Holder, within three (3) Business Days of receipt by the Company of such documentation, a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

4.12. NO IMPAIRMENT. The Company shall not by any action, including, without limitation, amending its charter documents or regulations or through any reorganization, reclassification, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Holder against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value (if any) of any shares of Common Stock receivable upon the exercise of this Warrant above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in

order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant, free and clear of all liens, encumbrances, equities and claims, and (iii) use its best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant.

4.13. NO IMPLIED WAIVER. Nothing in this Warrant, including any reference herein to an act or transaction, shall be construed as, or imply, a waiver of any provision of the Credit Agreement or the Registration Rights Agreement, including any prohibition therein against such an act or transaction.

4.14. GOVERNING LAW. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS WARRANT AND THE RIGHTS AND OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

4.15. CONSENT TO JURISDICTION AND VENUE. ANY SUIT, LEGAL ACTION OR SIMILAR PROCEEDING WITH RESPECT TO THIS WARRANT SHALL BE BROUGHT IN THE COURTS OF THE STATE OF CALIFORNIA SITTING IN THE CITY OF LOS ANGELES, STATE OF CALIFORNIA OR OF THE UNITED STATES FOR THE CENTRAL DISTRICT OF CALIFORNIA SITTING IN THE CITY OF LOS ANGELES, STATE OF CALIFORNIA, AND BY EXECUTION AND DELIVERY OF THIS WARRANT, EACH OF THE COMPANY AND THE HOLDER (BY ACCEPTANCE HEREOF) CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS. EACH OF THE COMPANY AND THE HOLDER (BY ACCEPTANCE HEREOF) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, 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 WARRANT. EACH OF THE COMPANY AND THE HOLDER (BY ACCEPTANCE HEREOF) HEREBY WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY THE LAW OF THE STATE OF THE NEW YORK.

4.16. REMEDIES. If the Company fails to perform, comply with or observe any covenant or agreement to be performed, complied with or observed by it under this Warrant, the Holder may proceed to protect and enforce its rights by suit in equity or action at law, whether for specific performance of any term contained in this Warrant or for an injunction against the breach of any such term or in aid of the exercise of any power granted in this Warrant or to enforce any other legal or equitable right, or to take any one or more of such actions. The Company hereby agrees that the Holder shall not be required or otherwise obligated to, and hereby waives any right to demand that the Holder, post any performance or other bond in

connection with the enforcement of its rights and remedies hereunder. The Company agrees to pay all fees, costs, and expenses, including, without limitation, fees and expenses of attorneys, accountants and other experts retained by the Holder, and all fees, costs and expenses of appeals, incurred or expended by the Holder in connection with the enforcement of this Warrant or the collection of any sums due hereunder, whether or not suit is commenced. None of the rights, powers or remedies conferred under this Warrant shall be mutually exclusive, and each right, power or remedy shall be cumulative and in addition to any other right, power or remedy whether conferred by this Warrant or now or hereafter available at law, in equity, by statute or otherwise.

4.17. ENTIRE AGREEMENT. This Warrant and the Registration Rights Agreement constitutes the full and entire agreement and understanding between the Holder and the Company with respect to the subject matter hereof and supersede all prior oral and written, and all contemporaneous oral, agreements and understandings relating to the subject matter hereof.

4.18. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, THE COMPANY HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS WARRANT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE COMPANY AND THE HOLDER WITH RESPECT TO THE WARRANT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND THE COMPANY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT THE COMPANY OR ANY HOLDER MAY FILE AN ORIGINAL COPY OF THIS SECTION 4.18 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE COMPANY HERETO TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed and issued by its duly authorized representative on the date first written above.

CONSUMER PORTFOLIO SERVICES, INC.,

a California corporation

By: _____
Charles E. Bradley, Jr.
President and Chief Executive Officer



NEWS RELEASE

CONSUMER PORTFOLIO SERVICES ANNOUNCES NEW CREDIT FACILITY

IRVINE, California, September 29, 2009 (MARKETWIRE) -- Consumer Portfolio Services, Inc. (Nasdaq: CPSS) (“CPS” or the “Company”) today announced that on September 25, 2009 it entered into a \$50 million two-year credit facility with Fortress Credit Corp., an affiliate of Fortress Investment Group. Loans under the facility will be secured by automobile receivables that CPS now holds or will purchase from dealers.

“We are very pleased with this new facility as it will allow us to begin growing our new contract originations again,” said Charles E. Bradley, Jr., Chief Executive Officer. “During the credit crisis over the last year and with the lack of other credit facilities, we have focused on preserving liquidity. As a result, so far this year we have purchased only nominal amounts of new contracts. With this financing we will be able to take advantage of what we believe is a tremendous market opportunity, as many former competitors have exited the industry.”

About Consumer Portfolio Services, Inc.

Consumer Portfolio Services, Inc. is a specialty finance company engaged in purchasing and servicing new and used retail automobile contracts originated primarily by franchised automobile dealerships and, to a lesser extent, by select independent dealers of used automobiles in the United States. We serve as an alternative source of financing for dealers, facilitating sales to sub-prime customers, who have limited credit history, low income or past credit problems and who otherwise might not be able to obtain financing from traditional sources.

Forward Looking Statements

This news release contains forward looking statements, which include the statements that the new facility will allow us to begin growing purchases of automobile finance contracts, and that we will be able to take advantage of a market opportunity with such purchases. There can be no assurance that we will purchase contracts in amounts or on terms as we anticipate or as may be implied from the statements above. Our ability so to purchase will be dependent on factors that include (i) the willingness and ability of our competitors to purchase similar contracts from dealers, (ii) the terms and conditions on which such competitors purchase such contracts, (iii) our ability to fund our portion of the purchase price of such automobile finance contracts, and (iv) the overall level of automobile purchases in the United States.

Investor Relations Contact

Robert E. Riedl, Chief Investment Officer
949-753-6800
