

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

(MARK ONE)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 000-19424

EZCORP, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

74-2540145

(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION

(IRS EMPLOYER
IDENTIFICATION NO.)

1901 CAPITAL PARKWAY
AUSTIN, TEXAS 78746
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)
(ZIP CODE)

(512) 314-3400
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

NA
(FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR,
IF CHANGED SINCE LAST REPORT)

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes__ No X

APPLICABLE ONLY TO CORPORATE ISSUERS:

The only class of voting securities of the registrant issued and outstanding is the Class B Voting Common Stock, par value \$.01 per share, 100% of which is owned by one record holder who is an affiliate of the registrant. There is no trading market for the Class B Voting Common Stock.

As of March 31, 2004, 11,007,534 shares of the registrant's Class A Non-voting Common Stock, par value \$.01 per share and 1,190,057 shares of the registrant's Class B Voting Common Stock, par value \$.01 per share were outstanding.

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PART I

ITEM 1. FINANCIAL STATEMENTS

Condensed Consolidated Balance Sheets

	March 31, 2004 -----	March 31, 2003 -----	September 30, 2003 -----
	(In thousands)		
	(Unaudited)		
Assets:			
Current assets:			
Cash and cash equivalents	\$ 202	\$ 3,386	\$ 2,496
Pawn loans	42,079	41,218	47,955
Payday loans	4,643	2,253	3,630
Pawn service charges receivable, net	7,825	7,966	8,990
Payday loan service charges receivable, net	928	442	735
Inventory, net	29,492	29,535	29,755
Deferred tax asset	8,163	6,418	8,163
Federal income tax receivable	--	--	328
Prepaid expenses and other assets	3,054	2,456	1,726
	-----	-----	-----
Total current assets	96,386	93,674	103,778
Investment in unconsolidated affiliates	15,417	15,124	14,700
Property and equipment, net	24,642	28,659	25,369
Note receivable from related party	1,500	1,500	1,500
Deferred tax asset, non-current	4,391	1,948	4,391
Other assets, net	3,866	3,977	3,952
	-----	-----	-----
Total assets	\$ 146,202	\$ 144,882	\$ 153,690
	=====	=====	=====
Liabilities and stockholders' equity:			
Current liabilities:			
Accounts payable and other accrued expenses	\$ 11,668	\$ 10,030	\$ 11,101
Customer layaway deposits	1,842	1,731	1,792
Federal income taxes payable	771	443	--
	-----	-----	-----
Total current liabilities	14,281	12,204	12,893
Long-term debt, less current maturities	15,000	28,000	31,000
Deferred gains and other long-term liabilities	4,139	4,019	4,319
	-----	-----	-----
Total long-term liabilities	19,139	32,019	35,319
Commitments and contingencies	--	--	--
Stockholders' equity:			
Preferred Stock, par value \$.01 per share; Authorized 5,000,000 shares; none issued and outstanding	--	--	--
Class A Non-Voting Common Stock, par value \$.01 per share;			
Authorized 40,000,000 shares; 11,016,567 issued and 11,007,534 outstanding at March 31, 2004; 11,006,864 issued and 10,997,831 outstanding at March 31, 2003 and September 30, 2003	110	110	110
Class B Voting Common Stock, convertible, par value \$.01 per share; Authorized 1,198,990 shares; 1,190,057 issued and outstanding	12	12	12
Additional paid-in capital	116,230	114,796	115,580
Accumulated deficit	(3,164)	(13,777)	(9,161)
Less deferred compensation expense	(1,125)	--	(784)
	-----	-----	-----
Total stockholders' equity	112,063	101,141	105,757
Treasury stock, at cost (9,033 shares)	(35)	(35)	(35)
Receivable from stockholder	--	(729)	(729)
Accumulated other comprehensive income	754	282	485
	-----	-----	-----
Total stockholders' equity	112,782	100,659	105,478
	-----	-----	-----
Total liabilities and stockholders' equity	\$ 146,202	\$ 144,882	\$ 153,690
	=====	=====	=====

See Notes to Condensed Consolidated Financial Statements (unaudited).

Condensed Consolidated Statements of Operations (Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2004	2003	2004	2003
	-----	-----	-----	-----
	(In thousands, except per share amounts)			
Revenues:				
Sales	\$ 38,374	\$ 35,771	\$ 71,929	\$ 69,969
Pawn service charges	14,488	14,323	30,040	29,957
Payday loan service charges	5,072	2,675	9,933	5,752
Other	355	253	701	543
	-----	-----	-----	-----
Total revenues	58,289	53,022	112,603	106,221
Cost of goods sold	22,517	22,672	41,790	43,992
	-----	-----	-----	-----
Net revenues	35,772	30,350	70,813	62,229
Operating expenses:				
Operations	23,061	21,414	45,677	42,859
Administrative	6,378	4,393	12,240	8,690
Depreciation and amortization	1,865	2,192	3,780	4,459
	-----	-----	-----	-----
Total operating expenses	31,304	27,999	61,697	56,008
Operating income	4,468	2,351	9,116	6,221
Interest expense, net	373	474	821	
Equity in net income of unconsolidated affiliate	(496)	(427)	(861)	1,131
	-----	-----	-----	-----
Income before income taxes and cumulative effect of adopting a new accounting principle	4,591	2,304	9,156	5,820
Income tax expense	1,584	806	3,159	2,037
	-----	-----	-----	-----
Income before cumulative effect of adopting a new accounting principle	3,007	1,498	5,997	3,783
Cumulative effect of adopting a new accounting principle, net of tax	--	--	--	(8,037)
	-----	-----	-----	-----
Net income (loss)	\$ 3,007	\$ 1,498	\$ 5,997	\$ (4,254)
	=====	=====	=====	=====
Income (loss) per common share - basic:				
Income before cumulative effect of adopting a new accounting principle	\$ 0.25	\$ 0.12	\$ 0.49	\$ 0.31
Cumulative effect of adopting a new accounting principle, net of tax	--	--	--	(0.66)
	-----	-----	-----	-----
Net income (loss)	\$ 0.25	\$ 0.12	\$ 0.49	\$ (0.35)
	=====	=====	=====	=====
Income (loss) per common share - assuming dilution:				
Income before cumulative effect of adopting a new accounting principle	\$ 0.23	\$ 0.12	\$ 0.46	\$ 0.30
Cumulative effect of adopting a new accounting principle, net of tax	--	--	--	(0.64)
	-----	-----	-----	-----
Net income (loss)	\$ 0.23	\$ 0.12	\$ 0.46	\$ (0.34)
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic	12,196	12,181	12,192	12,174
Assuming dilution	13,209	12,513	13,101	12,438

See Notes to Interim Condensed Consolidated Financial Statements (unaudited).

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended March 31,	
	2004	2003
	(In thousands)	
Operating Activities:		
Net income (loss)	\$ 5,997	\$ (4,254)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Cumulative effect of adopting a new accounting principle	--	8,037
Depreciation and amortization	3,780	4,459
Deferred taxes	--	(3,139)
Impairment of receivable	729	--
Deferred compensation expense	245	3
Income from investment in unconsolidated affiliate	(861)	(730)
Changes in operating assets and liabilities:		
Service charges receivable, net	972	896
Inventory	263	2,562
Notes receivable from related parties	--	22
Prepaid expenses, other current assets, and other assets, net	(1,283)	2,090
Accounts payable and accrued expenses	626	(1,518)
Customer layaway deposits	50	(435)
Deferred gains and other long-term liabilities	(180)	(190)
Federal income taxes	1,099	802
Net cash provided by operating activities	11,437	8,605
Investing Activities:		
Pawn loans forfeited and transferred to inventory	35,823	36,899
Pawn loans made, including loans renewed	(90,457)	(88,725)
Pawn loans repaid or renewed	60,510	59,856
Net decrease in pawn loans	5,876	8,030
Net (increase) decrease in payday loans	(1,013)	73
Additions to property and equipment	(3,012)	(882)
Dividends from unconsolidated affiliate	414	313
Net cash provided by investing activities	2,265	7,534
Financing Activities:		
Proceeds from exercise of stock options	4	--
Net payments on bank borrowings	(16,000)	(14,245)
Net cash used in financing activities	(15,996)	(14,245)
Change in cash and equivalents	(2,294)	1,894
Cash and equivalents at beginning of period	2,496	1,492
Cash and equivalents at end of period	\$ 202	\$ 3,386
Non-cash Investing and Financing Activities:		
Foreign currency translation adjustment	\$269	\$302
Issuance of common stock to 401(k) plan	\$61	\$63

See Notes to Interim Condensed Consolidated Financial Statements (unaudited).

NOTE A: BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring entries) considered necessary for a fair presentation have been included. The accompanying financial statements should be read with the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended September 30, 2003 ("Fiscal 2003"). The balance sheet at September 30, 2003 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

The Company's business is subject to seasonal variations, and operating results for the three-month and six-month periods ended March 31, 2004 are not necessarily indicative of the results of operations for the full fiscal year.

NOTE B: SIGNIFICANT ACCOUNTING POLICIES

PAWN LOAN REVENUE RECOGNITION: Pawn service charges are recorded using the interest method for all pawn loans the Company deems to be collectible. The Company bases its estimate of collectible loans on several factors, including recent redemption rates, historical trends in redemption rates, and the amount of loans due in the following three months. Unexpected variations in any of these factors could increase or decrease the Company's estimate of collectible loans, affecting the Company's earnings and financial condition.

PAYDAY LOAN REVENUE RECOGNITION: Payday loans and related service charges reported in the Company's consolidated financial statements reflect only the Company's participation interest in these loans. The Company accrues service charges on the percentage of loans the Company deems to be collectible using the interest method. Accrued service charges related to defaulted loans are deducted from service charge revenue upon loan default, and increase service charge revenue upon subsequent collection.

The Company considers a loan defaulted if the loan has not been repaid or refinanced by the maturity date. Although defaulted loans may be collected later, the Company charges defaulted loans' principal to bad debt upon default, leaving only active loans in the reported balance. Subsequent collections of principal are recorded as a reduction of bad debt at the time of collection. The Company's payday loan net defaults, included in store operating expense, were \$1.2 million and \$2.7 million, representing 4.3% and 4.9% of loans made for the three-month and six-month periods ended March 31, 2004 (the "Fiscal 2004 Second Quarter" and the "Fiscal 2004 Year-to-Date Period," respectively). In the comparable 2003 periods (the "Fiscal 2003 Second Quarter" and the "Fiscal 2003 Year-to-Date Period," respectively), payday loan net defaults were \$0.5 million and \$1.5 million, representing 3.6% and 4.7%, respectively, of loans made.

ALLOWANCE FOR LOSSES ON PAYDAY LOANS: The Company also provides an allowance for losses on active payday loans and related service charges receivable. Changes in the principal valuation allowance are charged to bad debt expense, a component of operations expense in the Company's statement of operations. Changes in the service charge receivable valuation allowance are charged to payday loan service charge revenue.

INVENTORY: If a pawn loan is not repaid, the forfeited collateral (inventory) is recorded at cost (pawn loan principal). The Company does not record loan loss allowances or charge-offs on the principal portion of pawn loans. In order to state inventory at the lower of cost (specific identification) or market (net realizable value), the Company provides an allowance for shrinkage and excess, obsolete, or slow-moving inventory. The allowance is based on the type and age of merchandise as well as recent sales trends and margins. At March 31, 2004, March 31, 2003, and September 30, 2003, the valuation allowance deducted from the carrying value of inventory was \$1.0 million, \$2.4 million, and \$1.8 million (3.2%, 7.4%, and 5.8% of gross inventory), respectively. Changes in the inventory valuation allowance are recorded as cost of goods sold.

VALUATION OF TANGIBLE LONG-LIVED ASSETS: The Company assesses the impairment of tangible long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors which could trigger an impairment review include the following: significant underperformance relative to historical or projected future cash flows; significant changes in the manner of use of the assets or the strategy for the overall business; and significant negative industry trends. When management determines that the carrying value of tangible long-lived assets may not be recoverable, impairment is measured based on the excess of the assets' carrying value over the estimated fair value. No impairment of tangible long-lived assets has been recognized in the Fiscal 2004 or 2003 Periods.

INCOME TAXES: The provision for federal income taxes has been calculated based on the Company's estimate of its effective tax rate for the full fiscal year. As part of the process of preparing the consolidated financial statements, the Company is required to estimate income taxes in each of the jurisdictions in which it operates. This process involves estimating the actual current tax liability together with assessing temporary differences in recognition of income for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheet. Management must then assess the likelihood that the deferred tax assets will be recovered from future taxable income. In the event the Company was to determine that it would not be able to realize all or part of its net deferred tax assets in the future, a valuation allowance would be charged to the income tax provision in the period such determination was made. Likewise, should the Company determine that it would be able to realize its deferred tax assets in the future in excess of its net recorded amount, a decrease to a valuation allowance would increase income in the period such determination was made. The Company evaluates the realizability of its deferred tax assets quarterly by assessing the need for a valuation allowance, if any. No adjustments have been made to the Company's valuation allowance in the Fiscal 2004 or 2003 Periods.

STOCK-BASED COMPENSATION: The Company accounts for its stock-based compensation plans in accordance with the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations ("APB 25"). Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS No. 148, "Accounting for Stock-Based Compensation Transition and Disclosure," encourages expensing the fair value of employee stock options, but allows an entity to continue to account for stock-based compensation to employees under APB 25 with disclosures of the pro forma effect on net income had the fair value accounting provisions of SFAS No. 123 been adopted. The Company has calculated the fair value of options granted in these periods using the Black-Scholes option-pricing model and has determined the pro forma impact on net income. See Note H, Common Stock, Warrants, and Options.

PROPERTY AND EQUIPMENT: Property and equipment is shown net of accumulated depreciation of \$69.4 million, \$61.6 million and \$65.7 million at March 31, 2004, March 31, 2003, and September 30, 2003, respectively.

Certain prior year balances have been reclassified to conform to the Fiscal 2004 presentation.

NOTE C: EARNINGS (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2004	2003	2004	2003
	(In thousands, except per share amounts)			
Numerator				
Income before cumulative effect of adopting a new accounting principle	\$ 3,007	\$ 1,498	\$ 5,997	\$ 3,783
Cumulative effect of adopting a new accounting principle, net of tax	--	--	--	(8,037)
Net income (loss)	3,007	1,498	\$ 5,997	\$ (4,254)
Denominator				
Denominator for basic earnings per share: weighted average shares	12,196	12,181	12,192	12,174
Effect of dilutive securities:				
Options and warrants	947	332	862	264
Restricted common stock grants	66	--	47	--
Dilutive potential common shares	1,013	332	909	264
Denominator for diluted earnings per share: adjusted weighted average shares and assumed conversions	13,209	12,513	13,101	12,438
Basic earnings (loss) per share	\$ 0.25	\$ 0.12	\$ 0.49	\$ (0.35)
Diluted earnings (loss) per share	\$ 0.23	\$ 0.12	\$ 0.46	\$ (0.34)

The following table presents the weighted average shares subject to options outstanding during the periods indicated. Anti-dilutive options have been excluded from the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares and, therefore, the effect would be anti-dilutive.

	Three Months Ended March 31		Six Months Ended March 31	
	2004	2003	2004	2003
Total options outstanding				
Weighted average shares subject to options	2,402,791	2,072,291	2,267,872	2,016,227
Average exercise price per share	\$ 6.55	\$ 5.98	\$ 6.35	\$ 6.15
Anti-dilutive options outstanding				
Weighted average shares subject to options	294,273	901,545	948,001	915,615
Average exercise price per share	\$ 13.61	\$ 10.72	\$ 11.09	\$ 10.76

NOTE D: INVESTMENT IN UNCONSOLIDATED AFFILIATE

The Company owns 13,276,666 common shares of Albemarle & Bond Holdings, plc ("A&B"), approximately 29% of A&B's total outstanding shares. The Company accounts for its investment in A&B using the equity method. Since A&B's fiscal year ends three months prior to the Company's fiscal year, the income reported by the Company for its investment in A&B is on a three-month lag. In accordance with U.K. securities regulations, A&B files only semi-annual financial reports, for its fiscal periods ending December 31 and June 30. The income reported for the Company's Fiscal 2004 Year-to-Date Period represents its percentage interest in the results of A&B's operations from July 1, 2003 to December 31, 2003.

Conversion of A&B's financial statements into US Generally Accepted Accounting Principles ("GAAP") resulted in no material differences from those reported by A&B following UK GAAP. Below is summarized financial information for A&B's most recently reported results (in thousands of U.S. dollars, using average exchange rates for the periods indicated):

	Six Months ended December 31,	
	-----	-----
	2003	2002
	----	----
Turnover (gross revenues)	\$ 19,726	\$ 16,655
Gross profit	13,164	11,047
Profit after tax (net income)	2,977	2,464

NOTE E: CONTINGENCIES

From time to time, the Company is involved in litigation and regulatory actions arising from its normal business operations. Currently, the Company is a defendant in several actions, some of which involve claims for substantial amounts. While the ultimate outcome of these actions cannot be determined, after consultation with counsel, the Company believes the resolution of these actions will not have a material adverse effect on the Company's financial condition, results of operations, or liquidity. However, there can be no assurance as to the ultimate outcome of these actions.

NOTE F: COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) includes net income (loss) and other revenues, expenses, gains and losses that are excluded from net income (loss) but are included as a component of total stockholders' equity. Comprehensive income for the Fiscal 2004 Second Quarter was \$3.2 million and comprehensive income for the Fiscal 2004 Year-to-Date Period was \$6.3 million. For the comparable 2003 periods, comprehensive income was \$1.7 million and comprehensive loss was \$4.0 million, respectively. The difference between comprehensive income (loss) and net income (loss) results primarily from the effect of foreign currency translation adjustments determined in accordance with SFAS No. 52, "Foreign Currency Translation." The accumulated balance of foreign currency activity excluded from net income (loss) of \$1.2 million is presented, net of tax of \$0.4 million, in the Condensed Consolidated Balance Sheets as "Accumulated other comprehensive income."

NOTE G: LONG-TERM DEBT

At March 31, 2004, the Company's credit agreement provided for a \$42.5 million revolving credit facility with an effective rate of 4.5%. Effective April 8, 2004, the Company amended and restated its credit agreement. The amendment extends the maturity date to April 1, 2007 and provides for a \$40.0 million revolving credit facility. Advances are secured by the Company's assets. The Company may choose either a Eurodollar rate or the agent bank's base rate. Interest accrues at the Eurodollar rate plus 150 to 275 basis points or the agent bank's base rate plus 0 to 125 basis points, depending on the total leverage ratio computed at the end of each quarter. The Company also pays a commitment fee of 37.5 basis points on the unused amount of the revolving facility. Terms of the agreement require, among other things, that the Company meet certain financial covenants. In addition, payment of dividends and additional debt are allowed but restricted.

NOTE H: COMMON STOCK, WARRANTS, AND OPTIONS

The Company accounts for its stock-based compensation plans as described in Note B, Significant Accounting Policies. For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period.

The Company's pro forma results are as follows:

	Three Months Ended March 31		Six Months Ended March 31	
	2004	2003	2004	2003
	(In thousands, except per share amounts)			
Net income (loss), as reported	\$ 3,007	\$ 1,498	\$ 5,997	\$ (4,254)
Add: stock-based employee compensation expense included in reported net income (loss), net of related tax effects	97	--	162	1
Deduct: total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(237)	(91)	(417)	(176)
Pro forma net income (loss)	\$ 2,867	\$ 1,407	\$ 5,742	\$ (4,429)
Earnings (loss) per share, basic:				
As reported	\$ 0.25	\$ 0.12	\$ 0.49	\$ (0.35)
Pro forma	\$ 0.24	\$ 0.12	\$ 0.47	\$ (0.36)
Earnings (loss) per share, assuming dilution:				
As reported	\$ 0.23	\$ 0.12	\$ 0.46	\$ (0.34)
Pro forma	\$ 0.22	\$ 0.11	\$ 0.44	\$ (0.36)

On September 17, 2003, the Compensation Committee of the Board of Directors approved an award of 125,000 shares of restricted stock to the Chairman of the Board. The Company also agreed to reimburse the Chairman for the income tax consequences resulting from the award. The market value of the restricted stock on the award date was \$0.8 million, which is being amortized over the two-year restriction period expiring September 17, 2005. During the Fiscal 2004 Second Quarter and the Fiscal 2004 Year-to-Date Period, \$0.1 million and \$0.2 million, respectively, of this cost was amortized to expense. In the quarter ended December 31, 2003, the Company also reimbursed \$0.8 million for the Chairman's one-time taxes related to the award. The reimbursement was charged to administrative expense.

On January 15, 2004, the Compensation Committee of the Board of Directors approved an award of 60,000 shares of restricted stock to the Company's Chief Executive Officer. The shares will vest on January 1, 2009, provided he remains continuously employed by the Company through the vesting date. The shares are subject to earlier vesting based on the occurrence of certain objectives. The Company also agreed to reimburse him for the income tax consequences resulting from the award. The market value of the restricted stock on the award date was \$0.6 million, which is being amortized over a three-year period based on the Company's expectation that earlier vesting objectives will be met. During the Fiscal 2004 Second Quarter, \$0.05 million of this cost was amortized to expense. The Company expects to amortize an additional \$0.1 million of stock compensation cost related to this award during the remaining six months of the fiscal year ending September 30, 2004. Additionally in the quarter ended March 31, 2004, the Company reimbursed \$0.3 million for the Chief Executive Officer's one-time taxes related to the award. The reimbursement was charged to administrative expense.

NOTE I: CHANGE IN ACCOUNTING PRINCIPLE - GOODWILL AND OTHER INTANGIBLE ASSETS

The Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets" effective October 1, 2002. Under the provisions of SFAS No. 142, goodwill and other intangible assets having indefinite lives are not subject to amortization but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the assets might be impaired. During the quarter ended December 31, 2002, the Company, with assistance of independent valuation specialists, completed impairment tests of its goodwill and pawn licenses; its indefinite lived intangible assets. The goodwill testing estimated enterprise value based on discounted cash flows and market capitalization and indicated an implied fair value of goodwill of \$0 based on the allocation of enterprise value to all of the Company's assets and liabilities. This resulted in an \$8.0 million, net of tax, impairment charge for goodwill, recorded as a cumulative effect of adopting a new accounting principle. Separately, the estimated fair value of pawn licenses was compared to their carrying value, indicating no impairment.

At each balance sheet date presented, the balance of pawn licenses - the only major class of indefinite lived intangible assets at each of these dates was \$1.5 million.

The following table presents the gross carrying amount and accumulated amortization for each major class of definite lived intangible assets at the specified dates:

	March 31, 2004,		March 31, 2003,		September 30, 2003,	
	Carrying Amount	Accumulated Amortization	Carrying Amount	Accumulated Amortization	Carrying Amount	Accumulated Amortization
	-----	-----	-----	-----	-----	-----
	(In thousands)					
License application fees	\$ 742	\$ 577	\$ 742	\$ 546	\$ 742	\$ 561
Real estate finders' fees	554	265	554	230	554	249
Non-compete agreements	388	228	388	209	388	219
	-----	-----	-----	-----	-----	-----
Total	\$1,684	\$1,070	\$1,684	\$ 985	\$1,684	\$1,029
	=====	=====	=====	=====	=====	=====

Total amortization expense from definite lived intangible assets for the Fiscal 2004 Second Quarter and the Fiscal 2004 Year-to-Date Period was approximately \$20,000 and \$41,000, respectively. In comparison, the amortization expense for the Fiscal 2003 Second Quarter and the Fiscal 2003 Year-to-Date Period was approximately \$23,000 and \$46,000, respectively. The following table presents the Company's estimate of amortization expense for definite lived intangible assets for each of the five succeeding full fiscal years ending September 30 (in thousands):

Fiscal Year	Amortization Expense
-----	-----
2004	\$ 77
2005	68
2006	67
2007	67
2008	66

As acquisitions and dispositions occur in the future, amortization expense may vary from these estimates.

NOTE J: RELATED PARTY TRANSACTIONS

In 1994, the Company loaned Vince Lambiase, the former President and Chief Executive Officer, approximately \$729,000 to purchase 50,000 shares of EZCORP Class A Common Stock. The loan was shown as a reduction of stockholders' equity. In connection with his separation from the Company in 2000, the maturity date of the loan was extended to the earlier of (a) ten business days following the first day that the closing price for the Company's stock is equal to or exceeds \$10 per share, or (b) August 1, 2005. On January 16, 2004, the Company's stock closed at \$10.34. As of March 31, 2004, the note remained outstanding. A full valuation allowance has been recorded for the note as its collection is doubtful.

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

The discussion in this section of this report contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this section and those discussed elsewhere in this report.

Second Quarter Ended March 31, 2004 vs. Second Quarter Ended March 31, 2003

The following table sets forth selected, unaudited, consolidated financial data with respect to the Company for the three-month periods ended March 31, 2004 and 2003 ("Fiscal 2004 Second Quarter" and "Fiscal 2003 Second Quarter," respectively):

	Three Months Ended March 31, (a)		% or Point Change(b)
	2004	2003	
Net revenues:			
Sales	\$ 38,374	\$ 35,771	7.3%
Pawn service charges	14,488	14,323	1.2%
Payday loan service charges	5,072	2,675	89.6%
Other	355	253	40.3%
Total revenues	58,289	53,022	9.9%
Cost of goods sold	22,517	22,672	(0.7)%
Net revenues	\$ 35,772	\$ 30,350	17.9%
Other data:			
Gross margin	41.3%	36.6%	4.7 pts.
Average annual inventory turnover	2.9x	2.8x	0.1x
Average inventory per pawn location at quarter end	\$ 105	\$ 105	--
Average pawn loan balance per pawn location at quarter end	\$ 150	\$ 147	2.0%
Average yield on pawn loan portfolio	135%	134%	1 pt.
Pawn loan redemption rate	79%	78%	1 pt.
Expenses and income as a percentage of net revenues (%):			
Store operating	64.5	70.6	(6.1) pts.
Administrative	17.8	14.5	3.3 pts.
Depreciation and amortization	5.2	7.2	(2.0) pts.
Interest, net	1.0	1.6	(0.6) pts.
Income before income taxes	12.8	7.6	5.2 pts.
Net income	8.4	4.9	3.5 pts.
Stores in operation:			
Beginning of period	303	280	
New openings	32	--	
End of period	335	280	
Average number of stores during the period	319	280	

a In thousands, except percentages, inventory turnover and store count.

b In comparing the period differences between dollar amounts or per store counts, a percentage change is used. In comparing the period differences between two percentages, a percentage point (pt.) change is used.

Six Months Ended March 31, 2004 vs. Six Months Ended March 31, 2003

The following table sets forth selected, unaudited, consolidated financial data with respect to the Company for the six-month periods ended March 31, 2004 and 2003 ("Fiscal 2004 Year-to-Date Period" and "Fiscal 2003 Year-to-Date Period," respectively):

	Six Months Ended March 31, (a)		% or Point Change (b)
	2004	2003	
Net revenues:			
Sales	\$ 71,929	\$ 69,969	2.8%
Pawn service charges	30,040	29,957	0.3%
Payday loan service charges	9,933	5,752	72.7%
Other	701	543	29.1%
	-----	-----	
Total revenues	112,603	106,221	6.0%
Cost of goods sold	41,790	43,992	(5.0)%
	-----	-----	
Net revenues	\$ 70,813	\$ 62,229	13.8%
	=====	=====	
Other data:			
Gross margin	41.9%	37.1%	4.8 pts.
Average annual inventory turnover	2.7x	2.7x	--
Average inventory per pawn location at quarter end	\$ 105	\$ 105	--
Average pawn loan balance per pawn location at quarter end	\$ 150	\$ 147	2.0%
Average yield on pawn loan portfolio	134%	133%	1 pt.
Pawn loan redemption rate	77%	77%	--
Expenses and income as a percentage of net revenues (%):			
Store operating	64.5	68.9	(4.4) pts.
Administrative	17.3	14.0	3.3 pts.
Depreciation and amortization	5.3	7.2	(1.9) pts.
Interest, net	1.2	1.8	(0.6) pts.
Income before income taxes and cumulative effect	12.9	9.4	3.5 pts.
Income before cumulative effect	8.5	6.1	2.4 pts.
Stores in operation:			
Beginning of period	284	280	
New openings	51	--	
	-----	-----	
End of period	335	280	
	=====	=====	
Average number of stores during the period	306	280	
	=====	=====	

a In thousands, except percentages, inventory turnover and store count.

b In comparing the period differences between dollar amounts or per store counts, a percentage change is used. In comparing the period differences between two percentages, a percentage point (pt.) change is used.

OVERVIEW

The Company meets the short-term cash needs of the cash and credit constrained consumer by offering convenient, non-recourse loans secured by tangible personal property, commonly known as pawn loans, and short-term non-collateralized loans, often referred to as payday loans. The Company makes pawn loans in its 280 EZPAWN pawnshops, located in eleven states. The Company makes payday loans in 205 of its EZPAWN locations, 55 EZMONEY Payday Loans locations ("EZMONEY stores"), and its Austin, Texas based call center.

The Company earns pawn service charge revenue on its pawn lending activity. While allowable service charges vary by state and by amount of the loan, a majority of the Company's pawn loans are in amounts that permit pawn service charges of 20% per month or 240% per annum. The Company's average pawn loan amount has historically averaged between \$70 and \$75, but varies depending on the evaluation of each item pawned and prevailing gold prices. The allowable term of pawn loans also differs by state, but is typically 30 days with a 60-day grace period.

The Company earns payday loan service charge revenue on its payday loans. In 204 locations and its call center, the Company markets and services payday loans made by County Bank of Rehoboth Beach ("County Bank"), a federally insured Delaware bank. After origination of the loans, the Company may purchase an 85% participation in the loans made by County Bank and marketed by the Company. In 56 of its locations, the Company makes payday loans in compliance with state law. The average payday loan amount is approximately \$370 and the terms are generally less than 30 days, averaging about 17 days. The service charge per \$100 loaned is typically \$18 for a 7 to 23-day period, but varies in certain locations.

In its 280 EZPAWNS, the Company sells merchandise acquired primarily through pawn loan forfeitures and, to a lesser extent, through purchases of customers' merchandise. The realization of gross profit on sales of inventory primarily depends on the Company's initial assessment of the property's resale value. Improper assessment of the resale value of the collateral in the lending function can result in reduced marketability of the property and the realization of a lower margin.

In the Fiscal 2004 Second Quarter, the Company saw significant growth in its payday loan balances and related earnings contribution. The Company also realized improvements in its gross margins on merchandise sales primarily due to effective liquidation of aged general merchandise and due to market-driven price increases on gold jewelry sold to refiners. The Company's income improved to \$3.0 million in the Fiscal 2004 Second Quarter from \$1.5 million in the Fiscal 2003 Second Quarter.

RESULTS OF OPERATIONS

Second Quarter Ended March 31, 2004 vs. Second Quarter Ended March 31, 2003

The following discussion compares the results of operations for the Fiscal 2004 Second Quarter to the Fiscal 2003 Second Quarter. The discussion should be read in conjunction with the accompanying financial statements and related notes.

The Company's Fiscal 2004 Second Quarter pawn service charge revenue increased 1.2%, or \$0.2 million, from the Fiscal 2003 Second Quarter to \$14.5 million. This increase was due to a one percentage point improvement in loan yields to 135% in the Fiscal 2004 Second Quarter. Variations in the annualized loan yield, as seen between these periods, are due generally to changes in statutory fees that can be charged, changes in the level of loan forfeitures and a mix shift between loans with different yields. The Company's ending balance of pawn loans outstanding at March 31, 2004 was 2.1% higher than at March 31, 2003, while the average balance of pawn loans outstanding during the two periods remained constant.

In the Fiscal 2004 Second Quarter, 112.3%, or \$16.3 million, of recorded pawn service charge revenue was collected in cash offset by a \$1.8 million decrease in accrued pawn service charges receivable. In the comparable Fiscal 2003 Second Quarter, 111.0%, or \$15.9 million, of recorded pawn service charge revenue was collected in cash offset by a \$1.6 million decrease in accrued pawn service charges receivable. This pattern is consistent with the seasonal nature of the pawn lending business. The accrual of pawn service charges is dependent on the Company's estimate of collectible loans in its portfolio at the end of each quarter. Consistent with prior year treatment, the Company decreased its estimate of collectible loans at March 31, 2004 in anticipation of lower loan redemptions following the income tax refund season.

Sales increased \$2.6 million in the Fiscal 2004 Second Quarter compared to the Fiscal 2003 Second Quarter, to \$38.4 million. The increase was due to 5.1% higher same store merchandise sales (\$1.6 million) and an increase in jewelry scrapping sales (\$1.0 million). Below is a summary of comparable sales data:

	Quarter Ended March 31,	
	2004	2003

	(Dollars in thousands)	
Merchandise sales	\$33,188	\$31,587
Jewelry scrapping sales	5,186	4,184
	-----	-----
Total sales	38,374	35,771
Gross profit on merchandise sales	\$14,330	\$12,344
Gross profit on jewelry scrapping sales	1,527	755
Gross margin on merchandise sales	43.2%	39.1%
Gross margin on jewelry scrapping sales	29.4%	18.0%
Overall gross margin	41.3%	36.6%

The Fiscal 2004 Second Quarter overall gross margins on sales increased 4.7 percentage points from the Fiscal 2003 Second Quarter to 41.3%. This resulted from improved margins on same store merchandise sales and the effect higher recent gold prices had on jewelry scrapping. Margins on merchandise sales, excluding jewelry scrapping, increased 4.1 percentage points due primarily to more effective liquidation of aged general merchandise in the Fiscal 2004 Second Quarter. During the Fiscal 2004 Second Quarter, the inventory valuation allowance was reduced \$0.2 million as a result of the improved liquidation of aged merchandise. In the comparable Fiscal 2003 Second Quarter, the inventory allowance was increased \$0.2 million due to the less favorable liquidation of aged merchandise during that quarter. Changes in the inventory valuation allowance are recorded in cost of goods sold, directly impacting the Company's gross margins. Inventory shrinkage, also included in cost of goods sold, was 1.5% of merchandise sales in the Fiscal 2004 Second Quarter compared to 1.9% in the Fiscal 2003 Second Quarter.

Payday loan data are as follows:

	Quarter Ended March 31,	
	2004	2003
	-----	-----
	(Dollars in thousands)	
Service charge revenue	\$ 5,072	\$ 2,675
Bad debt (included in operating expense):		
Net defaults on loans	(1,203)	(540)
Change in valuation allowance and other related costs	104	51
	-----	-----
Net bad debt	(1,099)	(489)
Other direct expenses (included in operating expense)	(187)	(279)
Collection and call center costs (included in administrative expense)	(194)	(189)
	-----	-----
Contribution to operating income	\$ 3,592	\$ 1,718
	=====	=====
Average payday loan balance outstanding during quarter	\$ 5,033	\$ 2,529
Payday loan balance at end of quarter	\$ 4,643	\$ 2,253
Average loan balance per participating location at end of quarter	\$ 17.8	\$ 9.8
Participating locations at end of quarter (whole numbers)	261	229
Net default rate (defaults net of collections, measured as a percent of loans made)	4.3%	3.6%

The Contribution to operating income presented above is the incremental contribution only and excludes other costs such as labor, rent, and other overhead costs.

Payday loan service charge revenue increased from the Fiscal 2003 Second Quarter with the growth in the amount of loans made during the quarter. Payday loan bad debt expense increased primarily due to the growth in the amount of loans made during the quarter. An increase in the net default rate also contributed approximately one

third of the increase in bad debt expense. The maturing of the product and a growth in the number of locations offering the loans contributed to the increase in the loan balance. In the Fiscal 2004 Second Quarter, 104.1% or \$5.3 million of recorded payday loan service charge revenue was collected in cash offset by a \$0.2 million decrease in accrued payday loan service charges receivable. In the comparable Fiscal 2003 Second Quarter, 106.2% or \$2.9 million of recorded payday loan service charge revenue was collected in cash offset by a \$0.2 million decrease in accrued payday loan service charges receivable. This is consistent with the seasonal pattern expected in payday lending. The 18.4% decrease in accrued payday loan service charges receivable during the Fiscal 2004 Second Quarter was commensurate with the 18.3% reduction in the related payday loans receivable. The Company anticipates continued growth in payday loans as it continues the expansion of additional EZMONEY Payday Loans stores and the product matures in its current locations.

The Company provides for a valuation allowance on both the principal and fees receivable for payday loans. At March 31, 2004, the valuation allowance was \$0.3 million, or 4.7% of the payday loan principal and fees receivable, compared to \$0.2 million, or 5.2% of payday loan principal and fees receivable at March 31, 2003. Due to the short-term nature of these loans, the Company uses recent net default rates and anticipated seasonal changes in the rate of defaults as the basis for its valuation allowance, rather than reserving the annual or quarterly rate. Actual loan losses could vary from those estimated due to variance in any of these factors, as well as any national or regional economic downturn.

Although store operating expenses decreased 6.1 percentage points when measured as a percentage of net revenues, it increased 7.7% (\$1.6 million) in dollar terms, to \$23.1 million. This was due primarily to a \$0.6 million volume-related increase in bad debt from payday loans and a 12.6% (\$1.3 million) increase in store labor and benefits, offset by a \$0.5 million decrease in robbery expense. The Company expects continued volume-related increases in bad debt from payday loans, commensurate with the growth in locations offering payday loans and the maturation of the product in existing locations.

Administrative expenses increased 45.2% (\$2.0 million) from the Fiscal 2003 Second Quarter to \$6.4 million, representing a 3.3 percentage point increase when measured as a percent of net revenues. The primary causes of this were a \$0.4 million increase in accrued incentive compensation due to the Company's improved performance, \$0.5 million related to restricted stock awarded to the Company's Chairman and its Chief Executive Officer as long-term incentives as discussed in Note H to the Company's Interim Condensed Consolidated Financial Statements, and \$0.7 million related to a valuation allowance placed on a note receivable from a former Chief Executive Officer of the Company as discussed in Note J to the Company's Interim Condensed Consolidated Financial Statements.

Depreciation and amortization expense decreased \$0.3 million in the Fiscal 2004 Second Quarter to \$1.9 million. This improvement is primarily due to the reduction in depreciable assets through the 2003 sale-leaseback of three previously owned locations and assets that became fully depreciated over the past year, net of additional depreciation on assets placed in service in the last twelve months.

In the Fiscal 2004 Second Quarter, interest expense decreased by \$0.1 million to \$0.4 million as a result of lower average debt balances and lower effective interest rates. At March 31, 2004, the Company's total debt was \$15.0 million compared to \$28.0 million at March 31, 2003.

The Fiscal 2004 Second Quarter income tax provision was \$1.6 million (34.5% of pretax income) compared to \$0.8 million (35% of pretax income) for the Fiscal 2003 Second Quarter. The decrease in effective tax rate between these periods is due to non-tax deductible items having a smaller percentage impact on larger pre-tax earnings.

Operating income for the Fiscal 2004 Second Quarter increased \$2.1 million from the Fiscal 2003 Second Quarter to \$4.5 million. The \$1.9 million greater contribution from payday loans, \$2.8 million higher gross profit on sales, and \$0.3 million decrease in depreciation and amortization were somewhat offset by \$2.2 million additional labor, benefits, and incentive compensation expense and the \$0.7 million valuation allowance placed on a note receivable. After a \$0.8 million increase in income tax expense and smaller changes in other non-operating items, net income improved to \$3.0 million in the Fiscal 2004 Second Quarter from \$1.5 million in the Fiscal 2003 Second Quarter.

The following discussion compares the results of operations for the Fiscal 2004 Year-to-Date Period to the Fiscal 2003 Year-to-Date Period. The discussion should be read in conjunction with the accompanying financial statements and related notes.

The Company's Fiscal 2004 Year-to-Date Period pawn service charge revenue increased 0.3%, or \$0.1 million from the Fiscal 2003 Year-to-Date Period to \$30.0 million. This increase was primarily due to a one percentage point improvement in loan yields to 134% in the Fiscal 2004 Year-to-Date Period, offset by lower average loan balances during the Fiscal 2004 Year-to-Date Period. Variations in the annualized loan yield, as seen between these periods, are due generally to changes in statutory fees that can be charged, changes in the level of loan forfeitures and a mix shift between loans with different yields. The Company's average balance of pawn loans outstanding during the Fiscal 2004 Year-to-Date Period was 0.9% lower and ending pawn loans outstanding were 2.1% higher than in the Fiscal 2003 Year-to-Date Period.

In the Fiscal 2004 Year-to-Date Period, 103.9% or \$31.2 million of recorded pawn service charge revenue was collected in cash offset by a \$1.2 million decrease in accrued pawn service charges receivable. In the Fiscal 2003 Year-to-Date Period, 102.8% or \$30.8 million of recorded pawn service charge revenue was collected in cash offset by a \$0.8 million decrease in accrued pawn service charges receivable. This pattern is consistent with the seasonal nature of the pawn lending business. The accrual of pawn service charges is dependent on the Company's estimate of collectible loans in its portfolio at the end of each quarter. Consistent with prior year treatment, the Company decreased its estimate of collectible loans at March 31, 2004 in anticipation of lower loan redemptions following the income tax refund season.

Sales increased \$1.9 million in the Fiscal 2004 Year-to-Date Period compared to the Fiscal 2003 Year-to-Date Period, to \$71.9 million. The increase was due to higher same store merchandise sales (\$1.1 million) and an increase in jewelry scrapping sales (\$0.8 million). Below is a summary of comparable sales data:

	Six Months Ended March 31,	
	2004	2003
	-----	-----
	(Dollars in thousands)	
Merchandise sales	\$64,250	\$63,132
Jewelry scrapping sales	7,679	6,837
	-----	-----
Total sales	71,929	69,969
Gross profit on merchandise sales	\$27,809	\$25,195
Gross profit on jewelry scrapping sales	2,330	782
Gross margin on merchandise sales	43.3%	39.9%
Gross margin on jewelry scrapping sales	30.3%	11.4%
Overall gross margin	41.9%	37.1%

The Fiscal 2004 Year-to-Date Period overall gross margins on sales increased 4.8 percentage points from the Fiscal 2003 Year-to-Date Period to 41.9%. This resulted from improved margins on same store merchandise sales and the favorable effect higher recent gold prices had on jewelry scrapping. Margins on merchandise sales, excluding jewelry scrapping, increased 3.4 percentage points primarily due to more effective liquidation of aged general merchandise in the Fiscal 2004 Year-to-Date Period. During the Fiscal 2004 Year-to-Date Period, the inventory valuation allowance was reduced \$0.8 million as a result of the improved liquidation of aged merchandise. In the comparable Fiscal 2003 Year-to-Date Period, the inventory allowance was increased \$0.7 million due to the less favorable liquidation of aged merchandise during that period. Changes in the inventory valuation allowance are recorded in cost of goods sold, directly impacting the Company's gross margins. Inventory shrinkage, also included in cost of goods sold, was 1.6% of merchandise sales in the Fiscal 2004 Year-to-Date Period compared to 1.5% in the Fiscal 2003 Year-to-Date Period.

Payday loan data are as follows:

	Six Months Ended March 31, 2004	2003
	-----	-----
	(Dollars in thousands)	
Service charge revenue	\$ 9,933	\$ 5,752
Bad debt (included in operating expense):		
Net defaults on loans	(2,724)	(1,483)
Change in valuation allowance and other related costs	67	55
	-----	-----
Net bad debt	(2,657)	(1,428)
Other direct expenses (included in operating expense)	(468)	(637)
Collection and call center costs (included in administrative expense)	(377)	(333)
	-----	-----
Contribution to operating income	\$ 6,431	\$ 3,354
	=====	=====
Average payday loan balance outstanding during Period	\$ 4,607	\$ 2,440
Payday loan balance at end of Period	\$ 4,643	\$ 2,253
Average loan balance per participating location at end of Period	\$ 17.8	\$ 9.8
Participating locations at end of Period (whole numbers)	261	229
Net default rate (defaults net of collections, measured as a percent of loans made)	4.9%	4.7%

The Contribution to operating income presented above is the incremental contribution only and excludes other costs such as labor, rent, and other overhead costs.

Payday loan service charge revenue and bad debt expense each increased from the Fiscal 2003 Year-to-Date Period primarily due to an increase in the amount of loans made during the period. The maturing of the product and a growth in the number of locations offering the loans contributed to the increase in the loan balance. In the Fiscal 2004 Year-to-Date Period, 98.1% (\$9.7 million) of recorded payday loan service charge revenue was collected in cash, and 1.9% (\$0.2 million) resulted from an increase in accrued payday loan service charges receivable. In the comparable Fiscal 2003 Year-to-Date Period, 100.7% or \$5.8 million of recorded payday loan service charge revenue was collected in cash offset by a \$0.04 million decrease in accrued payday loan service charges receivable. The Company anticipates continued growth in payday loans as it continues the expansion of additional EZMONEY Payday Loans stores and the product matures in its current locations.

The Company provides for a valuation allowance on both the principal and fees receivable for payday loans. At March 31, 2004, the valuation allowance was \$0.3 million, or 4.7% of the payday loan principal and fees receivable, compared to \$0.2 million, or 5.2% of payday loan principal and fees receivable at March 31, 2003. Due to the short-term nature of these loans, the Company uses recent net default rates and anticipated seasonal changes in the rate of defaults as the basis for its valuation allowance, rather than reserving the annual or quarterly rate. Actual loan losses could vary from those estimated due to variance in any of these factors, as well as any national or regional economic downturn.

Although store operating expenses decreased 4.4 percentage points when measured as a percentage of net revenues, it increased 6.6% (\$2.8 million) in dollar terms, to \$45.7 million. This was due primarily to a \$1.2 million volume-related increase in bad debt from payday loans and an 8.7% (\$1.8 million) increase in store labor and benefits, offset by smaller fluctuations in other operating expenses.

Administrative expenses increased 40.9% (\$3.6 million) from the Fiscal 2003 Year-to-Date Period to \$12.2 million, representing a 3.3 percentage point increase when measured as a percent of net revenues. The primary causes of this were a \$1.0 million increase in accrued incentive compensation related to the Company's improved performance and \$1.3 million for restricted stock awarded to the Company's Chairman and its Chief Executive Officer as long-term incentives as discussed in Note H to the Company's Interim Condensed Consolidated Financial Statements. Also contributing to the increase was \$0.7 million related to a valuation allowance placed on a note receivable from a former Chief Executive Officer of the Company as discussed in Note J to the Company's Interim Condensed Consolidated Financial Statements and a \$0.5 million increase in professional fees.

Depreciation and amortization expense decreased \$0.7 million in the Fiscal 2004 Year-to-Date Period to \$3.8 million. This improvement is primarily due to the reduction in depreciable assets through the 2003 sale-leaseback of

three previously owned locations and assets that became fully depreciated over the past year, net of additional depreciation on assets placed in service in the last twelve months.

In the Fiscal 2004 Year-to-Date Period, interest expense decreased by \$0.3 million to \$0.8 million as a result of lower average debt balances and lower effective interest rates. At March 31, 2004, the Company's total debt was \$15.0 million compared to \$28.0 million at March 31, 2003.

The Fiscal 2004 Year-to-Date Period income tax provision was \$3.2 million (34.5% of pretax income) compared to \$2.0 million (35% of pretax income) for the Fiscal 2003 Year-to-Date Period. The decrease in effective tax rate between these periods is due to non-tax deductible items having a smaller percentage impact on larger pre-tax earnings.

On October 1, 2002, the Company adopted SFAS No. 142 regarding goodwill and other intangible assets. During the Fiscal 2003 Year-to-Date Period, the Company completed its transitional impairment tests, resulting in a non-cash \$8.0 million, net of tax impairment charge for goodwill, recorded as a cumulative effect of adopting a new accounting principle.

Operating income for the Fiscal 2004 Year-to-Date Period increased \$2.9 million from the Fiscal 2003 Year-to-Date Period to \$9.1 million. This increase was primarily due to a \$3.1 million greater contribution from payday loans, \$4.2 million higher gross profit on sales, and a \$0.7 million decrease in depreciation and amortization. Somewhat offsetting these factors were a \$4.1 million increase in labor, benefits, and incentive compensation expense and the \$0.7 million valuation allowance placed on a note receivable. After a \$0.3 million decrease in interest expense, a \$1.1 million increase in income tax expense, and smaller changes in other non-operating items, income before the cumulative effect of adopting a new accounting principle improved to \$6.0 million in the Fiscal 2004 Year-to-Date Period from \$3.8 million in the Fiscal 2003 Year-to-Date Period. The Company's net income for the Fiscal 2004 Year-to-Date Period was \$6.0 million, compared to a net loss of \$4.3 million after the cumulative effect of adopting a new accounting principle in the Fiscal 2003 Year-to-Date Period.

LIQUIDITY AND CAPITAL RESOURCES

During the Fiscal 2004 Year-to-Date Period, operating activities provided \$11.4 million compared to \$8.6 million in the Fiscal 2003 Year-to-Date Period. Payday loan service charges collected increased \$3.9 million in the Fiscal 2004 Year-to-Date Period due primarily to the growth in the underlying loan portfolio, cash from sales of inventory increased \$2.6 million in the Fiscal 2004 Year-to-Date Period compared to the Fiscal 2003 Year-to-Date Period, and pawn service charges collected in cash increased \$0.4 million. Offsetting these improvements in cash flows were the payments of \$1.1 million in payroll taxes related to the restricted stock awards discussed above, \$0.7 million to settle previously accrued workers' compensation claims, and \$0.4 million more in incentive compensation. Among other smaller changes, the Company also used \$0.8 million more in the Fiscal 2004 Year-to-Date Period for the direct purchase of customers' merchandise.

The Company's investing activities provided \$2.3 million of cash during the Fiscal 2004 Year-to-Date Period, consisting of a \$5.9 million reduction in outstanding pawn loans and a \$0.4 million dividend received from the Company's investment in an unconsolidated affiliate, offset by a \$1.0 million increase in payday loans outstanding and \$3.0 million invested in property and equipment. The cash flow from operating and investing activities and \$2.3 million of cash on hand were used to make payments on the Company's revolving credit facility of \$16.0 million in the Fiscal 2004 Year-to-Date Period.

Below is a summary of the Company's cash needs to meet its future aggregate contractual obligations in the full fiscal years ending September 30:

Contractual Obligations	Payments due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations	\$15,000	\$ --	\$ --	\$15,000	\$ --
Capital lease obligations	--	--	--	--	--
Operating lease obligations	71,449	12,373	20,092	12,888	26,096
Purchase obligations	--	--	--	--	--
Other long-term liabilities	--	--	--	--	--
Total	\$86,449	\$12,373	\$20,092	\$27,888	\$26,096

In the remaining six months of the fiscal year ending September 30, 2004, the Company also plans to open an additional 65 to 70 EZMONEY payday loan stores for an expected aggregate capital expenditure of approximately \$1.9 million, plus the funding of working capital and start-up losses at these stores. While the Company anticipates that these new stores will increase future earnings, it expects they will have a negative effect on earnings and cash flow in their first year of operation.

Effective April 8, 2004, the Company amended and restated its credit agreement. The amendment extends the maturity date to April 1, 2007 and provides for a \$40.0 million revolving credit facility. Under the terms of the amended agreement, the Company would have had the ability to borrow an additional \$25.0 million at March 31, 2004. Advances are secured by the Company's assets. Terms of the agreement require, among other things, that the Company meet certain financial covenants. In addition, payment of dividends and additional debt are allowed but restricted.

The Company anticipates that cash flow from operations and availability under its revolving credit facility will be adequate to fund its contractual obligations, planned store growth, capital expenditures, and working capital requirements during the coming year.

SEASONALITY

Historically, service charge revenues are highest in the Company's first fiscal quarter (October through December) due to improving loan redemption rates coupled with a higher average loan balance following the summer lending season. Sales generally are highest in the Company's first and second fiscal quarters (October through March) due to the holiday season and the impact of tax refunds. Sales volume can be heavily influenced by the timing of decisions to scrap excess jewelry inventory, which generally occurs during low jewelry sales periods (May through October). The net effect of these factors is that net revenues and net income typically are highest in the first and second fiscal quarters. The Company's cash flow is greatest in its second fiscal quarter primarily due to a high level of loan redemptions and sales in the income tax refund season.

USE OF ESTIMATES AND ASSUMPTIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations are based upon the Company's condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, inventory, allowance for losses on payday loans, long-lived and intangible assets, income taxes, contingencies and litigation. Management bases its estimates on historical experience, observable trends, and various other assumptions that are believed to be reasonable under the circumstances. Management uses this information to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from the estimates under different assumptions or conditions.

DISCLOSURE AND INTERNAL CONTROLS

Based on an assessment of the effectiveness of the Company's disclosure controls and procedures, accounting policies, and the underlying judgments and uncertainties affecting the application of those policies and procedures, management believes that the Company's condensed consolidated financial statements provide a meaningful and fair perspective of the Company in all material respects. There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation. Management identified no significant deficiencies or material weaknesses in internal controls. Other risk factors, such as those discussed elsewhere in this interim report as well as changes in business strategies, could adversely impact the consolidated financial position, results of operations, and cash flows in future periods.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following discussion about the Company's market risk disclosures involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. The Company is exposed to market risk related to changes in interest rates, foreign currency exchange rates, and gold prices. The Company also is exposed to regulatory risk in relation to its payday loans. The Company does not use derivative financial instruments.

The Company's earnings and financial position may be affected by changes in gold prices and the resulting impact on pawn lending and jewelry sales. The proceeds of scrap sales and the Company's ability to liquidate excess jewelry inventory at an acceptable margin are dependent upon gold prices. The impact on the Company's financial position and results of operations of a hypothetical change in gold prices cannot be reasonably estimated.

The Company's earnings are affected by changes in interest rates due to the impact those changes have on its debt, all of which is variable-rate debt. If interest rates average 50 basis points more during the remaining six months of the fiscal year ending September 30, 2004 than they did in the comparable period of 2003, the Company's interest expense during those six months would increase by approximately \$38,000. This amount is determined by considering the impact of the hypothetical interest rates on the Company's variable-rate debt at March 31, 2004.

The Company's earnings and financial position are affected by foreign exchange rate fluctuations related to the equity investment in A&B. A&B's functional currency is the U.K. pound. The U.K. pound exchange rate can directly and indirectly impact the Company's results of operations and financial position in several ways. For example, a devalued pound could result in an economic recession in the U.K., which in turn could impact A&B's and the Company's results of operations and financial position. The impact on the Company's results of operations and financial position of a hypothetical change in the exchange rate between the U.S. dollar and the U.K. pound cannot be reasonably estimated due to the interrelationship of operating results and exchange rates. The translation adjustment, net of tax, representing the strengthening in the U.K. pound during the quarter ended December 31, 2003 (included in the Company's March 31, 2004 results on a three-month lag as described above) was approximately a \$190,000 increase to stockholders' equity. On March 31, 2004, the U.K. pound closed at 1.00 to 1.8262 U.S. dollars, a strengthening from 1.7785 at December 31, 2003. No assurance can be given as to the future valuation of the U.K. pound and how further movements in the pound could affect future earnings or the financial position of the Company.

FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical information provided herein are forward-looking and may contain information about financial results, economic conditions, trends and known uncertainties. The Company cautions the reader that actual results could differ materially from those expected by the Company depending on the outcome of certain factors, including without limitation (i) fluctuations in the Company's inventory and loan balances, inventory turnover, average yields on loan portfolios, pawn redemption rates, payday loan default and collection rates, labor and employment matters, competition, operating risk, acquisition and expansion risk, changes in the number of expected store openings, changes in expected returns from new stores, liquidity, and capital requirements and the effect of government and environmental regulations, and (ii) adverse changes in the market for the Company's services. Readers are cautioned not to place undue reliance on these forward-looking statements, which

speak only as of the date hereof. The Company undertakes no obligations to release publicly the results of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereon, including without limitation, changes in the Company's business strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures.

Within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's President and Chief Executive Officer and its Senior Vice President and Chief Financial Officer, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures," which are defined under SEC rules as controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods. Based upon that evaluation, the Company's President and Chief Executive Officer and Senior Vice President and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

(b) Changes in Internal Controls

There were no significant changes in the Company's internal controls or other factors that could significantly affect these controls subsequent to the date of their evaluation.

(c) Limitations on Controls

Notwithstanding the foregoing, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Moreover, the design of any system of controls is also based in part upon certain assumptions about the likelihood of future events.

PART II

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company is involved in litigation and regulatory actions arising from its normal business operations. Currently, the Company is a defendant in several actions, some of which involve claims for substantial amounts. While the ultimate outcome of these actions cannot be determined, after consultation with counsel, the Company believes the resolution of these actions will not have a material adverse effect on the Company's financial condition, results of operation, or liquidity. There can be no assurance, however, as to the ultimate outcome of these actions.

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

By written consent dated February 10, 2004, the holder of a majority of the Company's Class B voting common stock ratified the audit committee's re-appointment of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending September 30, 2004.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a)	Exhibit Number -----	Description -----	Incorporated by Reference to -----
	10.89	Third Amended and Restated Credit Agreement between the Company and Wells Fargo Bank, N.A., as Agent and Issuing Bank, re: \$40 million Credit Facility	
	31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
	31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
	32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
	32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	

(b) Reports on Form 8-K

Filing -----	Date ----	Item Reported -----	Information Reported -----
8-K	4/20/04	Item 12 - Results of Operations and Financial Condition	Quarterly earnings announcement and related press release.

SIGNATURE

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

EZCORP, INC.

(Registrant)

Date: May 7, 2004

By: /s/ DAN N. TONISSEN

(Signature)

Dan N. Tonissen
Senior Vice President,
Chief Financial Officer &
Director

EXHIBIT INDEX

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EZCORP, INC.

THIRD AMENDED AND RESTATED
CREDIT AGREEMENT

DATED AS OF APRIL 8, 2004

WELLS FARGO BANK, NATIONAL ASSOCIATION,
AS AGENT

AND

ISSUING BANK

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C	Advance Request Form
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E	Form of Assignment and Acceptance
F	Form of Collateral Report

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS THIRD AMENDED AND RESTATED CREDIT AGREEMENT (the "Agreement"), dated as of April 8, 2004, is among EZCORP, INC., a Delaware corporation (the "Borrower"), each of the banks or other lending institutions which is or which may from time to time become a signatory hereto or any successor or assignee thereof (individually, a "Lender" and, collectively, the "Lenders"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (successor by merger to Wells Fargo Bank Texas, National Association), as agent for itself and the other Lenders (in such capacity, together with its successors in such capacity, the "Agent") and as the Issuing Bank (hereinafter defined).

R E C I T A L S

A. The Borrower, the Agent, the Issuing Bank and certain banks or other lending institutions party thereto have entered into that certain Second Amended and Restated Credit Agreement dated as of October 30, 2002, as amended through the date hereof (as amended, the "Existing Credit Agreement").

B. The Borrower has requested and the Agent, the Issuing Bank and the Lenders have agreed to restructure the existing revolving credit facility, standby letter of credit subfacility and swing-line subfacility, and to amend and modify the Existing Credit Agreement upon the terms and conditions hereinafter set forth.

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

Definitions

Definitions. As used in this Agreement, the following terms have the following meanings:

"AAA" is defined in Section 13.14(b).

"Accumulated Other Comprehensive Income" means, at any particular time, the amount shown in the equity section of the Borrower's consolidated balance sheet.

"Act" is defined in Section 13.22.

"Additional Costs" is defined in Section 5.1.

"Adjusted Eurodollar Rate" means, for any Eurodollar Advance for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/16 of 1%) determined by the Agent to be equal to the Eurodollar Rate for such Eurodollar Advance for such Interest Period.

"Adjustment Date" is defined in Section 2.10.

"Advance" means an advance of funds by the Lenders or any of them to the Borrower pursuant to Article II (inclusive of the Revolving Credit Loan and the Swing Loan) and the Continuation or Conversion thereof pursuant to Section 2.6 and Article V hereof.

"Advance Request Form" means a certificate, in substantially the form of Exhibit C hereto, properly completed and signed by the Borrower requesting an Advance.

"Affiliate" means, as to any Person, any other Person (a) that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, such Person; (b) that directly or indirectly beneficially owns or holds 5% or more of any class of voting stock of such Person; or (c) 5% or more of the voting stock of which is directly or indirectly beneficially owned or held by the Person in question. The term "control" means the possession, directly or indirectly, of the power to direct or cause direction of the management and policies of a Person, whether through the ownership of voting

securities, by contract, or otherwise; provided, however, in no event shall the Agent or any Lender be deemed an Affiliate of the Borrower or any of its Subsidiaries.

"Agent" has the meaning set forth in the introductory paragraph of this Agreement.

"Agreement" has the meaning set forth in the introductory paragraph of this Agreement, as the same may from time to time be amended, restated, supplemented or modified.

"Applicable Lending Office" means for each Lender and each Type of Advance, the lending office of such Lender (or of an Affiliate of such Lender) designated for such Type of Advance below its name on the signature pages hereof or such other office of such Lender (or of an Affiliate of such Lender) as such Lender may from time to time specify to the Borrower and the Agent as the office by which its Advances of such Type are to be made and maintained.

"Applicable Rate" means: (a) during the period that an Advance is a Base Rate Advance, the Base Rate, plus the Base Rate Margin, and (b) during the period that an Advance is a Eurodollar Advance, the Adjusted Eurodollar Rate, plus the Eurodollar Margin.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assigning Lender" is defined in Section 13.8(b).

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and its assignee and accepted by the Agent pursuant to Section 13.8, in substantially the form of Exhibit E hereto.

"Average Inventory" means Inventory calculated by dividing the total of all ending Inventory for each month for the most recent 13 months by 13.

"Base Rate" means as of any date of determination, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day, or (b) the sum of the Federal Funds Rate in effect on such day plus 0.5%. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Rate, respectively, without notice to the Borrower.

"Base Rate Advances" means Advances that bear interest at rates based upon the Base Rate.

"Base Rate Margin" has the meaning set forth in Section 2.10.

"Borrower" is defined in the introductory paragraph of this Agreement.

"Borrower Security Agreement" means that certain Second Amended and Restated Borrower Security Agreement dated as of the date hereof, executed by the Borrower in favor of the Agent for the benefit of the Lenders, in form and substance satisfactory to the Agent and Lenders, as the same may be amended, restated, supplemented, or modified from time to time.

"Brady Law" means the Brady Handgun Violence Prevention Act Section 102(s)(1), 18 U.S.C.A. Section 922(s)(1) (West Supp. 2003).

"Business Day" means (a) any day on which commercial banks are not authorized or required to close in Austin, Texas and (b) with respect to all borrowings, payments, Conversions, Continuations, Interest Periods, and notices in connection with Eurodollar Advances, any day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capital Expenditures" means, for any period, all expenditures of the Borrower and its Subsidiaries which are classified as additions to property, plant and equipment on the consolidated statement of cash flows of the Borrower in accordance with GAAP, including all such expenditures so classified as "recurring capital expenditures" and all such expenditures associated with Capital Lease Obligations, but excluding all such expenditures used to acquire fixed assets from a Target in connection with a Permitted Acquisition.

"Capital Lease Obligation" means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property, which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP. For purposes of this Agreement, the amount of such Capital Lease Obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Cash Equivalent Investment" means, as to any Person, (a) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than six months from the date of acquisition, (b) time deposits and certificates of deposit of any commercial bank having, or which is the principal banking subsidiary of a bank holding company having, a long-term unsecured debt rating of at least "AAA" or the equivalent thereof from Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or "Aaa" or the equivalent thereof from Moody's Investors Service, Inc. with maturities of not more than six months from the date of acquisition by such Person, (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (a) above entered into with any bank meeting the qualifications specified in clause (b) above, (d) commercial paper issued by any Person incorporated in the United States rated at least A-1 or the equivalent thereof by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or at least P-1 or the equivalent thereof by Moody's Investors Service, Inc. and in each case maturing not more than six months after the date of acquisition by such Person and (e) investments in money market funds substantially all of whose assets are comprised of securities of the types described in clauses (a) through (d) above.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated and rulings and decisions issued thereunder.

"Collateral" means the property in which Liens have been granted to the Agent for the benefit of the Lenders pursuant to the Borrower Security Agreement, the Subsidiary Security Agreement, the Real Property Security Documents, or any other agreement, document, or instrument executed by the Borrower or a Guarantor in accordance with Section 8.10, whether such Liens are now existing or hereafter arise.

"Commitment" means, as to each Lender, the obligation of such Lender to purchase participations (or with respect to the Swing Lender or the Issuing Bank, hold other interests in) the Swing Loan and in Letters of Credit as described in Articles II and III hereunder, and the Revolving Credit Commitment.

"Commitment Fee" is defined in Section 2.9.

"Commitment Fee Rate" means 0.375% per annum.

"Compliance Certificate" is defined in Section 8.1(c).

"Consolidated Net Income" means, at any particular time, the aggregate net income or loss of the Borrower and its consolidated Subsidiaries determined on a consolidated basis as determined in accordance with GAAP.

"Consolidated Net Worth" means, at any particular time, all amounts which, in conformity with GAAP, would be included as stockholders' equity on a consolidated balance sheet of the Borrower and the Subsidiaries; provided, however, there shall be excluded therefrom (a) any amount at which shares of

capital stock of the Borrower appear as an asset on the Borrower's balance sheet, and (b) the Accumulated Other Comprehensive Income.

"Continue," "Continuation," and "Continued" shall refer to the continuation pursuant to Section 2.6 of a Eurodollar Advance as a Eurodollar Advance from one Interest Period to the next Interest Period.

"Contribution and Indemnification Agreement" means that certain Second Amended and Restated Contribution and Indemnification Agreement dated as of the date hereof executed by the Borrower and the Guarantors, in form and substance satisfactory to the Agent and the Lenders, as the same may be amended, restated, supplemented or modified from time to time.

"Convert," "Conversion," and "Converted" shall refer to a conversion pursuant to Section 2.6 or Article V of one Type of Advance into another Type of Advance.

"Debt" means as to any Person at any time (without duplication): (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, notes, debentures, or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable of such Person arising in the ordinary course of business that are not past due by more than 90 days, (d) all Capital Lease Obligations of such Person, (e) all Debt or other obligations of others Guaranteed by such Person, (f) all obligations secured by a Lien existing on property owned by such Person, whether or not the obligations secured thereby have been assumed by such Person or are non-recourse to the credit of such Person, (g) all reimbursement obligations of such Person (whether contingent or otherwise) in respect of letters of credit, bankers' acceptances, surety or other bonds and similar instruments, and (h) all liabilities of such Person in respect of unfunded vested benefits under any Plan.

"Default" means an Event of Default or the occurrence of an event or condition which with notice or lapse of time or both would become an Event of Default.

"Default Rate" means the lesser of (a) the Maximum Rate or, (b) the sum of the Base Rate in effect from day to day plus 5% per annum.

"Deposit and Cash Management Services" means the deposit and/or cash management products and services provided by a Lender in connection with any deposit or other accounts of the Borrower or any of its Subsidiaries, including without limitation, the extensions of credit made by a Lender to or for the account of the Borrower or any of its Subsidiaries in the ordinary course of business in connection therewith.

"Disposition" is defined in Section 9.8.

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

"EBITDA" means, for any period of determination, Consolidated Net Income, plus, to the extent that any of the following were deducted in calculating such Consolidated Net Income, interest expense, tax expenses, and depreciation and amortization. EBITDA will exclude all extraordinary items of income and loss and any gain or loss on the sale of assets. In the event a Permitted Acquisition shall have been consummated prior to the end of the period for which EBITDA is calculated, but during the period covered by the calculation, the Borrower shall include the historical EBITDA (as calculated in accordance with this definition) of the Target in connection with a Permitted Acquisition for the time period covered by the calculation.

"Eligible Assignee" means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) approved by the Agent, and, unless a Default has occurred and is continuing at the time any assignment is effected, in accordance with Section 13.8, the

Borrower, such approval not to be unreasonably withheld or delayed by the Borrower; provided, however, that neither the Borrower nor an Affiliate of the Borrower shall qualify as an Eligible Assignee.

"Environmental Laws" means any and all federal, state, and local laws, regulations, and requirements pertaining to health, safety, or the environment, as such laws, regulations, and requirements may be amended or supplemented from time to time.

"Environmental Liabilities" means, as to any Person, all liabilities, obligations, responsibilities, Remedial Actions, losses, damages, punitive damages, consequential damages, treble damages, costs, and expenses, (including, without limitation, all reasonable fees, disbursements and expenses of counsel, expert and consulting fees and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand, by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, including any Environmental Law, permit, order or agreement with any Governmental Authority or other Person, arising from environmental, health or safety conditions or the Release or threatened Release of a Hazardous Material into the environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations and published interpretations thereunder.

"ERISA Affiliate" means any corporation or trade or business which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower, which is under common control (within the meaning of Section 414(c) of the Code) with the Borrower, or which is otherwise affiliated with the Borrower (within the meaning of Section 414(m) or Section 414(o) of the Code).

"Eurodollar Advances" means Advances the interest rates on which are determined on the basis of the rates referred to in the definition of "Adjusted Eurodollar Rate" in this Section 1.1.

"Eurodollar Margin" is defined in Section 2.10.

"Eurodollar Rate" means, for any Eurodollar Advance for any Interest Period, the rate per annum obtained by dividing (a) the rate per annum determined by the Agent at approximately 11:00 a.m. (London time) on the date which is two Business Days prior to the beginning of such Interest Period by reference to the British Bankers' Association Interest Settlement Rates for deposits in Dollars (as set forth by any service selected by the Agent which has been nominated by the British Bankers' Association as an authorized information vendor for the purpose of displaying such rates) for a period equal to such Interest Period; provided that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "Eurodollar Rate" shall be the interest rate per annum determined by the Agent to be the average of the rates per annum at which deposits in Dollars are offered for such Interest Period to major banks in the London interbank market in London, England at approximately 11:00 a.m. (London time) on the date which is two Business Days prior to the beginning of such Interest Period by (b) a percentage equal to 100% minus the stated maximum rate of all reserve requirements (including any marginal, emergency, supplemental, special or other reserves) applicable to any member bank of the Federal Reserve System in respect of "Eurocurrency liabilities" as defined in Regulation D (or any successor category of liabilities under Regulation D). Each determination by the Agent pursuant to this definition shall be conclusive absent manifest error.

"Event of Default" is defined in Section 11.1.

"Exchange Act" means the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Existing Credit Agreement" is defined in the recitals of this Agreement.

"Existing Debt" means the Debt listed on Schedule 9.1.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/16 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 Business Day next succeeding such day, provided that (a) if the day for which such rate is to be determined is not a Business Day, the Federal Funds 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 such rate is not so published on such next succeeding Business Day, the Federal Funds Rate for any day shall be the average rate charged to Wells Fargo Bank, National Association on such day on such transactions as determined by the Agent.

"Fiscal Quarter" means any three-month period ending December 31, March 31, June 30, or September 30.

"Fiscal Year" means each 12-month period ending September 30 of each year.

"Fixed Charge Coverage Ratio" means, for each Fiscal Quarter, the quotient determined by dividing (a) the sum of EBITDA, plus Rental Expense, minus Capital Expenditures, minus dividends paid in cash by the Borrower, minus taxes paid in cash by the Borrower and its consolidated Subsidiaries, in each case for the period of such Fiscal Quarter, plus the three prior Fiscal Quarters, by (b) the sum of the aggregate interest expense, the current portion of long-term Debt (excluding the current portion of the outstanding balance under the Revolving Credit Commitments) and Rental Expense of the Borrower and its consolidated Subsidiaries, in each case for the period of such Fiscal Quarter plus the three prior Fiscal Quarters.

"Foreign Lender" is defined in Section 4.7.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funded Debt" means, at any particular time, the sum of the following, calculated on a consolidated basis for the Borrower and the Subsidiaries in accordance with GAAP: (a) all obligations for borrowed money, including but not limited to senior bank debt, senior notes and subordinated debt, (b) all obligations relating to the deferred purchase price of property and services, (c) all Capital Lease Obligations, (d) all obligations as a reimbursement obligor with respect to an issued letter of credit or similar instrument (whether drawn or undrawn), and (e) all obligations under a Guarantee of borrowed money, or any other type of direct or contingent obligation.

"GAAP" means generally accepted accounting principles, applied on a consistent basis, as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and/or in statements of the Financial Accounting Standards Board and/or their respective successors and which are applicable in the circumstances as of the date in question. Accounting principles are applied on a "consistent basis" when the accounting principles applied in a current period are comparable in all material respects to those accounting principles applied in a preceding period.

"Governmental Authority" means any nation or government, any state or political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or

(b) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect the obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantor" means each and every domestic Subsidiary of the Borrower whether now in existence or hereafter created which include but are not limited to those Subsidiaries listed on Schedule 7.14.

"Guaranty" means that certain Second Amended and Restated Guaranty Agreement dated as of the date hereof, executed by the Guarantors in favor of the Agent and the Lenders, in form and substance satisfactory to the Agent and the Lenders, as the same has been or may be amended, restated, supplemented, or otherwise modified from time to time.

"Hazardous Material" means any substance, product, waste, pollutant, material, chemical, contaminant, constituent, or other material which is or becomes listed, regulated, or addressed under any Environmental Law.

"Indemnity Accounts" means collectively, any and all indemnity accounts established and maintained by the Borrower or any Subsidiary to secure the Borrower's and/or its Subsidiaries' obligations to be incurred with County Bank of Rehoboth Beach, Delaware in connection with Pay-Day Advance Loans, such obligations to be established and governed by the Pay-Day Advance Loan Documents.

"Interest Period" means the period commencing, with respect to any Eurodollar Advances, on the date such Eurodollar Advances are made or Converted from Advances of another Type or, in the case of each subsequent, successive Interest Period applicable to a Eurodollar Advance, the last day of the next preceding Interest Period with respect to such Advance, and ending on the numerically corresponding day in the first, second, third or sixth calendar month thereafter, as the Borrower may select as provided in Section 2.5 or 2.6 hereof, except that each such Interest Period which commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the first, second, third or sixth calendar month thereafter, as the case may be. Notwithstanding the foregoing: (a) each Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day or, if such succeeding Business Day falls in the next succeeding calendar month, on the next preceding Business Day; (b) any Interest Period for Eurodollar Advances under the Revolving Credit Loan which would otherwise extend beyond the Termination Date shall end on the Termination Date and the provisions of Section 5.5 shall apply; and (c) no Interest Period for any Eurodollar Advances shall have a duration of less than one month, and, if the Interest Period for any Eurodollar Advances would otherwise be a shorter period, such Advances shall not be available hereunder.

"Inventory" means at any particular time, inventory (as defined in the UCC) of the Borrower or any of the Subsidiaries including, without limitation, all materials and goods held by or for the benefit of the Borrower or any of the Subsidiaries for sale, lease or consumption.

"Inventory Turnover" means, for each Fiscal Quarter, the quotient determined by dividing the cost of Inventory items sold during the most recent 12 month period by the Average Inventory for such period.

"Issuing Bank" means, with respect to any Letter of Credit, Wells Fargo Bank, National Association.

"Landlord Change" means any change in the landlord for a Leased Location.

"LC Participation" means, with respect to any Lender, at any time, the amount of participating interest held by such Lender (or in the case of the Issuing Bank, other interests) in respect of a Letter of Credit.

"Leased Location" means any location which is leased by the Borrower or any Subsidiary and at which the Borrower or the applicable Subsidiary maintains Collateral.

"Lender" is defined in the introductory paragraph of this Agreement.

"Lending Party" is defined in Section 13.21.

"Letter of Credit" means, any standby letter of credit issued by the Issuing Bank for the account of the Borrower pursuant to Article III.

"Letter of Credit Disbursement" means a disbursement by the Issuing Bank to the beneficiary of a Letter of Credit in connection with a drawing thereunder.

"Letter of Credit Liabilities" means, at any time, the sum of (a) the aggregate amounts available to be drawn of all outstanding Letters of Credits and (b) the aggregate amount of all Letter of Credit Disbursements for which the Issuing Bank has not been reimbursed by the Borrower.

"Letter of Credit Request Form" means, a certificate, in substantially the form of Exhibit D hereto, properly completed and signed by the Borrower requesting issuance of a Letter of Credit.

"Lien" means any lien, mortgage, security interest, tax lien, financing statement, pledge, charge, hypothecation, assignment, preference, priority, or other encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale or title retention agreement), whether arising by contract, operation of law, or otherwise.

"Litigation Fund Accounts" means collectively, any and all litigation fund accounts established and maintained by the Borrower or any Subsidiary to secure the Borrower's and/or its Subsidiaries' obligations to be incurred with County Bank of Rehoboth Beach, Delaware in connection with Pay-Day Advance Loans, such obligations to be established and governed by the Pay-Day Advance Loan Documents.

"Loan Documents" means this Agreement, the Notes, the Guaranty, the Contribution and Indemnification Agreement, the Borrower Security Agreement, the Subsidiary Security Agreement, the Real Property Security Documents and all other promissory notes, security agreements, assignments, deeds of trust, guaranties, and other instruments, documents, and agreements now or hereafter executed and delivered pursuant to or in connection with this Agreement, as such instruments, documents, and agreements may be amended, modified, renewed, extended, or supplemented from time to time.

"Loans" means, collectively, the Revolving Credit Loan and the Swing Loan.

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise), operations, prospects, or properties of the Borrower and the Subsidiaries taken as a whole, or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Agent or the Lenders hereunder or thereunder. In determining whether any individual event could reasonably be expected to result in a Material Adverse Effect, notwithstanding that such event does not itself have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then existing events could reasonably be expected to result in a Material Adverse Effect.

"Material Debt" is defined in Section 11.1(h).

"Maximum Rate" means, at any time and with respect to any Lender, the maximum rate of interest under applicable law that such Lender may charge the Borrower. The Maximum Rate shall be calculated in a manner that takes into account any and all fees, payments, and other charges in respect of the Loan Documents that constitute interest under applicable law. Each change in any interest rate provided for

herein based upon the Maximum Rate resulting from a change in the Maximum Rate shall take effect without notice to the Borrower at the time of such change in the Maximum Rate. For purposes of determining the Maximum Rate under Texas law, the applicable rate ceiling shall be the applicable weekly ceiling described in, and computed in accordance with, Chapter 303 of the Texas Finance Code.

"Monthly Payment Date" means the third day of each calendar month of each year, the first of which shall be May 3, 2004.

"Multiemployer Plan" means a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been made by the Borrower or any ERISA Affiliate and which is covered by Title IV of ERISA.

"Net Proceeds" from any issuance, sale or disposition of any shares of equity securities (or any securities convertible or exchangeable for any such shares, or any rights, warrants, or options to subscribe for or purchase any such shares) means the amount equal to (a) the aggregate gross proceeds of such issuance, sale or other disposition, less (b) the following: (i) placement agent fees, (ii) underwriting discounts and commissions, (iii) bank and other lender fees, and (iv) reasonable legal fees and other reasonable expenses payable by the issuer in connection with such issuance, sale or other disposition. "Net Proceeds" from any disposition of assets means the amount equal to (a) the aggregate gross proceeds of such disposition, less (b) the following: (i) sales or other similar taxes paid or payable by the seller in connection with such disposition, (ii) reasonable broker fees in connection with such disposition, (iii) reasonable legal fees and other reasonable expenses payable by the seller in connection with such disposition and (iv) the amount of any Debt secured by the assets that must be repaid in connection with such disposition so long as it is a Debt permitted under this Agreement.

"Notes" means, collectively, the Revolving Credit Notes and the Swing Note.

"Obligated Party" means each Guarantor and any other Person who is or becomes party to any written agreement that guarantees or secures payment and performance of the Obligations or any part thereof.

"Obligations" means, collectively, the Primary Obligations and the Secondary Obligations.

"Other Taxes" is defined in Section 4.6(b).

"Pay-Day Advance Loan Documents" means the documents, instruments and agreements which are acceptable to the Agent and the Lenders and are more specifically described on Schedule 1.1(c) attached hereto, and all amendments, modifications, renewals, extensions, restatements and supplements thereto, copies of which have been provided to the Agent and the Lenders and are satisfactory in form and substance to the Agent and the Lenders; provided that if such amendments, modifications, renewals, extensions, restatements and supplements are non-substantive from the perspective of the economics of the transactions evidenced by such documents, instruments and agreements described on Schedule 1.1(c), prior approval by the Agent and the Lenders is not required.

"Pay-Day Advance Loans" means loans which are anticipated to be repaid by the proceeds of deferred presentment checks or through an ACH debit from the account of the borrower of the Pay-Day Advance Loan.

"Pay-Day Only Store" means any location of the Borrower or any of its Subsidiaries where the only business conducted at such location is the origination and/or processing of Pay-Day Advance Loans and/or other unsecured consumer loans (including without limitation, the processing of Pay-Day Advance Loans and/or other unsecured consumer loans originated by a Person other than the Borrower or any Subsidiary) and other services incident to the foregoing.

"Payment Office" means the operational office of the Agent in Denver, Colorado, presently located at 1740 Broadway, 3rd Floor, MAC #C7300-034, Denver, Colorado 80274.

"Payor" is defined in Section 4.5.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to all or any of its functions under ERISA.

"Permitted Acquisitions" means those acquisitions by the Borrower or any of its Subsidiaries of all or substantially all of either the assets of, or equity interests in, a Person (such Person hereinafter referred to as the "Target") so long as (a) the purchase price (whether in cash or other consideration) of all such acquisitions shall not exceed either \$5,000,000 individually or \$20,000,000 in the aggregate during the term of this Agreement, (b) such acquisitions shall be of either the assets of a Target used in, or equity interests in a Target engaged in, the same or substantially similar businesses as the Borrower and its Subsidiaries as of the date hereof, (c) no Default or Event of Default has occurred and is continuing or would result therefrom, (d) such Target has a positive EBITDA (as calculated in accordance with the definition of "EBITDA") over the most recent 12-month period then ended, and (e) the Borrower has furnished to the Agent a Compliance Certificate setting forth (i) recalculations of compliance with the covenants contained in Article X for the prior four Fiscal Quarters then most recently ended prior to the date of such Permitted Acquisition, on a pro forma basis as if such Permitted Acquisition had occurred on the first day of such period, and such recalculations shall show that such covenants would have been complied with if the Permitted Acquisition had occurred on the first day of such period and (ii) the Borrower in good faith believes that after giving effect to such Permitted Acquisition the covenants contained in Article X will continue to be met for the one year period following the consummation of such Permitted Acquisition.

"Permitted Debt" means (a) the Obligations, (b) Existing Debt and (c) other Debt permitted by Section 9.1.

"Permitted Liens" means Liens permitted by Section 9.2.

"Permitted Withdrawals" means, other than in connection with litigation, arbitration or regulatory proceedings, authorized withdrawals, if any, by County Bank of Rehoboth Beach, Delaware ("County Bank") from the Indemnity Accounts only, pursuant to the provisions of section 7.(a) of those certain Nonexclusive Master Sale, Participation, Servicing and Indemnification Agreements constituting a part of the Pay-Day Advance Loan Documents, for administrative, overhead, and operating expenses and legal expenses related to the content, development and structure of County Bank's pay-day advance loan program including, by way of example, expansion of the Borrower's or Subsidiaries' pay-day advance loan business into new markets or operational changes. Such administrative, overhead and operating expenses include, by way of example, audit fees and expenses, delivery fees, wire fees, inspection fees, background checks, and insurance.

"Person" means any individual, corporation, business trust, association, company, partnership, joint venture, Governmental Authority, or other entity.

"Plan" means any employee benefit plan (within the meaning of Section 3(3) of ERISA) established or maintained by the Borrower or any ERISA Affiliate, which plan is subject to the provisions of ERISA.

"Primary Obligations" means all obligations, indebtedness, and liabilities of the Borrower to the Agent, the Issuing Bank, and the Lenders, or any of them, arising pursuant to any of the Loan Documents, now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several, including, without limitation, the obligations, indebtedness, and liabilities of the Borrower under this Agreement, the Notes and the other Loan Documents (including without limitation, all of the Borrower's contingent reimbursement obligations in respect of Letters of

Credit), and all interest accruing thereon and all attorneys' fees and other expenses incurred in the enforcement or collection thereof.

"Prime Rate" means, at any time, the rate of interest per annum then most recently announced by Wells Fargo Bank, National Association at its principal office in San Francisco as its prime rate, which rate may not be the lowest rate of interest charged by Wells Fargo Bank, National Association to its borrowers. Each change in any interest rate provided for herein based upon the Prime Rate resulting from a change in the Prime Rate shall take effect on the date the change is announced by Wells Fargo Bank, National Association without notice to the Borrower at the time of such change in the Prime Rate.

"Principal Office" means the principal office of the Agent in Austin, Texas, presently located at 111 Congress Avenue, Suite 300, Austin, Texas 78701.

"Prohibited Transaction" means any transaction set forth in Section 406 or 407 of ERISA or Section 4975(c)(1) of the Code for which there does not exist a statutory or administrative exemption.

"Quarterly Payment Date" means the third day of each January, April, July and October of each year, the first of which shall be July 3, 2004.

"Real Property" means the fee owned real property and interests in fee owned real property of the Borrower and the Subsidiaries, including without limitation, that fee owned real property identified on Schedule 1.1(d) attached hereto, and all improvements and fixtures thereon and all appurtenances thereto, whether now existing or hereinafter arising.

"Real Property Security Documents" means all deeds of trust, mortgages and other instruments, documents and agreements executed and delivered by the Borrower or any Guarantor in favor of the Agent for the benefit of the Lenders, which creates a Lien on such Person's interests in the Real Property, as the same may be amended, supplemented or modified.

"Register" is defined in Section 13.8(d).

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as the same may be amended or supplemented from time to time.

"Regulatory Change" means, with respect to any Lender, any change after the date of this Agreement in United States federal, state, or foreign laws or regulations (including Regulation D) or the adoption or making after such date of any interpretations, directives, or requests applying to a class of lenders including such Lender of or under any United States federal or state, or any foreign, laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

"Release" means, as to any Person, any release, spill, emission, leaking, pumping, injection, deposit, disposal, disbursement, leaching, or migration of Hazardous Materials into the indoor or outdoor environment or into or out of property owned by such Person, including, without limitation, the movement of Hazardous Materials through or in the air, soil, surface water, ground water, or property in violation of Environmental Laws.

"Remedial Action" means all actions required to (a) clean up, remove, treat, or otherwise address Hazardous Materials in the indoor or outdoor environment, (b) prevent the Release or threat of Release or minimize the further Release of Hazardous Materials so that they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, or (c) perform pre-remedial studies and investigations and post-remedial monitoring and care.

"Rental Expense" means the amounts paid by the Borrower and each Subsidiary to lease facilities for business operations.

"Reportable Event" means any of the events set forth in Section 4043 of ERISA.

"Required Lenders" means at any time while no Advances or Letters of Credit Liabilities are outstanding, two or more Lenders having at least 66 2/3% of the aggregate amount of the Commitments and, at any time while Advances or Letter of Credit Liabilities are outstanding, two or more Lenders holding at least 66 2/3% of the outstanding aggregate principal amount of the Revolving Credit Advances, the LC Participations, and the SL Participations.

"Required Payment" is defined in Section 4.5.

"Reserve Requirement" means, for any Eurodollar Advance for any Interest Period therefor, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the Federal Reserve System in New York City with deposits exceeding one billion Dollars against "Eurocurrency Liabilities" as such term is used in Regulation D. Without limiting the effect of the foregoing, the Reserve Requirement shall reflect any other reserves required to be maintained by such member banks by reason of any Regulatory Change against (i) any category of liabilities which includes deposits by reference to which the Adjusted Eurodollar Rate is to be determined, or (ii) any category of extensions of credit or other assets which include Eurodollar Advances.

"Revolving Credit Commitment" means, as to each Lender, the obligation of such Lender to make the Revolving Credit Loan as described in Article II hereunder in the principal amount up to but not exceeding the amount set forth opposite the name of such Lender on Schedule 1.1(a) hereto under the heading "Revolving Credit Commitment", as the same may be reduced pursuant to Section 2.11 or terminated pursuant to Section 2.11 or 11.2. As of the date hereof, the aggregate amount of the Revolving Credit Commitments of all Lenders equals \$40,000,000.

"Revolving Credit Loan" means the revolving credit loan made or to be made hereunder to Borrower pursuant to Section 2.1.

"Revolving Credit Loan Advance" means an Advance under the Revolving Credit Loan.

"Revolving Credit Notes" means the promissory notes of the Borrower payable to the order of the Lenders in the aggregate principal amount of the Revolving Credit Loan, in substantially the form of Exhibit A hereto, and all extensions, renewals, and modifications thereof.

"Rules" is defined in Section 13.14(b).

"Secondary Obligations" means all obligations, indebtedness, and liabilities of the Borrower to the Lenders or any of them, arising pursuant to or in connection with the Deposit and Cash Management Services, now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several, including without limitation, the obligations of the Borrower to pay all fees, costs and expenses (including without limitation, reasonable attorneys' fees) provided for in connection with the documentation governing the Deposit and Cash Management Services.

"Senior Funded Debt" means, at any particular time, the sum of the following, calculated on a consolidated basis for the Borrower and the Subsidiaries in accordance with GAAP: (a) all obligations for borrowed money, including but not limited to senior bank debt, senior notes and subordinated debt, but excluding any subordinated debt permitted by Section 9.1(e), (b) all obligations relating to the deferred purchase price of property and services, (c) all Capital Lease Obligations, (d) all obligations as a reimbursement obligor with respect to an issued letter of credit or similar instrument (whether drawn or undrawn), and (e) all obligations under a Guarantee of borrowed money, or any other type of direct or contingent obligations.

"Senior Leverage Ratio" means, as of any Fiscal Quarter end, the ratio of Senior Funded Debt to EBITDA, in each case for such Fiscal Quarter and the prior three Fiscal Quarters.

"SL Participation" means, with respect to any Lender, at any time, the amount of participating interest held by such Lender (or in the case of the Swing Lender, other interests) in respect of the Swing Loan.

"Subsidiary" means any corporation (or other entity) of which at least a majority of the outstanding shares of stock (or other ownership interests) having by the terms thereof ordinary voting power to elect a majority of the board of directors (or similar governing body) of such corporation (or other entity) (irrespective of whether or not at the time stock (or other ownership interests) of any other class or classes of such corporation (or other entity) shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the Borrower or one or more of the Subsidiaries or by the Borrower and one or more of the Subsidiaries.

"Subsidiary Security Agreement" means collectively, those certain Second Amended and Restated Subsidiary Security Agreements dated as of the date hereof executed by the Guarantors in favor of the Agent for the benefit of the Lenders, in form and substance satisfactory to the Agent and the Lenders, as the same may be amended, restated, supplemented, or modified from time to time.

"Swing Commitment" means an amount (subject to reduction or cancellation as herein provided) equal to \$3,000,000.

"Swing Lender" means Wells Fargo Bank, National Association.

"Swing Loan" means the swing loan made or to be made hereunder to the Borrower pursuant to Section 2.7.

"Swing Loan Advance" means an Advance under the Swing Loan.

"Swing Note" means the promissory note of the Borrower payable to the order of the Swing Lender in the principal amount of the Swing Commitment in substantially the form of Exhibit B hereto, and all extensions, renewals, and modifications thereof.

"Target" is defined in the definition of "Permitted Acquisition".

"Taxes" is defined in Section 4.6(a).

"Termination Date" means 10:00 a.m. (Austin, Texas time) on April 1, 2007 or such earlier date and time on which the Revolving Credit Commitments and Swing Commitment terminate as provided in this Agreement.

"Total Leverage Ratio" means, as of any Fiscal Quarter end, the ratio of Funded Debt to EBITDA, in each case for such Fiscal Quarter and the prior three Fiscal Quarters.

"Type" means any type of Advance (i.e., Base Rate Advance or Eurodollar Advance).

"UCC" means the Uniform Commercial Code as in effect in the State of Texas from time to time.

"Waiver" is defined in Section 8.12.

Other Definitional Provisions. All definitions contained in this Agreement are equally applicable to the singular and plural forms of the terms defined. The words "hereof", "herein", and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all Article and Section references pertain to this Agreement. All accounting terms not

specifically defined herein shall be construed in accordance with GAAP. Terms used herein that are defined in the UCC, unless otherwise defined herein, shall have the meanings specified in the UCC. In the event of any changes in accounting principles required by GAAP or recommended by the Borrower's certified public accountants and implemented by the Borrower occur and such changes result in a change in the method of the calculation of financial covenants, standards, or terms under this Agreement, then the Borrower, the Agent, and the Lenders agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such changes with the desired result that the criteria for evaluating such covenants, standards, or terms shall be the same after such changes as if such changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Agent, the Borrower and the Required Lenders, all financial covenants, standards, and terms in this Agreement shall continue to be calculated or construed as if such changes had not occurred.

Revolving Credit Loan and Swing Loan

Revolving Credit Commitments. Subject to the terms and conditions of this Agreement, each Lender severally agrees to make one or more Revolving Credit Loan Advances to the Borrower from time to time from the date hereof to but excluding the Termination Date in an aggregate principal amount at any time outstanding up to but not exceeding the amount of such Lender's Revolving Credit Commitment as then in effect, provided that the aggregate amount of all Revolving Credit Loan Advances at any time outstanding shall not exceed (a) the Revolving Credit Commitments, minus (b) the sum of the outstanding Swing Loan Advances and the Letter of Credit Liabilities. Subject to the foregoing limitations, and the other terms and provisions of this Agreement, the Borrower may borrow, repay, and reborrow hereunder the amount of the Revolving Credit Commitments by means of Base Rate Advances and Eurodollar Advances and, until the Termination Date, the Borrower may Convert Revolving Credit Loan Advances of one Type into Revolving Credit Loan Advances of another Type. Revolving Credit Loan Advances of each Type made by each Lender shall be made and maintained at such Lender's Applicable Lending Office for Advances of such Type.

Revolving Credit Notes. The obligation of the Borrower to repay each Lender for Revolving Credit Loan Advances made by such Lender and interest thereon shall be evidenced by a Revolving Credit Note executed by the Borrower, payable to the order of such Lender, in the principal amount of such Lender's Revolving Credit Commitment dated the date hereof.

Repayment of Revolving Credit Loan. The Borrower shall repay the outstanding principal amount of the Revolving Credit Loan and the Swing Loan on the Termination Date.

Interest. The unpaid principal amount of the Revolving Credit Loan shall bear interest at a varying rate per annum equal from day to day to the lesser of (a) the Maximum Rate or (b) the Applicable Rate. If at any time the Applicable Rate for any Advance shall exceed the Maximum Rate, thereby causing the interest accruing on such Advance to be limited to the Maximum Rate, then any subsequent reduction in the Applicable Rate for such Advance shall not reduce the rate of interest on such Advance below the Maximum Rate until the aggregate amount of interest accrued on such Advance equals the aggregate amount of interest which would have accrued on such Advance if the Applicable Rate had at all times been in effect. Accrued and unpaid interest on the Revolving Credit Loan Advances shall be due and payable as follows:

in the case of all Base Rate Advances, on each Monthly Payment Date;

in the case of all Eurodollar Advances, on the last day of the Interest Period with respect thereto and, in the case of an Interest Period with a duration greater than three months, at three-month intervals after the first day of such Interest Period; upon the payment or prepayment of any Eurodollar Advance or the Conversion of any Eurodollar Advance to an Advance of another Type (but only on the principal amount so paid, prepaid, or Converted); and with respect to Revolving Credit Loan Advances and Swing Loan Advances, on the Termination Date.

Notwithstanding the foregoing, upon the occurrence and during the continuance of an Event of Default, the outstanding principal amounts of all Advances and (to the fullest extent permitted by law) any other amounts payable by the Borrower under any Loan Document shall bear interest at the Default Rate at the Required Lenders' option beginning upon the occurrence of such Event of Default or such later date as selected by the Required Lenders. Interest payable at the Default Rate shall be payable from time to time on demand.

Revolving Credit Loan Borrowing Procedure. The Borrower shall give the Agent notice by means of an Advance Request Form of each requested Revolving Credit Loan Advance at least one Business Day before the requested date of each Base Rate Advance, and at least three Business Days before the requested date of each Eurodollar

Advance, specifying: (a) the requested date of such Revolving Credit Loan Advance (which shall be a Business Day), (b) the amount of such Revolving Credit Loan Advance, (c) the Type of Revolving Credit Loan Advance, and (d) in the case of a Eurodollar Advance, the duration of the Interest Period for such Revolving Credit Loan Advance. Each Eurodollar Advance under the Revolving Credit Loan shall be in a minimum principal amount of \$1,000,000 or an integral multiple of \$500,000. Each Base Rate Advance under the Revolving Credit Loan shall be in a minimum principal amount of \$500,000 or in greater increments of \$100,000. The Agent shall notify each Lender of the contents of each such notice promptly. Not later than 1:00 p.m. (Austin, Texas time) on the date specified for each Revolving Credit Loan Advance hereunder, each Lender will make available to the Agent at the Principal Office in immediately available funds, for the account of the Borrower, its pro rata share of each Revolving Credit Loan Advance. After the Agent's receipt of such funds and subject to the other terms and conditions of this Agreement, the Agent will make each Revolving Credit Loan Advance available to the Borrower by depositing the same, in immediately available funds, in an account of the Borrower (designated by the Borrower) maintained with the Agent at the Principal Office. All notices by the Borrower under this Section shall be irrevocable and shall be given not later than 11:00 a.m. (Austin, Texas time) on the day which is not less than the number of Business Days specified above for such notice.

Conversions and Continuations. The Borrower shall have the right from time to time to Convert all or part of a Revolving Credit Loan Advance of one Type into an Advance of another Type or to Continue Eurodollar Advances as Eurodollar Advances by giving the Agent written notice at least one Business Day before Conversion into a Base Rate Advance, and at least three Business Days before Conversion into or Continuation of a Eurodollar Advance, specifying: (a) the Conversion or Continuation date, (b) the amount of the Advance to be Converted or Continued, (c) in the case of Conversions, the Type of Advance to be Converted into, and (d) in the case of a Continuation of or Conversion into a Eurodollar Advance, the duration of the Interest Period applicable thereto; provided that (i) Eurodollar Advances may only be Converted on the last day of the Interest Period, (ii) except for Conversions into Base Rate Advances, no Conversions shall be made while a Default has occurred and is continuing, and (iii) no more than five Interest Periods shall be in effect at the same time. The Agent shall notify each Lender of the contents of each such notice promptly and in any event not later than one Business Day after receipt thereof. All notices by the Borrower under this Section shall be irrevocable and shall be given not later than 11:00 a.m. (Austin, Texas time) on the day which is not less than the number of Business Days specified above for such notice. If the Borrower shall fail to give the Agent the notice as specified above for Continuation or Conversion of a Eurodollar Advance prior to the end of the Interest Period with respect thereto, such Eurodollar Advance shall be Converted automatically into a Base Rate Advance on the last day of the then current Interest Period for such Eurodollar Advance.

Swing Loans.

Making Swing Loans; Interest Rate. For the convenience of the parties and as an integral part of the transactions contemplated by the Loan Documents, the Swing Lender, solely for its own account, agrees, on the terms and conditions hereinafter set forth, to make Swing Loans to the Borrower (which the Borrower may repay and reborrow from time to time in accordance with the terms and provisions hereof) from time to time on any Business Day during the period from the date hereof to but excluding the Termination Date in an aggregate principal amount at any one time outstanding which shall not exceed the Swing Commitment; provided that, the Swing Lender shall not be obligated to make any Swing Loan (i) which when added to the then outstanding Revolving Credit Loan Advances plus the outstanding Letter of Credit Liabilities plus the outstanding Swing Loan Advances would exceed the Revolving Credit Commitments, and (ii) at any time after any Lender has refused to purchase a participation in any Swing Loan as provided in Section 2.7(d). All Swing Loans shall bear interest at the lesser of (A) the Maximum Rate and (B) the Applicable Rate for Base Rate Advances (subject to Section 2.4) and shall be included within the Primary Obligations hereunder. Each Swing Loan shall be subject to all the terms and conditions applicable to the Revolving Credit Loan; provided that, (i) there shall be no minimum Swing Loan Advance amount or repayment for a Swing Loan except as provided in Section 2.7(c), and (ii) each Swing Loan shall be available and may be prepaid on same day telephonic notice to be followed promptly with an Advance Request Form (except for telephonic notices of prepayment) from the Borrower to the Swing Lender, so long as such notice is received by the Swing Lender prior to 3:00 p.m. (Austin, Texas time).

Swing Note. The Swing Loans made by the Swing Lender shall be evidenced by a single promissory note of the Borrower in substantially the form of Exhibit B hereto, payable to the order of the Swing Lender in a principal amount equal to the Swing Commitment as originally in effect and otherwise duly completed.

Repayment of Swing Loans. Upon the earlier to occur of (i) the date 10 Business Days after each Swing Loan Advance, and (ii) demand by the Swing Lender, the Borrower shall promptly borrow Revolving Credit Loans from the Lenders, pursuant to Section 2.1 hereof and apply the proceeds of such Revolving Credit Loans to the repayment of such Swing Loan Advance then due.

Participation of Lenders. In the event the Borrower shall fail to repay when due any Swing Loan, each Lender with a Revolving Credit Commitment shall irrevocably and unconditionally purchase from the Swing Lender an SL Participation in such Swing Loan in lawful money of the United States and in the same day funds, in an amount equal to such Lender's pro rata share (based on the Revolving Credit Commitments) of the principal amount of such Swing Loans then due. If such amount is not in fact made available to the Swing Lender by any Lender with a Revolving Credit Commitment, the Swing Lender shall be entitled to recover such amount on demand from such Lender together with accrued interest thereon, for each day from the date of demand therefor, if made prior to 1:00 p.m. (Austin, Texas time) on any Business Day, or, if made at any other time, from the next Business Day following the date of such demand, until the date such amount is paid to the Swing Lender by such Lender at the Federal Funds Rate. If such Lender does not pay such amount forthwith upon the Swing Lender's demand therefor, and until such time as such Lender makes the required payment, the Swing Lender shall be deemed to continue to have outstanding a Swing Loan in the amount of such unpaid participation obligation for all purposes under the Loan Documents other than those provisions requiring the other Lenders with a Revolving Credit Commitment to purchase a participation therein. Thereafter, each payment of all or any part of the Primary Obligations evidenced by the Swing Note shall be paid to the Swing Lender for the ratable benefit of the Swing Lender and the Lenders who are participants in the Swing Loan; provided that, with respect to any participation hereunder, all interest accruing on the Swing Loan (or any portion thereof) to which such participation relates prior to the date of purchase of any participation hereunder shall be payable solely to the Swing Lender for its own account.

Use of Proceeds. The proceeds of Advances shall be used by the Borrower to refinance Debt of the Borrower under the Existing Credit Agreement, for working capital in the ordinary course of business and other general corporate purposes.

Fees. (a) On or prior to each October 30 during the term hereof, beginning October 30, 2004, the Borrower agrees to pay to the Agent for the account of the Agent an annual agent fee in an amount to be agreed to by the Borrower and the Agent pursuant to a side letter agreement, and (b) the Borrower agrees to pay to the Agent for the account of each Lender a Commitment Fee (herein so called) on the average daily unused amount of such Lender's Revolving Credit Commitment for the period from and including the date of this Agreement to and including the Termination Date at the Commitment Fee Rate, based on a 360 day year and the actual number of days elapsed. The accrued Commitment Fee shall be payable in arrears on each Quarterly Payment Date and on the Termination Date. For the purpose of calculating the Commitment Fee hereunder, the Revolving Credit Commitments shall be deemed utilized by the amount of all Revolving Credit Loan Advances and all Letter of Credit Liabilities and without giving effect to any Swing Loan Advances or SL Participations.

Determination of Eurodollar Margin and Base Rate Margin. The Eurodollar Margin and the Base Rate Margin shall be defined and determined as follows:

"Base Rate Margin" shall mean (i) during the period commencing on the date hereof and ending on but not including the first Adjustment Date, 0.50% per annum, and (ii) during each period, from and including one Adjustment Date to but excluding the next Adjustment Date (herein a "Calculation Period"), the percent per annum set forth in the table below in this Section 2.10 under the heading "Base Rate Margin" opposite the Total Leverage Ratio calculated for the completed four Fiscal Quarters which immediately preceded the beginning of the applicable Calculation Period.

"Eurodollar Margin" shall mean (i) during the period commencing on the date hereof and ending on but not including the first Adjustment Date, 2.00% per annum, and (ii) during each Calculation Period, the percent per annum set forth in the table below in this Section 2.10 under the heading "Eurodollar

Margin" opposite the Total Leverage Ratio calculated for the completed four Fiscal Quarters which immediately preceded the beginning of the applicable Calculation Period.

TOTAL LEVERAGE RATIO	BASE RATE MARGIN	EURODOLLAR MARGIN
Greater than 2.75:1.00	1.25%	2.75%
Equal to or less than 2.75:1.00, but greater than 2.25:1.00	1.00%	2.50%
Equal to or less than 2.25:1.00, but greater than 1.75:1.00	0.75%	2.25%
Equal to or less than 1.75:1.00, but greater than 1.25:1.00	0.50%	2.00%
Equal to or less than 1.25:1.00, but greater than 0.75:1.00	0.25%	1.75%
Equal to or less than 0.75:1.00	0.00%	1.50%

Upon delivery of the Compliance Certificate pursuant to Section 8.1(c) in connection with the financial statements required to be delivered pursuant to Section 8.1(b) at the end of each Fiscal Quarter commencing with such Compliance Certificate delivered with respect to the Fiscal Quarter ending on June 30, 2004, the Eurodollar Margin and the Base Rate Margin shall automatically be adjusted as set forth in the table above, such automatic adjustment to take effect as of the first Business Day after the receipt by the Agent of the related Compliance Certificate (each such Business Day when the Eurodollar Margin or Base Rate Margin is adjusted pursuant to this sentence or below, herein an "Adjustment Date"). If the Borrower fails to deliver such Compliance Certificate which so sets forth the Total Leverage Ratio within the period of time required by Section 8.1(c), the Eurodollar Margin and the Base Rate Margin shall automatically be adjusted to highest applicable percentage set forth in the grid above, such automatic adjustment to take effect as of the first Business Day after the last day on which the Borrower was required to deliver the applicable Compliance Certificate in accordance with Section 8.1(c) and to remain in effect until subsequently adjusted in accordance herewith upon the delivery of a Compliance Certificate.

Reduction or Termination of Commitments.

Optional. The Borrower shall have the right to terminate in whole or reduce in part the unused portion of the Commitments (including the Swing Commitment) upon at least three Business Days prior notice (which notice shall be irrevocable) to the Agent and each Lender specifying the effective date thereof, whether a termination or reduction is being made, and the amount of any partial reduction, provided that each partial reduction shall be in the amount of \$5,000,000 (or in the case of the Swing Commitment, \$1,000,000) or an integral multiple thereof and the Revolving Credit Commitments (other than the Swing Commitment) shall not be reduced below the outstanding Letter of Credit Liabilities, and the Borrower shall simultaneously prepay the amount by which the unpaid principal amount of the Revolving Credit Loan Advances, the Swing Loan Advances and outstanding Letter of Credit Liabilities exceeds the Revolving Credit Commitments (after giving effect to such notice) plus accrued and unpaid interest on the principal amount so prepaid. The Commitments may not be reinstated after they have been terminated or reduced. In addition the Swing Commitment may never be more than the Revolving Credit Commitments (exclusive of the amount of the Swing Commitment).

Mandatory. Upon the occurrence of any event requiring a mandatory prepayment under Section 4.3(c), (i) the Revolving Credit Commitments shall automatically reduce by the amount equal to 100% of the Net Proceeds from the sale of assets occurring on such date to the extent such amount exceeds either (A) \$1,000,000 per Disposition or (B) \$3,000,000 in the aggregate for all Dispositions which have occurred since the date hereof, and (ii) the Borrower shall simultaneously prepay the amount by which the unpaid principal amount of the Advances plus the Letter of Credit Liabilities exceeds the Revolving Credit Commitments (after giving effect to such reduction) plus accrued and unpaid interest on the principal amount so prepaid.

Letters of Credit

Letters of Credit.

Subject to the terms and conditions of this Agreement, the Issuing Bank agrees to issue one or more Letters of Credit for the account of the Borrower or any Guarantor from time to time from the date hereof to but excluding the date 30

days prior to the Termination Date; provided, however, that the outstanding Letter of Credit Liabilities shall not at any time exceed the lesser of (i) \$4,000,000, and (ii) an amount equal to (A) the Revolving Credit Commitments, minus (B) the sum of the outstanding Revolving Credit Loan Advances and Swing Loan Advances. Each Letter of Credit shall have an expiration date not beyond five Business Days prior to the Termination Date, shall be payable in Dollars, must support a transaction that is entered into in the ordinary course of the Borrower's business, must be satisfactory in form and substance to the Issuing Bank, and shall be issued pursuant to such documents and instruments (including, without limitation, the Issuing Bank's standard application for issuance of letters of credit as then in effect) as the Issuing Bank may require. No Letter of Credit shall require any payment by the Issuing Bank to the beneficiary thereunder pursuant to a drawing prior to the third Business Day following presentation of a draft and any related documents to the Issuing Bank.

By the issuance of each Letter of Credit and without any further action on the part of the Issuing Bank or any of the Lenders in respect thereof, the Issuing Bank hereby grants to each Lender and each Lender hereby agrees to acquire from the Issuing Bank a participation in each Letter of Credit and the related Letter of Credit Liabilities, effective upon the issuance thereof without recourse or warranty, equal to such Lender's pro rata share (based on the Revolving Credit Commitments) of such Letter of Credit and Letter of Credit Liabilities. In furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Issuing Bank, as and when required by Section 3.4, such Lender's pro rata share of each Letter of Credit Disbursement. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this Section 3.1(b) in respect of each Letter of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including without limitation the occurrence and continuance of any Default, and that each such payment shall be made without any offset, abatement, withholding, or reduction whatsoever. This agreement to grant and acquire participations is an agreement between the Issuing Bank and the Lenders, and neither the Borrower nor any beneficiary of a Letter of Credit shall be entitled to rely thereon. The Borrower agrees that each Lender purchasing a participation from the Issuing Bank pursuant to this Section 3.1(b) may exercise all its rights to payment against the Borrower including the right of setoff, with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

The Issuing Bank agrees with each Lender that it shall transfer to such Lender, without any offset, abatement, withholding, or reduction whatsoever, such Lender's proportionate share of any payment of a reimbursement obligation of the Borrower with respect to a Letter of Credit Disbursement, including interest payments made to the Issuing Bank on such Letter of Credit Disbursement, based on the proportion that the payment made by such Lender to the Issuing Bank in respect of the principal amount of such Letter of Credit Disbursement bears to the outstanding principal amount of such Letter of Credit Disbursement.

Procedure for Issuing Letters of Credit. Each Letter of Credit shall be issued on at least three Business Days prior notice from the Borrower to the Issuing Bank by means of a Letter of Credit Request Form describing the transaction proposed to be supported thereby and specifying (a) the date on which such Letter of Credit is to be issued (which shall be a Business Day) and the face amount thereof, (b) the name and address of the beneficiary, (c) whether such Letter of Credit shall permit a single drawing or multiple drawings, (d) the conditions permitting the drawing or drawings thereunder, (e) whether the draft thereunder shall be a sight or time draft and, if the latter, the date when the draft shall be payable, (f) the form of the draft and any other documents required to be presented at the time of any drawing (such notice to set forth the exact wording of such documents or to attach copies thereof), and (g) the expiration date of such Letter of Credit. Upon fulfillment of the applicable conditions precedent in Article VI, the Issuing Bank shall make the applicable Letter of Credit available to the Borrower or, if so requested by the Borrower, to the beneficiary of the Letter of Credit.

Presentment and Reimbursement. (a) Promptly upon receipt of any documents purporting to represent a demand for payment under a Letter of Credit, the Issuing Bank shall give notice to the Borrower of the receipt thereof, which notice may be telephonic to be followed by written notice (which notice may be made by electronic mail or other electronic media) to the Borrower's general counsel and chief financial officer. If the Issuing Bank shall have determined that a demand for payment under a Letter of Credit appears on its face to be in conformity with the terms and conditions of such Letter of Credit, the Issuing Bank shall give notice to the Borrower, which notice may be telephonic, of the receipt and amount of such drawing and the date on which payment thereon will be made. If the Borrower shall not have discharged in full by 10:00 a.m. (Austin, Texas time) on the date of such payment, its obligation to reimburse the Issuing Bank in the amount of such drawing under such Letter of Credit, then the amount

of such drawing for which the Issuing Bank shall not have been reimbursed by the Borrower shall be paid by the Borrower to the Issuing Bank or, to the extent the Issuing Bank shall have received payments with respect to such drawing from the Lenders, to the Issuing Bank for the account of the Lenders, within three Business Days after the date of such drawing (but in any event before the Termination Date), together with interest on such amount at the Default Rate from the date of payment by the Issuing Bank to the beneficiary under the Letter of Credit (each such payment made after 10:00 a.m. (Austin, Texas time) on such due date to be deemed to be made on the next succeeding Business Day). The obligations of the Borrower under this Section 3.3 shall be unconditional, absolute, and irrevocable in all respects.

Payment. If the Issuing Bank shall pay any draft presented under a Letter of Credit issued by it and if the Borrower shall not have discharged in full its reimbursement obligation by 10:00 a.m. (Austin, Texas time) on the date of such Letter of Credit Disbursement, then the Issuing Bank shall as promptly as practicable give telephonic (which shall be promptly confirmed in writing) or facsimile notice to each Lender of the date of such payment and the amount of such payment and each Lender shall pay to the Issuing Bank, in immediately available funds, not later than 3:00 p.m. (Austin, Texas time) on the date of such payment (or, if Issuing Bank shall notify the Lenders of such payment after 11:00 a.m. (Austin, Texas time) then not later than 12:00 p.m. (Austin, Texas time) on the next succeeding Business Day), an amount equal to such Lender's pro rata share of such drawing; provided that, if any Lender shall for any reason fail to pay the Issuing Bank its pro rata share of the drawing on the date of such payment, the Issuing Bank shall itself fund such Lender's pro rata share while retaining the right to proceed against such Lender for reimbursement therefor. In the event that the Issuing Bank shall fund a Lender's pro rata share of a drawing, the amount so funded shall bear interest at a rate per annum equal to the Federal Funds Rate and shall be payable by such Lender when it reimburses the Issuing Bank for funding its pro rata part (with interest to accrue from and including the date of such funding to and excluding the date of reimbursement). In the event that a Lender, after notice, pays its pro rata share of a drawing hereunder and such payment is not required to fund a Letter of Credit Disbursement, the Issuing Bank shall return such payment to the Lender with interest calculated at a rate per annum equal to the Federal Funds Rate (with interest to accrue from and including the date of such funding to and excluding the date of return). The obligation of each Lender to pay to the Issuing Bank such Lender's pro rata part of any drawing under a Letter of Credit shall be absolute and unconditional under any and all circumstances (including without limitation the passage of the Termination Date), and such obligations shall be several and not joint.

Letter of Credit Fee. The Borrower shall pay to the Agent, for the account of the Lenders, a nonrefundable letter of credit fee for each Letter of Credit payable in arrears on each Quarterly Payment Date in an amount equal to the applicable Eurodollar Margin multiplied by the undrawn amount of such Letter of Credit, based on a 360 day year and the actual number of days in the stated term of such Letter of Credit. In addition, the Borrower shall pay to the Issuing Bank, solely for its own account as issuer of Letters of Credit, nonrefundable fronting, amendment, transfer, negotiation and other fees as determined in accordance with the Issuing Bank's then current fee policy.

Obligations Absolute. The obligations of the Borrower under this Agreement and the other Loan Documents (including without limitation the obligation of the Borrower to reimburse the Issuing Bank for draws under any Letter of Credit) shall be absolute, unconditional, and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement and the other Loan Documents under all circumstances whatsoever, including without limitation the following circumstances:

Any lack of validity or enforceability of any Letter of Credit or any other Loan Document;

Any amendment or waiver of or any consent to departure from any Loan Document;

The existence of any claim, set-off, counterclaim, defense or other rights which the Borrower, any Obligated Party, or any other Person may have at any time against any beneficiary of any Letter of Credit, the Issuing Bank, any Lender, the Agent, or any other Person, whether in connection with this Agreement or any other Loan Document or any unrelated transaction;

Any statement, draft, or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid, or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

Payment by the Issuing Bank under any Letter of Credit against presentation of a draft or other document which does not comply with the terms of such Letter of Credit; or

Any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Limitation of Liability. The Borrower assumes all risks of the acts or omissions of any beneficiary of any Letter of Credit with respect to its use of such Letter of Credit. Neither the Issuing Bank, the Lenders, the Agent, nor any of their officers or directors shall have any responsibility or liability to the Borrower or any other Person for: (a) the failure of any draft to bear any reference or adequate reference to any Letter of Credit, or the failure of any documents to accompany any draft at negotiation, or the failure of any Person to surrender or to take up any Letter of Credit or to send documents apart from drafts as required by the terms of any Letter of Credit, or the failure of any Person to note the amount of any instrument on any Letter of Credit, each of which requirements, if contained in any Letter of Credit itself, it is agreed may be waived by the Issuing Bank, (b) errors, omissions, interruptions, or delays in transmission or delivery of any messages, (c) the validity, sufficiency, or genuineness of any draft or other document, or any endorsement(s) thereon, even if any such draft, document or endorsement should in fact prove to be in any and all respects invalid, insufficient, fraudulent, or forged or any statement therein is untrue or inaccurate in any respect, (d) the payment by the Issuing Bank to the beneficiary of any Letter of Credit against presentation of any draft or other document that does not comply with the terms of the Letter of Credit, or (e) any other circumstance whatsoever in making or failing to make any payment under a Letter of Credit. The Borrower shall have a claim against the Issuing Bank, and the Issuing Bank shall be liable to the Borrower, to the extent of any direct, but not consequential, damages suffered by the Borrower which the Borrower proves in a final nonappealable judgment were caused by (i) the Issuing Bank's willful misconduct or gross negligence in determining whether documents presented under any Letter of Credit complied with the terms thereof or (ii) the Issuing Bank's willful failure to pay under any Letter of Credit after presentation to it of documents strictly complying with the terms and conditions of such Letter of Credit. The Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Payments

Method of Payment. Except as provided in Article III, all payments of principal, interest, and other amounts to be made by the Borrower under this Agreement and the other Loan Documents shall be made to the Agent at the Payment Office for the account of each Lender's Applicable Lending Office in Dollars and in immediately available funds by credit to Account Number 4518-151436, without setoff, deduction, or counterclaim, not later than 1:00 p.m. (Austin, Texas time) on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). The Borrower shall, at the time of making each such payment, specify to the Agent the sums payable by the Borrower under this Agreement and the other Loan Documents to which such payment is to be applied (and in the event that the Borrower fails to so specify, or if an Event of Default has occurred and is continuing, the Agent may apply such payment to the Obligations in such order and manner as it may elect in its sole discretion, subject to Section 4.4 hereof). Each payment received by the Agent under this Agreement or any other Loan Document for the account of a Lender shall be paid by the Agent to such Lender, in immediately available funds, for the account of such Lender's Applicable Lending Office within one Business Day following receipt thereof. Whenever any payment under this Agreement or any other Loan Document shall be stated to be due on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the payment of interest, the Commitment Fee and any other fees, as the case may be.

Voluntary Prepayment. The Borrower may, upon at least one Business Day prior notice to the Agent in the case of Base Rate Advances (except as otherwise provided for under Section 2.7(a) for Swing Loan Advances), and at least three Business Days prior notice to the Agent in the case of Eurodollar Advances, voluntarily prepay the Advances in whole at any time or from time to time in part without premium or penalty but with accrued interest to the date of prepayment on the amount so prepaid, provided that (a) Eurodollar Advances may be prepaid only on the last day of the Interest Period for such Advances, and (b) each partial prepayment shall be in the principal amount of \$500,000 or an integral multiples of \$100,000. All notices under this Section shall be irrevocable and shall be given not later than 11:00 a.m. (Austin, Texas time) on the day which is not less than the number of Business Days specified above for such notice. Any such voluntary prepayments shall be applied first to the Swing Loan Advances, then to Letter of Credit Disbursements for which the Issuing Bank has not been reimbursed by the Borrower, then to Base Rate Advances under the Revolving Credit Loan, then to Eurodollar Advances under the Revolving Credit Loan and then to the remaining Letter of Credit Liabilities. Any prepayments hereunder shall be accompanied with accrued and unpaid interest on the amount prepaid to the date of prepayment.

Mandatory Prepayments.

If at any time the amount equal to the sum of (i) the outstanding principal amount of all Revolving Credit Loan Advances and the Swing Loan Advances, plus (ii) the Letter of Credit Liabilities, exceeds the aggregate amount of the Revolving Credit Commitments, the Borrower shall promptly prepay Revolving Credit Loan Advances, Swing Loan Advances and the Letter of Credit Disbursements by the amount of the excess or, if no Revolving Credit Loan Advances, Swing Loan Advances or Letter of Credit Disbursements are outstanding, the Borrower shall immediately pledge to the Agent cash or Cash Equivalent Investments (subject to no other Liens) in an amount equal to the excess as security for the Obligations. Any such mandatory prepayments shall be applied first to Swing Loan Advances, then to Letter of Credit Disbursements for which the Issuing Bank has not been reimbursed by the Borrower, then to Base Rate Advances under the Revolving Credit Loan, then to Eurodollar Advances under the Revolving Credit Loan, and then to the remaining Letter of Credit Liabilities. Any prepayments hereunder shall be accompanied with accrued and unpaid interest on the amount prepaid to the date of prepayment. After any reduction in the Commitments pursuant to Section 2.11, the Borrower shall promptly prepay the outstanding Revolving Credit Loan Advances and Swing Loan Advances by the amount which the sum of the outstanding principal amount of the Advances under the Revolving Credit Loan and the Swing Loan plus the Letter of Credit Liabilities exceeds the aggregate amount of the Revolving Credit Commitments, as reduced. Upon the Disposition of any assets (other than Dispositions of assets permitted under Sections 9.8(a) and (c)), the Borrower shall promptly prepay the Advances by an amount equal to the Net Proceeds of such Disposition; provided however, with respect to any Dispositions permitted under Sections 9.8(b) and (d), the Borrower shall promptly prepay the Advances by an amount equal to the Net Proceeds of such Disposition to the extent such amount exceeds either (i) \$1,000,000 per Disposition or (ii) \$3,000,000 in the aggregate for all Dispositions which have occurred since the date hereof. Any such mandatory prepayments shall be applied first to Swing Loan Advances, then to Letter of Credit Disbursements for which the Issuing Bank has not been reimbursed by the Borrower, then to the Base Rate Advances under the Revolving Credit Loan, then to Eurodollar Advances under the Revolving Credit Loan, and then to the remaining Letter of Credit Liabilities. Any prepayments hereunder shall be accompanied with accrued and unpaid interest on the amount prepaid to the date of prepayment.

Pro Rata Treatment. Except to the extent otherwise provided herein: (a) each Advance shall be made by the Lenders under Section 2.1, each payment of the Commitment Fee under Section 2.9, each payment of the Letter of Credit fee under Section 3.5 (except as provided therein) shall be made for the account of the Lenders, pro rata according to their respective Revolving Credit Commitments; (b) each termination or reduction of the Commitments under Section 2.11 shall be applied to the Revolving Credit Commitments of the Lenders, pro rata according to the respective Revolving Credit Commitments; (c) the making, Conversion, and Continuation of Advances of a particular Type (other than Conversions provided for by Section 5.4) shall be made pro rata among the Lenders holding Advances of such Type according to the amounts of their respective Revolving Credit Commitments; (d) each payment and prepayment of principal of or interest on Advances by the Borrower or any Obligated Party of a particular Type of Loan shall be made to the Agent for the account of the Lenders pro rata in accordance with the respective unpaid principal amounts of such Advances of such Revolving Credit Loan held by such Lenders; (e) any and all other monies received by the Agent from any source other than pursuant to any of clauses (a) through (d) hereinabove (including, without limitation, from the Borrower or any Guarantor) to be applied first against the Primary Obligations and shall be for the pro rata benefit and account of the Lenders based upon each Lender's aggregate outstanding Advances of all Types and LC Participations and SL Participations to the aggregate outstanding Advances of all Types and LC Participations and SL Participations of all Lenders and then against the Secondary Obligations and shall be for the pro rata benefit and account of the Lenders based upon their respective unpaid amounts of the Secondary Obligations; and (f) the Lenders shall purchase from the Issuing Bank and the Swing Lender pursuant to Section 3.1 and Section 2.7 respectively, participations in the Letters of Credit and the related Letter of Credit Liabilities and the Swing Loans respectively, pro rata in accordance with their Revolving Credit Commitments.

Non-Receipt of Funds by the Agent. Unless the Agent shall have been notified by a Lender or the Borrower (the "Payor") prior to the date on which such Lender is to make payment to the Agent hereunder or the Borrower is to make a payment to the Agent for the account of one or more of the Lenders, as the case may be (such payment being herein called the "Required Payment"), which notice shall be effective upon receipt, that the Payor does not intend to make the Required Payment to the Agent, the Agent may assume that the Required Payment has been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the

intended recipient on such date and, if the Payor has not in fact made the Required Payment to the Agent, (a) the recipient of such payment shall, on demand, pay to the Agent the amount made available to it together with interest thereon in respect of the period commencing on the date such amount was so made available by the Agent until the date the Agent recovers such amount at a rate per annum equal to (i) if recovered from a Lender, at the Federal Funds Rate for such period and (ii) if recovered from the Borrower, the rate of interest applicable to the Swing Loan, and (b) Agent shall be entitled to offset against any and all sums to be paid to such recipient, the amount calculated in accordance with the foregoing clause (a).

Taxes.

Any and all payments by the Borrower to or for the account of the Agent or any Lender under any Loan Document shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto, excluding, in the case of the Agent and each Lender, taxes imposed on or measured by its overall net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Agent or such Lender, as the case may be, is organized or maintains a lending office (all such non-excluded taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by any laws to deduct any Taxes from or in respect of any sum payable under any Loan Document to the Agent or any Lender, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), each of the Agent and such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable laws, and (iv) within 30 days after the date of such payment, the Borrower shall furnish to the Agent (which shall forward the same to such Lender) the original or a certified copy of a receipt evidencing payment thereof. In addition, the Borrower agrees to pay any and all present or future stamp, court or documentary taxes and any other excise or property taxes or charges or similar levies which arise from any payment made under any Loan Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document (hereinafter referred to as "Other Taxes").

If the Borrower shall be required to deduct or pay any Taxes or Other Taxes from or in respect of any sum payable under any Loan Document to the Agent or any Lender, the Borrower shall also pay to the Agent or to such Lender, as the case may be, at the time interest is paid, such additional amount that the Agent or such Lender specifies is necessary to preserve the after-tax yield (after factoring in all taxes, including taxes imposed on or measured by net income) that the Agent or such Lender would have received if such Taxes or Other Taxes had not been imposed. The Borrower agrees to indemnify the Agent and each Lender for (i) the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section) paid by the Agent and such Lender, (ii) amounts payable under Section 4.6(c) and (iii) any liability (including additions to tax, penalties, interest and expenses) arising therefrom or with respect thereto paid by the Agent and such Lender, in each case whether or not such Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Payment under this clause (d) shall be made within 30 days after the date the Lender or the Agent makes a demand therefor.

Tax Forms.

Each Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "Foreign Lender") shall deliver to the Agent, prior to receipt of any payment subject to withholding under the Code (or upon accepting an assignment of an interest herein), two duly signed completed copies of either IRS Form W-8BEN or any successor thereto (relating to such Foreign Lender and entitling it to an exemption from, or reduction of, withholding tax on all payments to be made to such Foreign Lender by the Borrower pursuant to this Agreement) or IRS Form W-8ECI or any successor thereto (relating to all payments to be made to such Foreign Lender by the Borrower pursuant to this Agreement) or such other evidence satisfactory to the Borrower and the Agent that such Foreign Lender is entitled to an exemption from, or reduction of, U.S. withholding tax, including any exemption pursuant to Section 881(c) of the Code. Thereafter and from time to time, each such Foreign Lender shall (A) promptly submit to the Agent such additional duly completed and signed copies of one of such forms (or such successor forms as shall be adopted from time to time by the relevant United States taxing authorities) as may then be available under then current United States laws and regulations to

avoid, or such evidence as is satisfactory to the Borrower and the Agent of any available exemption from or reduction of, United States withholding taxes in respect of all payments to be made to such Foreign Lender by the Borrower pursuant to this Agreement, (B) promptly notify the Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (C) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Lender, and as may be reasonably necessary (including the re-designation of its Applicable Lending Office) to avoid any requirement of applicable laws that the Borrower make any deduction or withholding for taxes from amounts payable to such Foreign Lender.

Each Foreign Lender, to the extent it does not act or ceases to act for its own account with respect to any portion of any sums paid or payable to such Lender under any of the Loan Documents (for example, in the case of a typical participation by such Lender), shall deliver to the Agent on the date when such Foreign Lender ceases to act for its own account with respect to any portion of any such sums paid or payable, and at such other times as may be necessary in the determination of the Agent (in the reasonable exercise of its discretion), (A) two duly signed completed copies of the forms or statements required to be provided by such Lender as set forth above, to establish the portion of any such sums paid or payable with respect to which such Lender acts for its own account that is not subject to U.S. withholding tax, and (B) two duly signed completed copies of IRS Form W-8IMY (or any successor thereto), together with any information such Lender chooses to transmit with such form, and any other certificate or statement of exemption required under the Code, to establish that such Lender is not acting for its own account with respect to a portion of any such sums payable to such Lender.

The Borrower shall not be required to pay any additional amount to any Foreign Lender under Section 4.6 (A) with respect to any Taxes required to be deducted or withheld on the basis of the information, certificates or statements of exemption such Lender transmits with an IRS Form W-8IMY pursuant to this Section 4.7 or (B) if such Lender shall have failed to satisfy the foregoing provisions of this Section 4.7(a); provided that if such Lender shall have satisfied the requirement of this Section 4.7(a) on the date such Lender became a Lender or ceased to act for its own account with respect to any payment under any of the Loan Documents, nothing in this Section 4.7(a) shall relieve the Borrower of its obligation to pay any amounts pursuant to Section 4.6 in the event that, as a result of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof, such Lender is no longer properly entitled to deliver forms, certificates or other evidence at a subsequent date establishing the fact that such Lender or other Person for the account of which such Lender receives any sums payable under any of the Loan Documents is not subject to withholding or is subject to withholding at a reduced rate.

The Agent may, without reduction, withhold any Taxes required to be deducted and withheld from any payment under any of the Loan Documents with respect to which the Borrower is not required to pay additional amounts under this Section 4.7(a).

Upon the request of the Agent, each Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Agent two duly signed completed copies of IRS Form W-9. If such Lender fails to deliver such forms, then the Agent may withhold from any interest payment to such Lender an amount equivalent to the applicable back-up withholding tax imposed by the Code, without reduction. If any Governmental Authority asserts that the Agent did not properly withhold or backup withhold, as the case may be, any tax or other amount from payments made to or for the account of any Lender, such Lender shall indemnify the Agent therefor, including all penalties and interest, any taxes imposed by any jurisdiction on the amounts payable to the Agent under this Section, and costs and expenses (including attorney's fees and expenses) of the Agent. The obligation of the Lenders under this Section shall survive the termination of the Commitments, repayment of all other Obligations hereunder and the resignation of the Agent.

Computation of Interest. Interest on the Advances and all other amounts payable by the Borrower hereunder shall be computed on the basis of a year of 360 days and the actual number of days elapsed (including the first day but excluding the last day) unless such calculation would result in a usurious rate, in which case interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be.

Proceeds of Collateral and Collections under the Guaranty.

Proceeds. Except as otherwise permitted by Section 4.3, any proceeds received by the Agent from the sale or other liquidation of the Collateral and from collections under the Guaranty shall first be applied as payment of the accrued and unpaid fees of the Agent hereunder and then to all other unpaid or unreimbursed Obligations (including reasonable attorneys' fees and expenses) owing to the Agent in its capacity as Agent only. Any amount of such proceeds remaining after the applications described in the preceding sentence shall be distributed: first, to the Lenders, pro rata, in accordance with the respective unpaid amounts of the Primary Obligations (including in such Primary Obligations for purposes of this calculation all Letter of Credit Liabilities) until all Primary Obligations are paid in full and provided that each Lender's pro rata portion of such proceeds applicable to Letter of Credit Liabilities shall be held by the Agent (and not disbursed to the Lenders) as collateral for the Letter of Credit Liabilities relating thereto;

then to the Lenders, pro rata, in accordance with the respective unpaid amounts of the Secondary Obligations; and after all Primary Obligations are paid in full, and all Letter of Credit Liabilities have terminated or are otherwise satisfied, all remaining portions of the proceeds of the Collateral then held by the Agent or such Lender as collateral for the Letter of Credit Liabilities shall be distributed to the Lenders, pro rata, in accordance with their respective unpaid amounts of the Secondary Obligations.

Noncash Proceeds. Notwithstanding anything to the contrary contained herein, if the Agent shall ever acquire any Collateral through foreclosure or by a conveyance in lieu of foreclosure or by retaining any of the Collateral in satisfaction of all or part of the Obligations or if any proceeds of Collateral received by the Agent to be distributed and shared pursuant to this Section 4.9 are in a form other than immediately available funds, the Agent shall not be required to remit any share thereof under the terms hereof and the Lenders shall only be entitled to their undivided interests in the Collateral or noncash proceeds as determined hereby. The Lenders shall receive the applicable portions (as determined in accordance with Section 4.9(a)) of any immediately available funds consisting of proceeds from such Collateral or proceeds of such noncash proceeds so acquired only if any when paid in connection with the subsequent disposition thereof. While any Collateral or other property to be shared pursuant to this Section 4.9 is held by the Agent pursuant to this clause (b), the Agent shall hold such Collateral or other property for the benefit of the Lenders and all matters relating to the management, operation, further disposition or any other aspect of such Collateral or other property shall be resolved by the agreement of the Required Lenders.

Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Agent or any Lender, or the Agent or any Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under the Bankruptcy Code of the United States of America, or any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar laws of the applicable jurisdictions or otherwise, then (i) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (ii) each Lender severally agrees to pay to the Agent upon demand its applicable share of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

Yield Protection; Limitations on Advances; Capital Adequacy

Additional Costs.

The Borrower shall pay directly to each Lender from time to time such amounts as such Lender may determine to be necessary to compensate it for any costs incurred by such Lender which such Lender determines are attributable to its making or maintaining of any Eurodollar Advances hereunder or its obligation to make any of such Advances hereunder, or any reduction in any amount receivable by such Lender hereunder in respect of any such Advances or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any Regulatory Change which:

changes the basis of taxation of any amounts payable to such Lender under this Agreement or its Note (or Notes) in respect of any of such Advances (other than taxes imposed on the overall net income of such Lender or its Applicable Lending Office for any of such Advances by the jurisdiction in which such Lender has its principal office or such Applicable Lending Office);

imposes or modifies any reserve, special deposit, minimum capital, capital ratio, or similar requirement relating to any extensions of credit or other assets of, or any deposits with or other liabilities or commitments of, such Lender (including any of such Advances or any deposits referred to in the definition of "Eurodollar Rate" in Section 1.1 hereof); or imposes any other condition affecting this Agreement or the Notes or any of such extensions of credit or liabilities or commitments.

Each Lender will notify the Borrower of any event occurring after the date of this Agreement which will entitle such Lender to compensation pursuant to this Section 5.1(a) as promptly as practicable after it obtains knowledge thereof and determines to request such compensation, and will designate a different Applicable Lending Office for the Advances affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Lender, violate any law, rule, or regulation or be in any way disadvantageous to such Lender, provided that such Lender shall have no obligation to so designate an Applicable Lending Office located in the United States of America. Each Lender will furnish the Borrower with a certificate setting forth the basis and the amount of each request of such Lender for compensation under this Section 5.1(a). If any Lender requests compensation from the Borrower under this Section 5.1(a), the Borrower may, by notice to such Lender (with a copy to the Agent) suspend the obligation of such Lender to make or Continue making, or Convert Advances into, Advances of the Type with respect to which such compensation is requested until the Regulatory Change giving rise to such request ceases to be in effect (in which case the provisions of Section 5.4 hereof shall be applicable).

Without limiting the effect of the foregoing provisions of this Section 5.1, in the event that, by reason of any Regulatory Change, any Lender either (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Lender which includes deposits by reference to which the interest rate on Eurodollar Advances is determined as provided in this Agreement or a category of extensions of credit or other assets of such Lender which includes Eurodollar Advances or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets which it may hold, then, if such Lender so elects by notice to the Borrower (with a copy to the Agent), the obligation of such Lender to make or Continue making, or Convert Advances into, Eurodollar Advances hereunder shall be suspended until such Regulatory Change ceases to be in effect (in which case the provisions of Section 5.4 hereof shall be applicable). Determinations and allocations by any Lender for purposes of this Section 5.1 of the effect of any Regulatory Change on its costs of maintaining its obligations to make Eurodollar Advances or of making or maintaining Eurodollar Advances or on amounts receivable by it in respect of Eurodollar Advances, and of the additional amounts required to compensate such Lender in respect of any Additional Costs, shall be conclusive, provided that such determinations and allocations are made on a reasonable basis.

Limitation on Types of Advances. Anything herein to the contrary notwithstanding, if with respect to any Eurodollar Advances for any Interest Period therefor:

The Agent determines (which determination shall be conclusive) that quotations of interest rates for the relevant deposits referred to in the definition of "Eurodollar Rate" in Section 1.1 hereof are not being provided in the relative amounts or for the relative maturities for purposes of determining the rate of interest for such Advances as provided in this Agreement; or

Required Lenders determine (which determination shall be conclusive absent manifest error) and notify the Agent that the relevant rates of interest referred to in the definition of "Eurodollar Rate" in Section 1.1 hereof on the basis of which the rate of interest for such Advances for such Interest Period is to be determined do not accurately reflect the cost to the Lenders of making or maintaining such Advances for such Interest Period;

then the Agent shall give the Borrower prompt notice thereof specifying the relevant amounts or periods, and so long as such condition remains in effect, the Lenders shall be under no obligation to make additional Eurodollar Advances or to Convert Base Rate Advances into Eurodollar Advances and the Borrower shall, on the last day(s) of the then current Interest Period(s) for the outstanding Eurodollar Advances, either prepay such Eurodollar Advances or Convert such Eurodollar Advances into Base Rate Advances in accordance with the terms of this Agreement.

Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Lender or its Applicable Lending Office to (a) honor its obligation to make Eurodollar Advances hereunder or (b) maintain Eurodollar Advances hereunder, then such Lender shall promptly notify the Borrower (with a copy to the Agent) thereof and such Lender's obligation to make or maintain Eurodollar Advances and to Convert Base Rate

Advances into Eurodollar Advances hereunder shall be suspended until such time as such Lender may again make and maintain Eurodollar Advances (in which case the provisions of Section 5.4 hereof shall be applicable).

Treatment of Affected Advances. If the Eurodollar Advances of any Lender (such Eurodollar Advances being hereinafter called "Affected Advances") are to be Converted pursuant to Section 5.1 or 5.3 hereof, such Lender's Affected Advances shall be automatically Converted into Base Rate Advances on the last day(s) of the then current Interest Period(s) for the Affected Advances (or, in the case of a Conversion required by Section 5.1(b) or 5.3 hereof, on such earlier date as such Lender may specify to the Borrower with a copy to the Agent) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 5.1 or 5.3 hereof which gave rise to such Conversion no longer exist:

To the extent that such Lender's Affected Advances have been so Converted, all payments and prepayments of principal which would otherwise be applied to such Lender's Affected Advances shall be applied instead to its Base Rate Advances; and

All Affected Advances which would otherwise be made or Continued by such Lender as Eurodollar Advances shall be made as or Converted into Base Rate Advances and all Affected Advances of such Lender which would otherwise be Converted into Eurodollar Advances shall be Converted instead into (or shall remain as) Base Rate Advances.

If such Lender gives notice to the Borrower (with a copy to the Agent) that the circumstances specified in Section 5.1 or 5.3 hereof which gave rise to the Conversion of such Lender's Affected Advances pursuant to this Section 5.4 no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Affected Advances are outstanding, such Lender's Base Rate Advances shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Affected Advances to the extent necessary so that, after giving effect thereto, all Eurodollar Advances held by the Lenders holding Eurodollar Advances and by such Lender are held pro rata (as to principal amounts, and Interest Periods) in accordance with their respective Revolving Credit Commitments.

Compensation. The Borrower shall pay to the Agent for the account of each Lender, upon the request of such Lender through the Agent, such amount or amounts as shall be sufficient (in the reasonable opinion of such Lender) to compensate it for any loss, cost, or expense incurred by it as a result of:

Any payment, prepayment or Conversion of a Eurodollar Advance for any reason (including, without limitation, the acceleration of the outstanding Advances pursuant to Section 11.2) on a date other than the last day of an Interest Period for such Eurodollar Advance; or

Any failure by the Borrower for any reason (including, without limitation, the failure of any conditions precedent specified in Article VI to be satisfied) to borrow, Convert, or prepay a Eurodollar Advance on the date for such borrowing, Conversion, or prepayment, specified in the relevant notice of borrowing, prepayment, or Conversion under this Agreement.

Capital Adequacy. If after the date hereof, any Lender shall have determined that the adoption or implementation of any applicable law, rule, or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any central bank or other Governmental Authority charged with the interpretation or administration thereof, or compliance by such Lender (or its parent) with any guideline, request, or directive regarding capital adequacy (whether or not having the force of law) of any central bank or other Governmental Authority, has or would have the effect of reducing the rate of return on such Lender's (or its parent's) capital as a consequence of its obligations hereunder or the transactions contemplated hereby to a level below that which such Lender (or its parent) could have achieved but for such adoption, implementation, change or compliance (taking into consideration such Lender's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within 10 Business Days after demand by such Lender (with a copy to the Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender (or its parent) for such reduction. A certificate of such Lender claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive, provided that the determination thereof is made on a reasonable basis. In determining such amount or amounts, such Lender may use any reasonable averaging and attribution methods.

Additional Costs in Respect of Letters of Credit. If as a result of any Regulatory Change there shall be imposed, modified, or deemed applicable any tax, reserve, special deposit, or similar requirement against or with respect to or

measured by reference to Letters of Credit issued or to be issued hereunder or the Issuing Bank's commitment to issue Letters of Credit hereunder, and the result shall be to increase the cost to the Issuing Bank of issuing or maintaining any Letter of Credit or its commitment to issue Letters of Credit hereunder or reduce any amount receivable by the Issuing Bank hereunder in respect of any Letter of Credit (which increase in cost, or reduction in amount receivable, shall be the result of the Issuing Bank's reasonable allocation of the aggregate of such increases or reductions resulting from such event), then, upon demand by the Issuing Bank, the Borrower agrees to pay the Issuing Bank, from time to time as specified by the Issuing Bank, such additional amounts as shall be sufficient to compensate the Issuing Bank for such increased costs or reductions in amount. A statement as to such increased costs or reductions in amount incurred by the Issuing Bank, submitted by the Issuing Bank to the Borrower, shall be conclusive as to the amount thereof, provided that the determination thereof is made on a reasonable basis.

Conditions Precedent

Initial Extension of Credit. The obligation of each Lender to make its initial Advance is subject to the condition precedent that the Agent shall have received on or before the day of such Advance all of the following, each dated (unless otherwise indicated) the date hereof, in form and substance satisfactory to the Agent:

Resolutions. Resolutions of the Board of Directors of the Borrower and each Guarantor certified by its Secretary or an Assistant Secretary which authorize the execution, delivery, and performance of the Loan Documents to which it is or is to be a party;

Incumbency Certificate. A certificate of incumbency certified by the Secretary or an Assistant Secretary of the Borrower and each Guarantor certifying the names of each of its officers authorized to sign the Loan Documents to which it is or is to be a party (including the certificates contemplated herein) together with specimen signatures of such officers;

Certificate or Articles of Incorporation and Certificate of Limited Partnership. The certificate or articles of incorporation or certificate of limited partnership, as applicable, of the Borrower and each Guarantor certified by the Secretary of State of the State of its organization;

Bylaws and Limited Partnership Agreement. The bylaws or limited partnership agreement, as applicable, of the Borrower and each Guarantor certified by the Secretary or an Assistant Secretary of such Person;

Existence and Good Standing. Certificates of the appropriate government officials of the state of organization of the Borrower and each Guarantor as to its existence and good standing and certificates of appropriate government officials of each state in which the Borrower and each Guarantor is required to qualify to do business and where failure to so qualify could reasonably be expected to have a Material Adverse Effect, as to the Borrower's and each Guarantor's qualification to do business and good standing in such state, all dated a current date;

Notes. The Notes executed by the Borrower;

Guaranty. The Guaranty executed by the Guarantors;

Contribution and Indemnification Agreement. The Contribution and Indemnification Agreement executed by the Borrower and the Guarantors;

Borrower Security Agreement. The Borrower Security Agreement executed by the Borrower;

Subsidiary Security Agreement. The Subsidiary Security Agreement executed by each Guarantor, as applicable; [Intentionally Left Blank];

Opinion of Counsel. A favorable opinion of legal counsel to the Borrower and each Guarantor satisfactory to the Agent, as to such matters as the Agent may reasonably request;

Fees of Lenders. Evidence that all fees of the Agent and the Lenders payable pursuant to side letter agreements shall have been paid in full by the Borrower; and

Attorneys' Fees and Expenses. Evidence that the costs and expenses (including attorneys' fees) referred to in Section 13.1, to the extent incurred, shall have been paid in full by the Borrower.

All Extensions of Credit. The obligation of each Lender to make any Advance and of the Issuing Bank to issue any Letter of Credit (including the initial Advance and the initial Letter of Credit) is subject to the following additional conditions precedent:

Advance Request Form, Telephonic Request, or Letter of Credit Request Form. The Agent in respect of Revolving Credit Loan Advances, the Swing Lender in respect of Swing Loan Advances, and the Issuing Bank in respect of Letters of Credit shall have received, in accordance with Section 2.5, 2.7 or 3.2, as the case may be, an Advance Request Form, a telephonic request, or Letter of Credit Request Form, as applicable, executed by an authorized officer of the Borrower;

No Default. No Default shall have occurred and be continuing, or would result from such Advance or Letter of Credit;

Representations and Warranties. All of the representations and warranties contained in Article VII hereof and in the other Loan Documents shall be true and correct in all material respects on and as of the date of such Advance or issuance of Letter of Credit with the same force and effect as if such representations and warranties had been made on and as of such date except to the extent such representations and warranties speak to a specific date;

No Material Adverse Effect. Neither any Material Adverse Effect or any material adverse change in the financial or capital markets shall have occurred since the date of the most recent financial statements delivered to the Agent and the Lenders pursuant to Section 8.1 hereof; and

Additional Documentation. The Agent shall have received such additional approvals, opinions, or documents as the Agent or its legal counsel, Winstead Sechrest & Minick P.C., may reasonably request.

Representations and Warranties

To induce the Agent, the Issuing Bank, and the Lenders to enter into this Agreement, the Borrower represents and warrants to the Agent, the Issuing Bank, and the Lenders that:

Existence. The Borrower and each Subsidiary (a) is a corporation (or other entity as set forth on Schedule 7.14) duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or organization; (b) has all requisite power and authority to own its assets and carry on its business as now being or as proposed to be conducted; and (c) is qualified to do business in all jurisdictions in which the nature of its business makes such qualification necessary and where failure to so qualify would have a Material Adverse Effect. Each of the Borrower and the Guarantors has the power and authority to execute, deliver, and perform its obligations under the Loan Documents to which it is or may become a party.

Financial Statements. The Borrower has delivered to the Agent audited consolidated financial statements of the Borrower and its Subsidiaries as at and for the fiscal year ended September 30, 2003, and unaudited consolidated financial statements of the Borrower and its Subsidiaries for the five-month period ended February 29, 2004. Such financial statements are true and correct, have been prepared in accordance with GAAP, and fairly and accurately present, on a consolidated basis, the financial condition of the Borrower and its Subsidiaries as of the respective dates indicated therein and the results of operations for the respective periods indicated therein. As of the date hereof, neither the Borrower nor any of its Subsidiaries has any material contingent liabilities, liabilities for taxes, unusual forward or long-term commitments, or unrealized or anticipated losses from any unfavorable commitments except as referred to or reflected in such financial statements, and there has been no Material Adverse Effect since the effective date of the most recent financial statements referred to in this Section.

Action; No Breach. The execution, delivery, and performance by the Borrower and each Guarantor of the Loan Documents to which it is or may become a party, and compliance with the terms and provisions hereof and thereof have been duly authorized by all requisite action on the part of the Borrower and each Guarantor and do not and will not (a) violate or conflict with, or result in a breach of, or require any consent, other than such consents which have

been obtained and copies of which have been provided to the Agent, under (i) the articles of incorporation or bylaws or the applicable organizational documents of the Borrower or any Guarantor, (ii) any applicable law, rule, or regulation or any order, writ, injunction, or decree of any Governmental Authority or arbitrator, including without limitation, the provisions of the Texas Pawnshop Act (Chapter 371 of the Texas Finance Code) and the consumer loan provisions of the Texas Finance Code, or (iii) any agreement or instrument to which the Borrower or any of the Guarantors is a party or by which any of them or any of their property is bound or subject, or (b) constitute a default under any such agreement or instrument, or result in the creation or imposition of any Lien upon any of the revenues or assets of the Borrower or any Guarantor (except for Liens in favor of the Agent for the benefit of the Lenders).

Operation of Business. The Borrower and each of its Subsidiaries possess all licenses, permits, franchises, patents, copyrights, trademarks, and tradenames, or rights thereto, necessary to conduct their respective businesses substantially as now conducted and as presently proposed to be conducted, and the Borrower and each of its Subsidiaries are not in violation of any valid rights of others with respect to any of the forgoing except where such violation individually or in combination with all other such violations could not reasonably be expected to have a Material Adverse Effect.

Litigation and Judgments. There is no action, suit, investigation, or proceeding before or by any Governmental Authority or arbitrator pending, or to the knowledge of the Borrower, threatened against or affecting the Borrower or any Subsidiary, that could, if adversely determined, reasonably be expected to have a Material Adverse Effect. As of the date hereof, there are no outstanding judgments against the Borrower or any Subsidiary, except for those certain default judgments in an aggregate amount not exceeding \$15,000 outstanding on the date hereof.

Rights in Properties; Liens. The Borrower and each Subsidiary have good and indefeasible title to or valid leasehold interests in their respective properties and assets, real and personal, including the properties, assets, and leasehold interests reflected in the financial statements described in Section 7.2, and none of the properties, assets, or leasehold interests of the Borrower or any Subsidiary is subject to any Lien, except as permitted by Section 9.2.

Enforceability. The Loan Documents to which the Borrower or a Guarantor is a party, when delivered, shall constitute the legal, valid, and binding obligations of the Borrower or such Guarantor, as applicable, enforceable against the Borrower or such Guarantor, as applicable, in accordance with their respective terms, except as limited by bankruptcy, insolvency, or other laws of general application relating to the enforcement of creditors' rights and general principles of equity.

Approvals. No authorization, approval, or consent of, and no filing or registration with, any Governmental Authority or third party is or will be necessary for the execution, delivery, or performance by the Borrower of this Agreement and by the Borrower or any Guarantor of the other Loan Documents to which the Borrower or such Guarantor, as applicable, is or may become a party or for the validity or enforceability thereof.

Debt. The Borrower and the Subsidiaries have no Debt, except as permitted by Section 9.1.

Taxes. The Borrower and each Subsidiary have filed all tax returns (federal, state, and local) required to be filed, including all income, franchise, employment, property, and sales tax returns, and have paid all of their respective liabilities for taxes, assessments, governmental charges, and other levies that are due and payable other than those being contested in good faith by appropriate proceedings diligently pursued for which adequate reserves have been established. The Borrower knows of no pending investigation of the Borrower or any Subsidiary by any taxing authority or of any pending but unassessed tax liability of the Borrower or any Subsidiary.

Use of Proceeds; Margin Securities. Neither the Borrower nor any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T, U, or X of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock.

ERISA. As of the date hereof, the Borrower, each Subsidiary, each ERISA Affiliate, and each Plan are in compliance in all material respects with all applicable provisions of ERISA and the Code except for events of noncompliance that will not have a Material Adverse Effect. Neither a Reportable Event nor a Prohibited

Transaction has occurred and is continuing with respect to any Plan. No notice of intent to terminate a Plan has been filed, nor has any Plan been terminated. No circumstances exist which constitute grounds entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administer, a Plan, nor has the PBGC instituted any such proceedings. Neither the Borrower nor any ERISA Affiliate has completely or partially withdrawn from a Multiemployer Plan. With respect to any Plan that is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code (a) no circumstances exist which constitute grounds entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administer, a Plan, nor has the PBGC instituted any such proceedings, (b) the Borrower and each ERISA Affiliate have met their minimum funding requirements under ERISA, and no "accumulated funding deficiency" (for which an excise tax is due or would be due in the absence of a waiver) as defined in Section 412 of the Code or Section 302(a)(2) of ERISA, whichever may apply, has been incurred with respect to any Plan, whether or not waived, (c) the present value of all vested benefits under each Plan do not exceed the fair market value of all Plan assets allocable to such benefits, determined on a termination basis as of the most recent valuation date of the Plan and in accordance with ERISA, and (d) neither the Borrower nor any ERISA Affiliate (i) has incurred any liability to the PBGC under ERISA, (ii) is subject to any lien imposed under Section 412(n) of the Code or Section 302(f) or 4068 of ERISA, whichever may apply, with respect to any Plan or (iii) is required to provide security to a Plan under Section 401(a)(29) of the Code.

Disclosure. All factual information (taken as a whole) furnished by or on behalf of the Borrower in writing to the Agent or any Lender (including, without limitation, all information contained in the Loan Documents) for purposes of or in connection with this Agreement, the other Loan Documents or any transaction contemplated herein or therein is, and all other such factual information (taken as a whole) hereafter furnished by or on behalf of the Borrower to the Agent or any Lender, will be true and accurate in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided.

Subsidiaries. As of the date hereof, the Borrower has no Subsidiaries other than those listed on Schedule 7.14 hereto, and Schedule 7.14 (a) sets forth the type of each Subsidiary listed thereon, (b) sets forth the jurisdiction of incorporation or organization of each Subsidiary, and the percentage of the Borrower's (or intervening Subsidiary's) ownership of the outstanding voting stock or other ownership interests of each Subsidiary. All of the outstanding capital stock of each corporate Subsidiary has been validly issued, is fully paid, and is nonassessable. There are no outstanding subscriptions, options, warrants, calls, or rights to acquire, and no outstanding securities or instruments convertible into, capital stock of any Subsidiary except as listed on Schedule 7.14.

Agreements. Neither the Borrower nor any Subsidiary is a party to any indenture, loan, or credit agreement, or to any lease or other agreement or instrument, or subject to any charter or corporate restriction which could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary is in default in any material respect in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument material to its business to which it is a party other than defaults which could not reasonably be expected to have a Material Adverse Effect.

Compliance with Laws. Neither the Borrower nor any Subsidiary is in violation of any law, rule, regulation, order, or decree of any Governmental Authority or arbitrator, including without limitation, the provisions of the Texas Pawnshop Act (Chapter 371 of the Texas Finance Code), the consumer loan provisions of the Texas Finance Code and provisions of the Brady Law and other laws, rules and regulations related to the regulation of firearms, other than violations which could not reasonably be expected to have a Material Adverse Effect.

Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Public Utility Holding Company Act. Neither the Borrower nor any Subsidiary is a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" or a "public utility" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Environmental Matters. Except for those matters which will not individually or collectively have a Material Adverse Effect:

The Borrower, each Subsidiary, and all of their respective properties, assets, and operations are in full compliance with all Environmental Laws. The Borrower is not aware of, nor has the Borrower received notice of, any past, present, or future conditions, events, activities, practices, or incidents which may interfere with or prevent the compliance or continued compliance of the Borrower and the Subsidiaries with all Environmental Laws; The Borrower and each Subsidiary have obtained all permits, licenses, and authorizations that are required under applicable Environmental Laws, and all such permits are in good standing and the Borrower and its Subsidiaries are in compliance with all of the terms and conditions of such permits;

No Hazardous Materials exist on, about, or within or have been used, generated, stored, transported, disposed of on, or Released from any of the properties or assets of the Borrower or any Subsidiary. The use which the Borrower and the Subsidiaries make and intend to make of their respective properties and assets will not result in the use, generation, storage, transportation, accumulation, disposal, or Release of any Hazardous Material on, in, or from any of their properties or assets except in compliance with Environmental Laws;

Neither the Borrower nor any of its Subsidiaries nor any of their respective currently or previously owned or leased properties or operations is subject to any outstanding or, to the best of its knowledge, threatened order from or agreement with any Governmental Authority or other Person or subject to any judicial or docketed administrative proceeding with respect to (i) failure to comply with Environmental Laws, (ii) Remedial Action, or (iii) any Environmental Liabilities arising from a Release or threatened Release;

There are no conditions or circumstances associated with the currently or previously owned or leased properties or operations of the Borrower or any of its Subsidiaries that could reasonably be expected to give rise to any Environmental Liabilities;

Neither the Borrower nor any of its Subsidiaries is a treatment, storage, or disposal facility requiring a permit under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., regulations thereunder or any comparable provision of state law. The Borrower and its Subsidiaries are in compliance with all applicable financial responsibility requirements of all Environmental Laws;

Neither the Borrower nor any of its Subsidiaries has filed or failed to file any notice required under applicable Environmental Law reporting a Release; and

No Lien arising under any Environmental Law has attached to any property or revenues of the Borrower or its Subsidiaries.

Positive Covenants

The Borrower covenants and agrees that, as long as the Obligations or any part thereof are outstanding or any Lender has any Commitment hereunder, or the Issuing Bank has any obligation to issue Letters of Credit hereunder, the Borrower will perform and observe the following positive covenants:

Reporting Requirements. The Borrower will furnish to the Agent, the Issuing Bank, and each Lender:

Annual Audited Financial Statements. As soon as available, and in any event within 90 days after the end of each Fiscal Year of the Borrower and the Subsidiaries, beginning with the Fiscal Year ending September 30, 2004, a copy of the annual audited financial statements of the Borrower and the Subsidiaries for such Fiscal Year containing, on a consolidated basis, balance sheets and statements of income, retained earnings, and cash flow as at the end of such Fiscal Year and for the 12-month period then ended, in each case setting forth in comparative form the figures for the preceding Fiscal Year, all in reasonable detail and audited and certified by Ernst & Young, or other independent certified public accountants of recognized standing acceptable to the Agent, to the effect that such report has been prepared in accordance with GAAP;

Quarterly Financial Statements. As soon as available and in any event within 45 days after the end of each Fiscal Quarter in each Fiscal Year of the Borrower (for the first three Fiscal Quarters in each Fiscal Year), a copy of an unaudited financial report of the Borrower and the Subsidiaries as of the end of such Fiscal Quarter and for the portion of the Fiscal Year then ended, containing, on a consolidated basis (and, at the request of the Agent, on a consolidating basis), balance sheets and statements of income, retained earnings, and cash flow in each case setting forth in comparative form the figures for the corresponding period of the preceding Fiscal Year, all in reasonable detail certified by the chief financial officer of the Borrower to have been prepared in accordance with GAAP and to fairly and accurately present (subject to year-end audit adjustments) the financial condition and results of operations of the Borrower and the Subsidiaries, on a consolidated basis (and, at the request of the Agent, on a consolidating basis), at the date and for the periods indicated therein;

Compliance Certificate. As soon as available, and in any event within 45 days after the end of each Fiscal Quarter of each Fiscal Year of the Borrower for the first three Fiscal Quarters of each Fiscal Year and within 90 days after the end of the fourth Fiscal Quarter of each Fiscal Year, a certificate (the "Compliance Certificate") of the chief financial officer of the Borrower (i) stating that to the best of such officer's knowledge, no Default has occurred and is continuing, or if a Default has occurred and is continuing, a statement as to the nature thereof and the action that is proposed to be taken with respect thereto, and (ii) showing in reasonable detail the most recent Fiscal Quarter calculations demonstrating compliance with Article X;

Projections. As soon as available and in any event not later than the end of each Fiscal Year, projections of consolidated financial statements of the Borrower and its Subsidiaries for the upcoming Fiscal Year;

Quarterly Collateral Reports. As soon as available and in any event within 45 days after the end of each Fiscal Quarter in each Fiscal Year of the Borrower, a report of the Borrower's and its Subsidiaries' Accounts (as defined in the Borrower Security Agreement and the Subsidiary Security Agreement) and Inventory, in form of Exhibit F attached hereto;

Management Letters. Promptly upon receipt thereof, a copy of any management letter or written report submitted to the Borrower or any Subsidiary by independent certified public accountants with respect to the business, condition (financial or otherwise), operations, prospects, or properties of the Borrower or any Subsidiary;

Notice of Litigation. Promptly after the commencement thereof, notice of all actions, suits, and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Subsidiary which, if determined adversely to the Borrower or such Subsidiary, could reasonably be expected to have a Material Adverse Effect;

Notice of Default. As soon as possible and in any event within 10 days after the Borrower knows of the occurrence of each Default, a written notice setting forth the details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

ERISA Reports. Promptly after the filing or receipt thereof, copies of all reports, including annual reports or informational returns, notices which the Borrower or any ERISA Affiliate files with or receives from the PBGC or the U.S. Department of Labor under ERISA, and any tax returns the Borrower or any ERISA Affiliate file with the Internal Revenue Service related to any Plan; and as soon as possible and in any event within five days after the Borrower or any ERISA Affiliate knows or has reason to know that any Reportable Event (as to which the thirty day notice requirement to the PBGC has not been waived) or Prohibited Transaction has occurred with respect to any Plan or that the PBGC or the Borrower or any Subsidiary or any ERISA Affiliate has instituted or will institute proceedings under Title IV of ERISA to terminate any Plan, a certificate of the chief financial officer of the Borrower setting forth the details as to such Reportable Event or Prohibited Transaction or Plan termination and the action that the Borrower proposes to take with respect thereto;

Notice of Material Adverse Effect. As soon as possible and in any event within 10 days after the Borrower knows of the occurrence thereof, written notice of any matter that could reasonably be expected to have a Material Adverse Effect;

Proxy Statements, Etc. As soon as available, one copy of each financial statement, report, notice or proxy statement sent by the Borrower or any Subsidiary to its stockholders generally and one copy of each regular, periodic or

special report, registration statement, or prospectus filed by the Borrower or any Subsidiary with any securities exchange or the Securities and Exchange Commission or any successor agency;

General Information. Promptly, such other information concerning the Borrower or any Subsidiary as the Agent or any Lender may from time to time reasonably request.

Maintenance of Existence; Conduct of Business. The Borrower will preserve and maintain, and will cause each Subsidiary to preserve and maintain, its corporate (or partnership, limited liability company or other entity) existence and all of its leases, privileges, licenses, permits, franchises, qualifications, and rights that are necessary or desirable in the ordinary conduct of its business. The Borrower will conduct, and will cause each Subsidiary to conduct, its business in an orderly and efficient manner in accordance with good business practices customary in the industry in which the Borrower and the Subsidiaries are engaged.

Maintenance of Properties. The Borrower will maintain, keep, and preserve, and cause each Subsidiary to maintain, keep, and preserve, all of its properties (tangible and intangible) necessary or useful in the proper conduct of its business in good working order and condition (ordinary wear and tear excepted).

Taxes and Claims. The Borrower will pay or discharge, and will cause each Subsidiary to pay or discharge, at or before maturity or before becoming delinquent (a) all taxes, levies, assessments, and governmental charges imposed on it or its income or profits or any of its property, and (b) all lawful claims for labor, material, and supplies, which, if unpaid, might become a Lien upon any of its property; provided, however, that neither the Borrower nor any Subsidiary shall be required to pay or discharge any tax, levy, assessment, or governmental charge which is being contested in good faith by appropriate proceedings diligently pursued, and for which adequate reserves have been established.

Insurance. The Borrower will maintain, and will cause each Subsidiary to maintain, insurance with financially sound and reputable insurance companies in such amounts and covering such risks as is usually carried by corporations engaged in similar businesses and owning similar properties in the same general areas in which the Borrower and the Subsidiaries operate, provided that in any event the Borrower will maintain and cause each Subsidiary to maintain workmen's compensation insurance, property insurance, comprehensive general liability insurance, reasonably satisfactory to the Agent.

Inspection Rights; Audits. At any reasonable time and from time to time, the Borrower will permit, and will cause each Subsidiary to permit, representatives of the Agent and each Lender to examine, copy, and make extracts from its books and records, to visit and inspect its properties, and to discuss its business, operations, and financial condition with its officers, employees, and independent certified public accountants.

Keeping Books and Records. The Borrower will maintain, and will cause each Subsidiary to maintain, proper books of record and account in which full, true, and correct entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities.

Compliance with Laws. The Borrower will comply, and will cause each Subsidiary to comply, in all respects with all applicable laws, rules, regulations, orders, and decrees of any Governmental Authority or arbitrator, including without limitation, the provisions of the Texas Pawnshop Act (Chapter 371 of the Texas Finance Code), the consumer loan provisions of the Texas Finance Code and the provisions of the Brady Law and other laws, rules and regulations related to the regulation of firearms, other than such non-compliance which could not reasonably be expected to have a Material Adverse Effect.

Compliance with Agreements. The Borrower will comply, and will cause each Subsidiary to comply, in all respects with all agreements, contracts, and instruments binding on it or affecting its properties or business other than such non-compliance which could not reasonably be expected to have a Material Adverse Effect.

Further Assurances. The Borrower will, and will cause each Subsidiary to, execute and deliver such further agreements and instruments and take such further action as may be reasonably requested by the Agent to carry out the provisions and purposes of this Agreement and the other Loan Documents. Without limiting the foregoing, upon the creation or acquisition of any Subsidiary or a new store by a new Subsidiary or by an existing Subsidiary in a

new state, the Borrower shall (a) provide written notice of such event to the Agent within five Business Days following the date the Borrower has knowledge thereof, and (b) cause each such domestic Subsidiary to execute and deliver a supplement to the Guaranty, a supplement to the Contribution and Indemnification Agreement, a supplement to the Subsidiary Security Agreement, Real Property Security Documents, Uniform Commercial Code financing statements (delivery only), and if required by Section 8.12, to provide to the Agent a Waiver for each Leased Location (subject in all respects to a best efforts standard of performance), title insurance commitments, surveys of Real Property, appraisals of Real Property, lender's title insurance policy with any required endorsements, and a legal opinion of the Borrower's and Guarantors' counsel (which may in the Agent's discretion be a legal opinion of the Borrower's in-house counsel), each in form and substance satisfactory to the Agent, within 30 calendar days following the date the Borrower has knowledge thereof. If any Subsidiary is created or acquired after the date hereof, the Borrower shall execute and deliver to the Agent (i) an amendment to this Agreement to amend Schedule 7.14 to this Agreement (which only needs the signature of the Agent to be effective if the only change is the addition of the new Subsidiary) and (ii) any other documents which would have otherwise been required to be delivered to the Agent and the Lenders if such Subsidiary had been a Subsidiary as of the date hereof.

ERISA. With respect to any Plan that is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code, the Borrower will comply, and will cause each Subsidiary to comply, with all minimum funding requirements, and all other material requirements of ERISA, if applicable, so as not to give rise to any liability thereunder which could reasonably be expected to have a Material Adverse Effect.

Landlord's Waivers or Subordinations.

If a Leased Location is a Pay-Day Only Store, and if any of the Borrower or its Subsidiaries originates (as a lender) any Pay-Day Advance Loans and/or other unsecured consumer loans at such Pay-Day Only Store, then the Borrower will, and will cause each applicable Subsidiary to, deliver promptly a waiver or subordination of the landlord's lien in the Collateral (a "Waiver") by the landlord of such Pay-Day Only Store (subject in all respects to a best efforts standard of performance), the Waiver to be in form and substance reasonably satisfactory to the Agent.

(ii) If at any time any Leased Location is not, or ceases to be a Pay-Day Only Store as a result of, among other things, providing other consumer products or services such as pawn loans, then (A) the Borrower will provide to the Agent written notice of such event within 30 days after the occurrence of such event and (B) at the request of the Agent, the Borrower will, and will cause each applicable Subsidiary to, deliver a Waiver for such Leased Location (subject in all respects to a best efforts standard of performance) in form and substance reasonably satisfactory to the Agent.

Within 45 days after a Landlord Change, the Borrower will, and will cause each Subsidiary to, deliver (subject in all respects to a best efforts standard of performance) to the Agent (i) to the extent any Waiver is required under clause (a) above, an updated Waiver or (ii) an acknowledgment from the new landlord of the effectiveness of the Waiver, if any, received from the previous landlord, the Waiver or acknowledgment to be in form and substance reasonably satisfactory to the Agent.

Negative Covenants

The Borrower covenants and agrees that, as long as the Obligations or any part thereof are outstanding or any Lender has any Commitment hereunder or the Issuing Bank has any obligation to issue Letters of Credit hereunder, the Borrower will perform and observe the following negative covenants:

Debt. The Borrower will not incur, create, assume, or permit to exist, and will not permit any Subsidiary to incur, create, assume, or permit to exist, any Debt, except:

Debt to the Lenders and the Issuing Bank pursuant to the Loan Documents;

Debt listed on Schedule 9.1;

unsecured Debt owed by a Guarantor to another Guarantor evidenced by a promissory note which is issued to satisfy any applicable state regulatory requirement for the issuance of a license for consumer loan activity, such promissory note being pledged to and held by the Agent as Collateral;

Guarantee by the Borrower of real estate lease obligations of a Guarantor; subordinated Debt which is fully subordinated to the Obligations and is as evidenced by and subject to documentation, all in form and substance satisfactory to the Agent and the Required Lenders; and

Debt (other than the Debt described in clauses (a) through and including (e) above) in an aggregate amount not to exceed \$500,000 at any one time outstanding.

Limitation on Liens. The Borrower will not incur, create, assume, or permit to exist, and will not permit any Subsidiary to incur, create, assume, or permit to exist, any Lien upon any of its property, assets, or revenues, whether now owned or hereafter acquired, except:

Liens disclosed on Schedule 9.2 hereto and Liens in favor of the Agent for the benefit of the Lenders;

Liens for taxes, assessments, or other governmental charges which are not delinquent or which are being diligently contested in good faith and for which adequate reserves have been established;

Liens of mechanics, materialmen, warehousemen, carriers, landlords or other similar statutory Liens securing obligations that are not yet due and are incurred in the ordinary course of business;

Liens resulting from good faith deposits to secure payments of workmen's compensation or other social security programs or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, contracts (other than for payment of Debt), or leases made in the ordinary course of business;

purchase money Liens securing Permitted Debt described in Section 9.1(f), provided that the Debt secured by any such Lien encumbers only the asset so purchased;

Liens on the Indemnity Accounts and the Litigation Fund Accounts in favor of County Bank of Rehoboth Beach, Delaware;

financing statements filed in connection with operating lease transactions for computers; and

Liens in favor of a landlord of a Leased Location on only the assets of the Borrower or any Subsidiary located at such Lease Location so long as no financing statement will be filed in connection with such Lien unless (i) the collateral description listed on such financing statement is limited to the assets of the Borrower or applicable Subsidiary located at such Leased Location, and (ii) the Borrower or applicable Subsidiary has obtained a Waiver for such Leased Location from such landlord, such Waiver to be in form and substance satisfactory to the Agent.

Neither the Borrower nor any Subsidiary shall enter into or assume any agreement (other than the Loan Documents) prohibiting the creation or assumption of any Lien upon its properties or assets whether now owned or hereafter acquired; provided that in connection with the creation of purchase money Liens permitted hereby, the Borrower or the Subsidiary may agree that it will not permit any other Liens (other than the Liens in favor of the Agent for the benefit of the Lenders) to encumber the assets subject to such purchase money Lien. Further, the Borrower will not and will not permit any Subsidiaries directly or indirectly to create or otherwise cause or suffer to exist to become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary to: (i) pay dividends or make any other distribution on any of such Subsidiaries' capital stock owned by the Borrower or any Subsidiary of the Borrower; (ii) subject to subordination provisions pay any Debt owed to the Borrower or any other Subsidiary; (iii) make loans or advances to the Borrower or any other Subsidiary; or (iv) transfer any of its properties or assets to the Borrower or any other Subsidiary not restricted hereby.

Mergers, Etc. The Borrower will not, and will not permit any Subsidiary to become a party to a merger or consolidation, or to purchase or otherwise acquire all or a substantial part of the business or assets of any Person or any shares or other equity interest of any Person (whether or not certificated), or wind-up, dissolve, or liquidate itself; provided that, (i) a domestic Subsidiary may wind-up, dissolve or liquidate if no Default exists or would result therefrom and its assets are transferred to the Borrower or another domestic Subsidiary; (ii) a foreign Subsidiary may wind-up, dissolve or liquidate if no Default exists or would result therefrom; (iii) any Subsidiary may merge with and into the Borrower if the Borrower is the surviving entity and no Default exists or would result therefrom; (iv) any Subsidiary may merge with and into any other domestic Subsidiary if the domestic Subsidiary is the surviving entity, no Default exists or would result therefrom and Section 8.10 is complied with; (v) any foreign Subsidiary may merge with any other foreign Subsidiary if no Default exists or would result therefrom; (vi) the Borrower or a Subsidiary may make investments permitted under Section 9.5 hereof; and (vii) the Borrower or a Subsidiary may make Permitted Acquisitions.

Restricted Payments. The Borrower will not declare or pay any dividends or make any other payment or distribution (whether in cash, property, or obligations) on account of its capital stock, or redeem, purchase, retire, or otherwise acquire any of its capital stock, or permit any of its Subsidiaries to purchase or otherwise acquire any capital stock of the Borrower or another Subsidiary, or set apart any money for a sinking or other analogous fund for any dividend or other distribution on its capital stock or for any redemption, purchase, retirement, or other acquisition of any of its capital stock; provided however, the Borrower may declare or pay any dividends or make any other payment or distribution on account of its capital stock during any Fiscal Year in an amount not to exceed 25% of the Borrower's Consolidated Net Income for such Fiscal Year.

Investments. Other than pawn loans, Pay-Day Advance Loans (and participations therein) and other consumer loans (and participations therein) extended in the ordinary course of business, the Borrower will not make, and will not permit any Subsidiary to make, any advance, loan, extension of credit, or capital contribution to or investment in, or purchase to own, or permit any Subsidiary to purchase or own, any stock, bonds, notes, debentures, or other securities of any Person, except:

readily marketable direct obligations of the United States of America or any agency thereof with maturities of 18 months or less from the date of acquisition;

fully insured certificates of deposit with maturities of one year or less from the date of acquisition issued by any commercial bank operating in the United States of America having capital and surplus in excess of \$50,000,000; commercial paper of a domestic issuer if at the time of purchase such paper is rated in one of the two highest rating categories of Standard and Poor's, a division of The McGraw-Hill Companies, Inc., or Moody's Investors Service, Inc.;

auction rate preferred stock and municipal bonds that at the time of purchase are rated in one of the two highest rating categories of Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or Moody's Investment Services, Inc.;

money market funds and mutual funds that invest in securities deemed acceptable for outright purchase;

investments in Subsidiaries existing on the date of this Agreement and investments in subsequently created domestic Subsidiaries so long as the Borrower and the Subsidiaries have complied with the terms and conditions of Section 8.10;

any loans or investments not covered in the previous sections of this Section 9.5 not to exceed \$2,000,000 in the aggregate; and

Permitted Acquisitions.

Notwithstanding anything to the contrary contained herein, neither the Borrower nor any Subsidiary will make any advance, loan, extension of credit, or capital contribution to or investment in, or purchase to own, any stock, bonds, notes, debentures, or other securities of Albemarle & Bond Holdings plc except for those certain investments in Albemarle & Bond Holdings plc existing on the date of this Agreement.

Limitation on Issuance of Capital Stock. The Borrower will not permit any of its Subsidiaries to, at any time issue, sell, assign, or otherwise dispose of (a) any of its capital stock (or any equivalent interest therein), (b) any securities exchangeable for or convertible into or carrying any rights to acquire any of its capital stock (or any equivalent interest therein), or (c) any option, warrant, or other right to acquire any of its capital stock (or any equivalent interest therein).

Transactions With Affiliates. The Borrower will not enter into, and will not permit any Subsidiary to enter into, any transaction, including, without limitation, the purchase, sale, or exchange of property or the rendering of any service, with any Affiliate of the Borrower or such Subsidiary, except (a) in the ordinary course of and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business, (b) upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate of the Borrower or such Subsidiary and (c) so long as no Default has occurred and is continuing or would result therefrom.

Disposition of Assets. The Borrower will not sell, lease, assign, transfer, or otherwise dispose (collectively "Dispositions") of any of its assets, or permit any Subsidiary to do so with any of its assets, except:

Dispositions of Inventory in the ordinary course of business;

Dispositions of obsolete, worn or used equipment;

Dispositions to a Guarantor as to which Agent has in its possession an executed Guaranty, Contribution and Indemnification Agreement, Subsidiary Security Agreement and Real Estate Security Documents, if applicable; and

Dispositions of certain store locations (including sales of Real Property and operating business (which may include the sale of Inventory and pawn loans and interests in Pay-Day Advance Loans of the Borrower or any Subsidiary in connection with the sale of such location), but excluding liquidating sales of Inventory and pawn loans and interests in Pay-Day Advance Loans of the Borrower or any Subsidiary, which do not occur in connection with the sale of any Real Property or operating business) owned by the Borrower or any of its Subsidiaries as of the date hereof so long as the Net Proceeds of such Disposition are promptly paid to the Agent in accordance with Section 4.3.

Nature of Business. The Borrower will not, and will not permit any Subsidiary to, engage in any business other than the businesses in which they are engaged on the date hereof and similar businesses thereto in connection with the providing of consumer loan products, directly and indirectly. Without in any way limiting the foregoing, such businesses shall include, but not be limited to, the following: pawn loans, check-cashing, money wires, Pay-Day Advance Loans, other consumer loans, directly (as a lender) and indirectly (as a participant), jewelry and merchandise sales and other services incidental to the foregoing.

Environmental Protection. The Borrower will not, and will not permit any of its Subsidiaries to, (a) use (or permit any tenant to use) any of their respective properties or assets for the handling, processing, storage, transportation, or disposal of any Hazardous Material, (b) generate any Hazardous Material, (c) conduct any activity that is likely to cause a Release or threatened Release of any Hazardous Material, or (d) otherwise conduct any activity or use any of their respective properties or assets in any manner that is likely to violate any Environmental Law or create any Environmental Liabilities for which the Borrower or any of its Subsidiaries would be responsible.

Accounting. The Borrower will not, and will not permit any of its Subsidiaries to, change its Fiscal Year or make any change in accounting treatment or reporting practices, except as permitted by GAAP and disclosed to the Agent.

Prepayment of Debt. The Borrower will not, and will not permit any Subsidiary to, prepay any Debt except (i) the Obligations and (ii) intercompany Debt among Guarantors permitted pursuant to Section 9.1(c).

Pay-Day Advance Loans. The Borrower will not, and will not permit any of its Subsidiaries to, purchase participation or other interests in any Pay-Day Advance Loans, or other consumer loans, the applications for which were originated and processed by a Person other than the Borrower or any Subsidiary or a Person acquired by the Borrower or any Subsidiary.

Financial Covenants

The Borrower covenants and agrees that, as long as the Obligations or any part thereof are outstanding or any Lender has any Commitment hereunder or the Issuing Bank has any obligation to issue Letters of Credit hereunder, the Borrower will perform and observe the following financial covenants:

Consolidated Net Worth. Beginning with the Fiscal Quarter ending December 31, 2003, the Borrower will maintain at all times Consolidated Net Worth in an amount not less than (a) \$106,400,000.00, plus (b) an amount equal to 100% of Consolidated Net Income (not less than zero dollars [\$0.00]) for all periods subsequent to the Fiscal Quarter ending December 31, 2003, plus (c) an amount equal to 100% of the Net Proceeds of all equity offerings (including conversions of debt securities into common stock) of the Borrower subsequent to December 31, 2003, minus (d) an amount equal to any dividends declared by the Borrower for all periods subsequent to the Fiscal Quarter ending December 31, 2003 and only to the extent permitted to be made under Section 9.4.

Senior Leverage Ratio. The Borrower will maintain a Senior Leverage Ratio at the end of each Fiscal Quarter of not greater than 2.00 to 1.00.

Total Leverage Ratio. The Borrower will maintain a Total Leverage Ratio at the end of each Fiscal Quarter of not greater than 3.25 to 1.00.

Capital Expenditures. The Borrower will not permit the aggregate amount of Capital Expenditures of the Borrower and the Subsidiaries to exceed \$8,000,000 during any Fiscal Year.

Inventory Turnover. The Borrower on a consolidated basis will at all times maintain an Inventory Turnover at the end of each Fiscal Quarter of not less than 2.00 to 1.00.

Fixed Charge Coverage Ratio. The Borrower will maintain a Fixed Charge Coverage Ratio at the end of each Fiscal Quarter of not less than 1.25 to 1.00.

Default

Events of Default. Each of the following shall be deemed an "Event of Default":

The Borrower shall fail to pay when due the Obligations or any part thereof.

Any representation or warranty made or deemed made by the Borrower or any Obligated Party (or any of their respective officers) in any Loan Document or in any certificate, report, notice, or financial statement furnished at any time in connection with this Agreement shall be false, misleading, or erroneous in any material respect when made or deemed to have been made.

The Borrower shall fail to perform, observe, or comply with any covenant, agreement, or term contained in Section 8.1, Article IX, or Article X of this Agreement; or the Borrower or any Obligated Party shall fail to perform, observe, or comply with any other covenant, agreement, or term contained in this Agreement or any other Loan Document (other than covenants to pay the Obligations) and such failure shall continue for a period of 15 days. The Borrower, any Subsidiary, or any Obligated Party shall commence a voluntary proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or a substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it or shall make a general assignment for the benefit of creditors or shall generally fail to pay its debts as they become due or shall take any corporate action to authorize any of the foregoing.

An involuntary proceeding shall be commenced against the Borrower, any Subsidiary, or any Obligated Party seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, and such involuntary proceeding shall remain undismissed and unstayed for a period of 30 days.

The Borrower, any Subsidiary, or any Obligated Party shall fail to discharge within a period of 45 days after the commencement thereof any attachment, sequestration, or similar proceeding or proceedings involving an aggregate amount in excess of \$250,000 against any of its assets or properties.

A final judgment or judgments for the payment of money in excess of \$250,000 in the aggregate shall be rendered by a court or courts against the Borrower, any of its Subsidiaries, or any Obligated Party and the same shall not be discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within 45 days from the date of entry thereof and the Borrower or the relevant Subsidiary or Obligated Party shall not, within said period of 45 days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal. The Borrower, any Subsidiary, or any Obligated Party shall fail to pay when due any principal of or interest on any Material Debt (hereinafter defined) (other than the Obligations), or the maturity of any such Debt shall have been accelerated, or any such Debt shall have been required to be prepaid prior to the stated maturity thereof, or any event shall have occurred that permits any holder or holders of such Debt or any Person acting on behalf of such holder or holders to accelerate the maturity thereof or require any such prepayment. For purposes of this clause (h), the term "Material Debt" means Debt owed by the Borrower or any Subsidiary the principal amount of which exceeds \$250,000.

This Agreement or any other Loan Document shall cease to be in full force and effect or shall be declared null and void or the validity or enforceability thereof shall be contested or challenged by the Borrower, any Subsidiary, any

Obligated Party or any of their respective shareholders, or the Borrower or any Obligated Party shall deny that it has any further liability or obligation under any of the Loan Documents.

Any of the following events shall occur or exist with respect to the Borrower or any ERISA Affiliate: (i) any Prohibited Transaction involving any Plan; (ii) any Reportable Event with respect to any Plan; (iii) the filing under Section 4041 of ERISA of a notice of intent to terminate any Plan or the termination of any Plan; (iv) any event or circumstance that might constitute grounds entitling the PBGC to institute proceedings under Section 4042 of ERISA for the termination of, or for the appointment of a trustee to administer, any Plan, or the institution by the PBGC of any such proceedings; or (v) complete or partial withdrawal under Section 4201 or 4204 of ERISA from a Multiemployer Plan or the reorganization, insolvency, or termination of any Multiemployer Plan; and in each case above, such event or condition, together with all other events or conditions, if any, have subjected or could in the reasonable opinion of Required Banks subject the Borrower to any tax, penalty, or other liability to a Plan, a Multiemployer Plan, the PBGC, or otherwise (or any combination thereof) which in the aggregate exceed or could reasonably be expected to exceed \$250,000.

Any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act sells or acquires after the date hereof "beneficial ownership" (within the meaning of Section 13(d) of the Exchange Act) in excess of 33% of the total voting power of all classes of capital stock then outstanding of the Borrower entitled (without regard to the occurrence of any contingency) to vote in elections of directors of the Borrower.

The Borrower or any of its Subsidiaries, or any of their properties, revenues, or assets, shall become the subject of an order of forfeiture, seizure, or divestiture and the same shall not have been discharged (or provisions shall not be made for such discharge) within 30 days from the date of entry thereof.

Any Material Adverse Effect shall occur.

County Bank of Rehoboth Beach, Delaware during any consecutive 12-month period shall draw down or withdraw (other than Permitted Withdrawals) an amount equal to or greater than \$300,000 in the aggregate from either (i) any Indemnity Accounts or any Litigation Fund Accounts (or any combination thereof), (ii) any letter of credit issued for the account of the Borrower or any of its Subsidiaries to County Bank of Rehoboth Beach, Delaware, or (iii) any combination of clauses (i) or (ii) hereof.

Remedies.

If any Event of Default shall occur and be continuing, the Agent may (and if directed by Required Lenders, shall) do any one or more of the following:

Acceleration. Declare all outstanding principal of and accrued and unpaid interest on the Notes, all outstanding Letter of Credit Disbursements, and all other obligations of the Borrower under the Loan Documents immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, protest, or other formalities of any kind, all of which are hereby expressly waived by the Borrower.

Termination of Revolving Credit Commitments. Terminate the Revolving Credit Commitments and the obligation of the Issuing Bank to issue Letters of Credit without notice to the Borrower.

Judgment. Reduce any claim to judgment.

Foreclosure. Foreclose or otherwise enforce any Lien granted to the Agent for the benefit of itself and the Lenders to secure payment and performance of the Obligations in accordance with the terms of the Loan Documents. Rights. Exercise any and all rights and remedies afforded by the laws of the State of Texas or any other jurisdiction, by any of the Loan Documents, by equity, or otherwise.

Provided, however, that upon the occurrence of an Event of Default under subsection (d) or (e) of Section 11.1, the Revolving Credit Commitments of all of the Lenders and the obligation of the Issuing Bank to issue Letters of Credit shall automatically terminate, and the outstanding principal of and accrued and unpaid interest on the Notes and all other obligations of the Borrower under the Loan Documents shall thereupon become immediately due and payable without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, protest, or other formalities of any kind, all of which are hereby expressly waived by the Borrower.

If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, without notice to the Borrower (any such notice being hereby expressly waived by the Borrower), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement, such Lender's Note (or Notes), or any other Loan Document, irrespective of whether or not the Agent or such Lender shall have made any demand under this Agreement or such Lender's Note (or Notes) or such other Loan Document and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower (with a copy to the Agent and to each Lender) after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application. The rights and remedies of each Lender hereunder are in addition to other rights and remedies (including, without limitation, other rights of setoff) which such Lender may have.

Cash Collateral. If an Event of Default shall have occurred and be continuing the Borrower shall, if requested by the Agent or Required Lenders, pledge to the Agent as security for the Obligations an amount in immediately available funds equal to the then outstanding Letter of Credit Liabilities, such funds to be held in a cash collateral account at the Agent without any right of withdrawal by the Borrower.

Performance by the Agent. If the Borrower shall fail to perform any covenant or agreement in accordance with the terms of the Loan Documents, the Agent may, at the direction of Required Lenders, perform or attempt to perform such covenant or agreement on behalf of the Borrower. In such event, the Borrower shall, at the request of the Agent, promptly pay any amount reasonably expended by the Agent or the Lenders in connection with such performance or attempted performance to the Agent at the Principal Office, together with interest thereon at the Default Rate from and including the date of such expenditure to but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that neither the Agent nor any Lender shall have any liability or responsibility for the performance of any obligation of the Borrower under this Agreement or any of the other Loan Documents.

The Agent

Appointment, Powers and Immunities. In order to expedite the various transactions contemplated by this Agreement, the Lenders and the Issuing Bank hereby irrevocably appoint and authorize Wells Fargo Bank, National Association to act as their Agent hereunder and under each of the other Loan Documents. Wells Fargo Bank, National Association consents to such appointment and agrees to perform the duties of the Agent as specified herein. The Lenders and the Issuing Bank authorize and direct the Agent to take such action in their name and on their behalf under the terms and provisions of the Loan Documents and to exercise such rights and powers thereunder as are specifically delegated to or required of the Agent for the Lenders and/or the Issuing Bank, together with such rights and powers as are reasonably incidental thereto. The Agent is hereby expressly authorized to act as the Agent on behalf of itself, the other Lenders and the Issuing Bank:

To receive on behalf of each of the Lenders and the Issuing Bank any payment of principal, interest, fees (except for the annual agent fee described in Section 2.9(a)) or other amounts paid pursuant to this Agreement and the Notes and to distribute to each Lender and/or the Issuing Bank its share of all payments so received as provided in this Agreement;

To receive all documents and items to be furnished under the Loan Documents;

To act as nominee for and on behalf of the Lenders and the Issuing Bank in and under the Loan Documents;

To arrange for the means whereby the Advances are to be made available to the Borrower;

To distribute to the Lenders and the Issuing Bank information, requests, notices, payments, prepayments, documents and other items received from the Borrower, the Obligated Parties, and other Persons;

To execute and deliver to the Borrower, the Obligated Parties, and other Persons, all requests, demands, approvals, notices, and consents received from the Lenders and the Issuing Bank;

To the extent permitted by the Loan Documents, to exercise on behalf of each Lender and the Issuing Bank all rights and remedies of Lenders and the Issuing Bank upon the occurrence of any Event of Default;

To serve as liaison between the Lenders, the Issuing Bank and the Borrower with respect to future negotiations, amendments and waivers of the terms of this Agreement and transmittal of copies of such amendments and waivers for signature to each Lender and the Issuing Bank;

To receive signed copies of this Agreement, future amendments hereto, waivers of any terms hereof, and related documents comprising the Loan Documents, and provide appropriate signed or reproduction copies thereof to each Lender, the Issuing Bank and the Borrower;

To forward to each Lender and the Issuing Bank copies of all Loan Documents and opinions furnished to Agent under this Agreement or any of the other Loan Documents;

To receive notices of Defaults, copies of which shall be forwarded to all Lenders and the Issuing Bank, and any waivers of Defaults under this Agreement and forward copies thereof to all Lenders and the Issuing Bank;

To advise each Lender and the Issuing Bank of all notices received or furnished by Agent hereunder;

To take such other actions as may be requested by Required Lenders; and

To accept, execute, and deliver any and all security documents as the secured party.

Neither the Agent nor any of its Affiliates, officers, directors, employees, attorneys, or agents shall be liable to the Lenders for any action taken or omitted to be taken by any of them hereunder or otherwise in connection with this Agreement or any of the other Loan Documents except for its or their own gross negligence or willful misconduct. Without limiting the generality of the preceding sentence, the Agent (i) may treat the payee of any Note as the holder thereof until the Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to the Agent; (ii) shall have no duties or responsibilities except those expressly set forth in this Agreement and the other Loan Documents, and shall not by reason of this Agreement or any other Loan Document be a trustee or fiduciary for any Lender or the Issuing Bank; (iii) shall not be required to initiate any litigation or collection proceedings hereunder or under any other Loan Document except to the extent requested by Required Lenders; (iv) shall not be responsible to the Lenders or the Issuing Bank for any recitals, statements, representations or warranties contained in this Agreement or any other Loan Document, or any certificate or other document referred to or provided for in, or received by any of them under, this Agreement or any other Loan Document, or for the value, validity, effectiveness, enforceability, or sufficiency of this Agreement or any other Loan Document or any other document referred to or provided for herein or therein or for any failure by any Person to perform any of its obligations hereunder or thereunder; (v) may consult with legal counsel (including counsel for the Borrower), independent public accountants, and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants, or experts; and (vi) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate, or other instrument or writing believed by it to be genuine and signed or sent by the proper party or parties. As to any matters not expressly provided for by this Agreement, the Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions signed by Required Lenders, and such instructions of Required Lenders and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders; provided, however, that the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or any other Loan Document or applicable law.

Rights of Agent as a Lender. With respect to its Revolving Credit Commitment, the Advances made by it and the Notes issued to it, Wells Fargo Bank, National Association in its capacity as a Lender hereunder shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Agent in its individual capacity. The Agent and its Affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, act as trustee under indentures of, provide merchant banking services to, and generally engage in any kind of business with the Borrower, any of its Subsidiaries, any Obligated Party, and any other Person

who may do business with or own securities of the Borrower, any Subsidiary, or any Obligated Party, all as if it were not acting as the Agent and without any duty to account therefor to the Lenders.

Sharing of Payments, Etc. If any Lender shall obtain any payment of any principal of or interest on any Advance made by it under this Agreement or payment of any other obligation under the Loan Documents then owed by the Borrower or any Obligated Party to such Lender, whether voluntary, involuntary, through the exercise of any right of set-off, banker's lien, counterclaim or similar right, or otherwise, in excess of its pro rata share (calculated (i) pursuant to Section 3.5 in respect of letter of credit fees, and (ii) for all other of the Primary Obligations on the basis of the unpaid principal of and interest on the Revolving Credit Loan, the Swing Loan, LC Participations and SL Participations held by it), such Lender shall promptly purchase from the other Lenders participations in the Primary Obligations owed to them hereunder in such amounts, and make such other adjustments from time to time as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of the other Lenders in accordance with its pro rata portion thereof. To such end, all of the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if all or any portion of such excess payment is thereafter rescinded or must otherwise be restored. The Borrower agrees, to the fullest extent it may effectively do so under applicable law, that any Lender so purchasing a participation in the Advances and LC Participations made by the other Lenders may exercise all rights of set-off, banker's lien, counterclaim, or similar rights with respect to such participation as fully as if such Lender were a direct holder of Advances to, or Letter of Credit Disbursements for the account of, the Borrower in the amount of such participation. Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower.

Indemnification. THE LENDERS HEREBY AGREE TO INDEMNIFY THE AGENT AND THE ISSUING BANK FROM AND HOLD THE AGENT AND THE ISSUING BANK HARMLESS AGAINST (TO THE EXTENT NOT REIMBURSED UNDER SECTIONS 13.1 AND 13.2, BUT WITHOUT LIMITING THE OBLIGATIONS OF THE BORROWER UNDER SECTIONS 13.1 AND 13.2), RATABLY IN ACCORDANCE WITH THEIR RESPECTIVE REVOLVING CREDIT COMMITMENTS, ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, DEFICIENCIES, SUITS, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES), AND DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST THE AGENT AND THE ISSUING BANK IN ANY WAY RELATING TO OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY ACTION TAKEN OR OMITTED TO BE TAKEN BY THE AGENT AND THE ISSUING BANK UNDER OR IN RESPECT OF ANY OF THE LOAN DOCUMENTS; PROVIDED, FURTHER, THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF THE FOREGOING TO THE EXTENT CAUSED BY THE AGENT'S OR THE ISSUING BANK'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. WITHOUT LIMITING ANY OTHER PROVISION OF THIS SECTION, EACH LENDER AGREES TO REIMBURSE THE AGENT AND THE ISSUING BANK PROMPTLY UPON DEMAND FOR ITS PRO RATA SHARE (CALCULATED ON THE BASIS OF THE REVOLVING CREDIT COMMITMENTS) OF ANY AND ALL OUT-OF-POCKET EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) INCURRED BY THE AGENT AND THE ISSUING BANK IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, AMENDMENT OR ENFORCEMENT (WHETHER THROUGH NEGOTIATIONS, LEGAL PROCEEDINGS, OR OTHERWISE) OF, OR LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER, THE LOAN DOCUMENTS, TO THE EXTENT THAT THE AGENT OR THE ISSUING BANK IS NOT REIMBURSED FOR SUCH EXPENSES BY THE BORROWER.

Independent Credit Decisions. Each Lender agrees that it has independently and without reliance on the Agent, the Issuing Bank or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Borrower and decision to enter into this Agreement and that it will, independently and without reliance upon the Agent, the Issuing Bank or any other Lender, and based upon such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement or any of the other Loan Documents. The Agent shall not be required to keep itself informed as to the performance or observance by the Borrower or any Obligated Party of this Agreement or any other Loan Document or to inspect the properties or books of the Borrower or any Obligated Party. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders and the Issuing Bank by the Agent hereunder or under the other Loan Documents, neither the Agent nor the Issuing Bank

shall have any duty or responsibility to provide any Lender with any credit or other financial information concerning the affairs, financial condition or business of the Borrower or any Obligated Party (or any of their Affiliates) which may come into the possession of the Agent, the Issuing Bank or any of their Affiliates.

Several Commitments. The Commitments and other obligations of the Lenders under this Agreement are several. The default by any Lender in making an Advance in accordance with its Commitment shall not relieve the other Lenders of their obligations under this Agreement. In the event of any default by any Lender in making any Advance, each nondefaulting Lender shall be obligated to make its Advance but shall not be obligated to advance the amount which the defaulting Lender was required to advance hereunder. In no event shall any Lender be required to advance an amount or amounts to the Borrower which shall in the aggregate exceed such Lender's Revolving Credit Commitment. No Lender shall be responsible for any act or omission of any other Lender.

Successor Agent. Subject to the appointment and acceptance of a successor Agent as provided below, the Agent may resign at any time by giving notice thereof to the Lenders, the Issuing Bank and the Borrower and the Agent may be removed at any time with or without cause by Required Lenders. Upon any such resignation or removal, the Required Lenders will have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Agent, which shall be a commercial bank organized under the laws of the United States of America or any State thereof and having combined capital and surplus of at least One \$100,000,000. Upon the acceptance of its appointment as successor Agent, such successor Agent shall thereupon succeed to and become vested with all rights, powers, privileges, immunities, and duties of the resigning or removed Agent, and the resigning or removed Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. After any Agent's resignation or removal as Agent, the provisions of this Article XII shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was the Agent. After the retiring Agent's resignation or removal hereunder as Agent, each reference herein to a place of giving of notice or delivery to the Agent shall be deemed to refer to the principal office of the successor Agent as it may specify to each party hereto.

In the event that the Agent, for the benefit of itself and the Lenders, elects or is required to proceed with a foreclosure or other enforcement of any Lien granted to the Agent for the benefit of itself and the Lenders, the Agent may, without in any manner limiting its available remedies, and at the request of the Required Lenders shall, submit a bid for all Lenders (including itself) in the form of a credit against the Obligations, and the Agent or its designee, in the event that the Agent or its designee is the successful bidder at any such foreclosure sale, shall accept title, for the benefit of itself and the Lenders, to the Collateral sold at such foreclosure sale. The Collateral purchased at any such sale held shall be owned by the Agent, or its designee, for the benefit of the Lenders. All monies received or collected by the Agent in respect of the Collateral in connection with a foreclosure sale, or any other disposition of the Collateral, shall be paid to the Lenders pro-rata consistent with Section 4.4 hereof.

Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Borrower or any Obligated Party, the Agent (irrespective of whether the principal of any Advance or Letter of Credit Liabilities shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances, Letter of Credit Liabilities and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agent and their respective agents and counsel and all other amounts due the Lenders and the Agent under Sections 2.9 and 13.1) allowed in such judicial proceeding; and to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.9 and 13.1.

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Agent to vote in respect of the claim of any Lender in any such proceeding.

Collateral and Guaranty Matters. The Lenders irrevocably authorize the Agent, at its option and in its discretion: to release any Lien on any property granted to or held by the Agent under any Loan Document (i) upon termination of the Revolving Credit Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) subject to Section 13.10, if approved, authorized or ratified in writing by the Required Lenders; and to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Agent at any time, the Required Lenders will confirm in writing the Agent's authority to release its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 12.9.

Miscellaneous

Expenses. The Borrower hereby agrees to pay on demand: (a) all reasonable costs and expenses of the Agent and the Issuing Bank in connection with the preparation, negotiation, execution, and delivery of this Agreement and the other Loan Documents and any and all amendments, modifications, renewals, extensions, and supplements thereof and thereto, including, without limitation, the reasonable fees and expenses of legal counsel for the Agent and the Issuing Bank (including the allocated cost of internal counsel of the Agent and the Issuing Bank), (b) all costs and expenses of the Agent, the Issuing Bank and the Lenders in connection with any Default and the enforcement of this Agreement or any other Loan Document, including, without limitation, the fees and expenses of legal counsel for the Agent, the Issuing Bank and the Lenders, (c) all transfer, stamp, documentary, or other similar taxes, assessments, or charges levied by any Governmental Authority in respect of this Agreement or any of the other Loan Documents, (d) all costs, expenses, assessments, and other charges incurred in connection with any filing, registration, recording, or perfection of any security interest or Lien contemplated by this Agreement or any other Loan Document, and (e) all other costs and expenses incurred by the Agent and the Issuing Bank in connection with this Agreement or any other Loan Document, including without limitation all reasonable costs and expenses associated with appraisals, environmental reports and any other collateral reviews performed in connection with this Agreement, any other Loan Document or the transactions contemplated therein.

INDEMNIFICATION. THE BORROWER HEREBY AGREES TO INDEMNIFY THE AGENT, THE ISSUING BANK AND EACH LENDER AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, AND AGENTS FROM, AND HOLD EACH OF THEM HARMLESS AGAINST, ANY AND ALL LOSSES, LIABILITIES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, DISBURSEMENTS, COSTS, AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) TO WHICH ANY OF THEM MAY BECOME SUBJECT WHICH DIRECTLY OR INDIRECTLY ARISE FROM OR RELATE TO (a) THE NEGOTIATION, EXECUTION, DELIVERY, PERFORMANCE, ADMINISTRATION, OR ENFORCEMENT OF ANY OF THE LOAN DOCUMENTS, (b) ANY OF THE TRANSACTIONS CONTEMPLATED BY THE LOAN DOCUMENTS, (c) ANY BREACH BY THE BORROWER OR ANY SUBSIDIARY OF ANY REPRESENTATION, WARRANTY, COVENANT, OR OTHER AGREEMENT CONTAINED IN ANY OF THE LOAN DOCUMENTS, (d) THE PRESENCE, RELEASE, THREATENED RELEASE, DISPOSAL, REMOVAL, OR CLEANUP OF ANY HAZARDOUS MATERIAL LOCATED ON, ABOUT, WITHIN, OR AFFECTING ANY OF THE PROPERTIES OR ASSETS OF THE BORROWER OR ANY SUBSIDIARY, (e) THE USE OR PROPOSED USE OF ANY LETTER OF CREDIT, (f) ANY AND ALL TAXES, LEVIES, DEDUCTIONS, AND CHARGES IMPOSED ON THE ISSUING BANK OR ANY OF THE ISSUING BANK'S CORRESPONDENTS IN RESPECT OF ANY LETTER OF CREDIT, OR (g) ANY INVESTIGATION, LITIGATION, OR OTHER PROCEEDING, INCLUDING, WITHOUT LIMITATION, ANY THREATENED INVESTIGATION, LITIGATION, OR OTHER PROCEEDING

RELATING TO ANY OF THE FOREGOING AND ANY LEGAL PROCEEDING RELATING TO ANY COURT ORDER, INJUNCTION OR OTHER PROCESS OR DECREE RESTRAINING OR SEEKING TO RESTRAIN THE ISSUING BANK FROM PAYING ANY AMOUNT UNDER ANY LETTER OF CREDIT. WITHOUT LIMITING ANY PROVISION OF THIS AGREEMENT OR OF ANY OTHER LOAN DOCUMENT, IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT EACH PERSON TO BE INDEMNIFIED UNDER THIS SECTION SHALL BE INDEMNIFIED FROM AND HELD HARMLESS AGAINST ANY AND ALL LOSSES, LIABILITIES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, DISBURSEMENTS, COSTS, AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM THE SOLE OR CONTRIBUTORY NEGLIGENCE OF SUCH PERSON; PROVIDED HOWEVER, NO PERSON SHALL BE INDEMNIFIED HEREUNDER FOR ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

Limitation of Liability. None of the Agent, the Issuing Bank, any Lender, or any Affiliate, officer, director, employee, attorney, or agent thereof shall have any liability with respect to, and the Borrower hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by the Borrower in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents, including without limitation, any damages suffered or incurred by the Borrower in connection with Swing Loan Advances made by telephonic notice pursuant to Section 2.7(a) hereto, except for such Person's gross negligence or willful misconduct.

No Duty. All attorneys, accountants, appraisers, and other professional Persons and consultants retained by the Agent, the Issuing Bank and the Lenders shall have the right to act exclusively in the interest of the Agent, the Issuing Bank and the Lenders and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to the Borrower or any of the Borrower's shareholders or any other Person.

No Fiduciary Relationship. The relationship between the Borrower and each of the Agent, the Issuing Bank and the Lenders is solely that of debtor and creditor, and neither the Agent, the Issuing Bank nor any Lender has any fiduciary or other special relationship with the Borrower, and no term or condition of any of the Loan Documents shall be construed so as to deem the relationship between the Borrower and any of the Agent, the Issuing Bank and the Lenders to be other than that of debtor and creditor.

Equitable Relief. The Borrower recognizes that in the event the Borrower fails to pay, perform, observe, or discharge any or all of the Obligations, any remedy at law may prove to be inadequate relief to the Agent, the Issuing Bank and the Lenders. The Borrower therefore agrees that the Agent, the Issuing Bank and the Lenders, if the Agent, the Issuing Bank or the Lenders so request, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

No Waiver; Cumulative Remedies. No failure on the part of the Agent, the Issuing Bank or any Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement and the other Loan Documents are cumulative and not exclusive of any rights and remedies provided by law.

Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Agent, the Issuing Bank and all of the Lenders. Any Lender may sell participations to one or more banks or other institutions in or to all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including, without limitation, all or a portion of its Commitments and the Advances owing to it and the LC Participations held by it); provided, however, that (i) such Lender's obligations under this Agreement and the other Loan Documents (including, without limitation, its Commitments) shall remain unchanged, (ii) such Lender shall remain solely responsible for the performance of such obligations, (iii) such Lender shall remain the holder of its Note (or Notes) and LC Participations for all purposes of this Agreement, (iv) the Borrower

shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents, and (v) such Lender shall not sell a participation that conveys to the participant the right to vote or give or withhold consents under this Agreement or any other Loan Document, other than the right to vote upon or consent to (A) any increase of such Lender's Commitments, (B) any reduction of the principal amount of, or interest to be paid on, the Advances and LC Participations of such Lender, (C) any reduction of any commitment fee or other amount payable to such Lender under any Loan Document, or (D) any postponement of any date for the payment of any amount payable in respect of the Advances or LC Participations of such Lender.

The Borrower and each of the Issuing Bank and the Lenders agree that any Lender (the "Assigning Lender") may at any time assign to one or more Eligible Assignees all, or a proportionate part of all, of its rights and obligations under this Agreement and the other Loan Documents (including, without limitation, its Commitments, Advances and LC Participations); provided, however, that (i) each such assignment shall be of a consistent, and not a varying, percentage of all of the Assigning Lender's rights and obligations under this Agreement and the other Loan Documents, (ii) except in the case of an assignment of all of a Lender's rights and obligations under this Agreement and the other Loan Documents, the amount of the Revolving Credit Commitments of the Assigning Lender being assigned pursuant to each assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$2,500,000, and (iii) the parties to each such assignment shall execute and deliver to the Agent for its acceptance and recording in the Register (as defined below), an Assignment and Acceptance, together with the Note subject to such assignment, and a processing and recordation fee of \$3,000. Upon such execution, delivery, acceptance, and recording, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five Business Days after the execution thereof, or, if so specified in such Assignment and Acceptance, the date of acceptance thereof by the Agent, (x) the Eligible Assignee thereunder shall be a party hereto as a "Lender" and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and under the Loan Documents and (y) the Assigning Lender shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement and the other Loan Documents (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an Assigning Lender's rights and obligations under the Loan Documents, such Assigning Lender shall cease to be a party thereto).

By executing and delivering an Assignment and Acceptance, the Assigning Lender and the Eligible Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such Assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties, or representations made in or in connection with the Loan Documents or the execution, legality, validity, and enforceability, genuineness, sufficiency, or value of the Loan Documents or any other instrument or document furnished pursuant thereto; (ii) such Assigning Lender makes no representation or warranty and assures no responsibility with respect to the financial condition of the Borrower or any Obligated Party or the performance or observance by the Borrower or any Obligated Party of its obligations under the Loan Documents; (iii) such Eligible Assignee confirms that it has received a copy of the Loan Documents, together with copies of the financial statements referred to in Section 7.2 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such Eligible Assignee will, independently and without reliance upon the Agent, the Issuing Bank or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents; (v) such Eligible Assignee confirms that it is an Eligible Assignee; (vi) such Eligible Assignee appoints and authorizes the Agent to take such action as agent on its behalf and exercise such powers under the Loan Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (vii) such Eligible Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

The Agent shall maintain at its Principal Office a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Revolving Credit Commitments of, and principal amount of the Advances owing to, and LC Participations held by, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agent, the Issuing Bank and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes under the Loan Documents. The Register shall be

available for inspection by the Borrower, any Lender or the Issuing Bank at any reasonable time and from time to time upon reasonable prior notice.

Upon its receipt of an Assignment and Acceptance executed by an Assigning Lender and Eligible Assignee representing that it is an Eligible Assignee, together with any Note subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit E hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register, and (iii) give prompt written notice thereof to the Borrower. Within five Business Days after its receipt of such notice, the Borrower, at its expense, shall execute and deliver to the Agent in exchange for the surrendered Note a new Note to the order of such Eligible Assignee in an amount equal to the Revolving Credit Commitment assumed by it pursuant to such Assignment and Acceptance and, if the Assigning Lender has retained a Revolving Credit Commitment, a new Note to the order of the Assigning Lender in an amount equal to the Revolving Credit Commitment retained by it hereunder (each such promissory note shall constitute a "Note" for purposes of the Loan Documents). Such new Notes shall be in an aggregate principal amount of the surrendered Note, shall be dated the effective date of such Assignment and Acceptance, and shall otherwise be in substantially the form of Exhibit A or B, as applicable. Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section, disclose to the Eligible Assignee or participant or proposed Eligible Assignee or participant, any information relating to the Borrower or its Subsidiaries furnished to such Lender by or on behalf of the Borrower or its Subsidiaries.

Survival. All representations and warranties made in this Agreement or any other Loan Document or in any document, statement, or certificate furnished in connection with this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents, and no investigation by the Agent, the Issuing Bank or any Lender or any closing shall affect the representations and warranties or the right of the Agent, the Issuing Bank or any Lender to rely upon them. Without prejudice to the survival of any other obligation of the Borrower hereunder, the obligations of the Borrower under Article V and Sections 13.1 and 13.2 shall survive repayment of the Notes and termination of the Revolving Credit Commitments and the Letters of Credit.

Amendments, Etc. No amendment or waiver of any provision of this Agreement, the Notes, or any other Loan Document to which the Borrower or any Obligated Party is a party, nor any consent to any departure by the Borrower or any Obligated Party therefrom, shall in any event be effective unless the same shall be agreed or consented to by Required Lenders and the Borrower or the Obligated Party, as applicable, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, that no amendment, waiver, or consent shall: (a) increase the Commitment of any Lender or subject any Lender to any additional obligations without the written consent of such Lender; (b) reduce the principal of, or interest on, the Notes or any fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; (c) postpone any date fixed for any payment of principal of, or interest on, the Notes or Letter of Credit Disbursements or any fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; (d) waive any of the conditions specified in Article VI without the written consent of each Lender; (e) change the percentage of the Revolving Credit Commitments or of the aggregate unpaid principal amount of the Notes or Letter of Credit Liabilities or the number of Lenders which shall be required for the Lenders or any of them to take any action under this Agreement without the written consent of each Lender; (f) change any provision contained in this Section 13.10 without the written consent of each Lender; (g) release the Borrower from any of its obligations under this Agreement or the other Loan Documents or, except as provided in Section 12.9, release any Guarantor from its obligations under its Guaranty without the written consent of each Lender; and (h) release any Collateral securing the Guaranty, or the Obligations except in accordance with and as contemplated by the Loan Documents without the written consent of each Lender. Notwithstanding anything to the contrary contained in this Section, no amendment, waiver, or consent shall be made (i) with respect to Article XII hereof without the prior written consent of the Agent, (ii) with respect to Section 2.7 hereof without the prior written consent of the Swing Lender, or (iii) with respect to Article III hereof without the prior written consent of the Issuing Bank.

Maximum Interest Rate. No provision of this Agreement or of any other Loan Document shall require the payment or the collection of interest in excess of the maximum amount permitted by applicable law. If any excess of interest in such respect is hereby provided for, or shall be adjudicated to be so provided, in any Loan Document or otherwise

in connection with this loan transaction, the provisions of this Section shall govern and prevail and neither the Borrower nor the sureties, guarantors, successors, or assigns of the Borrower shall be obligated to pay the excess amount of such interest or any other excess sum paid for the use, forbearance, or detention of sums loaned pursuant hereto. In the event any Lender ever receives, collects, or applies as interest any such sum, such amount which would be in excess of the maximum amount permitted by applicable law shall be applied as a payment and reduction of the principal of the indebtedness evidenced by the Notes and the LC Participations; and, if the principal of the Notes and the LC Participations has been paid in full, any remaining excess shall forthwith be paid to the Borrower. In determining whether or not the interest paid or payable exceeds the Maximum Rate, the Borrower and each Lender shall, to the extent permitted by applicable law, (a) characterize any non-principal payment as an expense, fee, or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread the total amount of interest throughout the entire contemplated term of the indebtedness evidenced by the Notes and LC Participations so that interest for the entire term does not exceed the Maximum Rate.

Notices. Except as provided in Sections 2.7 and 8.1(m), all notices and other communications provided for in this Agreement and the other Loan Documents to which the Borrower or any Guarantor is a party shall be given or made by telex, telegraph, telecopy, cable, electronic mail or other electronic media or in writing and telexed, telecopied, telegraphed, cabled, mailed by certified mail return receipt requested, or delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof or any other Loan Document, or, as to any party at such other address as shall be designated by such party in a notice to each other party given in accordance with this Section. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telex or telecopy or electronic mail or other electronic media, subject to telephone confirmation of receipt, or delivered to the electronic mail address, subject to telephone confirmation of receipt, or when personally delivered or, in the case of a mailed notice, when duly deposited in the mails, in each case given or addressed as aforesaid; provided, however, notices to the Agent pursuant to Article II and to the Issuing Bank pursuant to Article III shall not be effective until received by the Agent or the Issuing Bank, as applicable.

Governing Law; Venue; Service of Process. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the applicable laws of the United States of America. This Agreement has been entered into in Travis County, Texas, and it shall be performable for all purposes in Travis County, Texas. Subject to Section 13.14 of this Agreement, any action or proceeding against the Borrower under or in connection with any of the Loan Documents may be brought in any state or federal court in Travis County, Texas. The Borrower hereby irrevocably (a) submits to the nonexclusive jurisdiction of such courts, and (b) waives any objection it may now or hereafter have as to the venue of any such action or proceeding brought in any such court or that any such court is an inconvenient forum. The Borrower agrees that service of process upon it may be made by certified or registered mail, return receipt requested, at its address specified or determined in accordance with the provisions of Section 13.12. Nothing herein or in any of the other Loan Documents shall affect the right of the Agent, the Issuing Bank or any Lender to serve process in any other manner permitted by law or shall limit the right of the Agent, the Issuing Bank or any Lender to bring any action or proceeding against the Borrower or with respect to any of its property in courts in other jurisdictions. Subject to Section 13.14 of this Agreement, any action or proceeding by the Borrower against the Agent, the Issuing Bank or any Lender shall be brought only in a court located in Travis County, Texas.

Binding Arbitration.

Arbitration. The parties hereto agree, upon demand by any party, to submit to binding arbitration all claims, disputes and controversies between or among them (and their respective employees, officers, directors, attorneys, and other agents), whether in tort, contract or otherwise arising out of or relating to in any way (i) the loan and related Loan Documents which are the subject of this Agreement and its negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination; or (ii) requests for additional credit.

Governing Rules. Any arbitration proceeding will (i) proceed in a location in Texas selected by the American Arbitration Association ("AAA"); (ii) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (iii) be conducted by the AAA, or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in

accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any dispute. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. Section 91 or any similar applicable state law.

No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in clauses (i), (ii) and (iii) of this Section 13.14(c).

Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. The arbitrator will be a neutral attorney licensed in the State of Texas with a minimum of ten years experience in the substantive law applicable to the subject matter of the dispute to be arbitrated. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all disputes in accordance with the substantive law of Texas and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the dispute being arbitrated and must be completed no later than 20 days before the hearing date and within 180 days of the filing of the dispute with the AAA. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

Class Proceedings and Consolidations. The resolution of any dispute arising pursuant to the terms of this Agreement shall be determined by a separate arbitration proceeding and such dispute shall not be consolidated with other disputes or included in any class proceeding.

Payment Of Arbitration Costs And Fees. The arbitrator shall award all costs and expenses of the arbitration proceeding.

Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a dispute, the arbitration provision most directly related to the Loan Documents or the subject matter of the dispute shall control.

This arbitration provision shall survive termination, amendment or expiration of any of the Loan Documents or any relationship between the parties.

Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures hereby transmitted by facsimile or other electronic means shall be effective as originals.

Severability. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held to be invalid or illegal.

Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

Non-Application of Chapter 346 of Texas Finance Code. The provisions of Chapter 346 of the Texas Finance Code are specifically declared by the parties hereto not to be applicable to this Agreement or any of the other Loan Documents or to the transactions contemplated hereby.

Construction. The Borrower, the Agent, the Issuing Bank and each Lender acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the other Loan Documents with its legal counsel and that this Agreement and the other Loan Documents shall be construed as if jointly drafted by the parties hereto.

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 be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default if such action is taken or such condition exists.

Confidentiality. The Agent and each Lender (each, a "Lending Party") agrees to keep confidential any information furnished or made available to it by the Borrower pursuant to this Agreement that is marked confidential; provided that nothing herein shall prevent any Lending Party from disclosing such information (a) to any other Lending Party or any affiliate of any Lending Party, or any officer, director, employee, agent, or advisor of any Lending Party or affiliate of any Lending Party, (b) to any other Person if reasonably incidental to the administration of the credit facility provided herein, (c) as required by any law, rule, or regulation, (d) upon the order of any court or administrative agency, (e) upon the request or demand of any regulatory agency or authority, (f) that is or becomes available to the public or that is or becomes available to any Lending Party other than as a result of a disclosure by any Lending Party prohibited by this Agreement, (g) in connection with any litigation to which such Lending Party or any of its affiliates may be a party, (h) to the extent necessary in connection with the exercise of any remedy under this Agreement or any other Loan Document, and (i) subject to provisions substantially similar to those contained in this Section, to any actual or proposed participant or assignee.

USA Patriot Act Notice. Each Lender, the Issuing Bank and the Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub.L.107.56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender, the Issuing Bank or the Agent, as applicable, to identify the Borrower in accordance with the Act.

WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND EXPRESSLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY OR THE ACTIONS OF THE AGENT, THE ISSUING BANK, OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, OR ENFORCEMENT THEREOF.

ENTIRE AGREEMENT. THIS AGREEMENT, THE NOTES, AND THE OTHER LOAN DOCUMENTS REFERRED TO HEREIN REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES HERETO AND

MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

Amendment and Restatement. This Agreement amends and restates in its entirety the Existing Credit Agreement. The execution of this Agreement and the other Loan Documents executed in connection herewith does not extinguish the indebtedness outstanding in connection with the Existing Credit Agreement nor does it constitute a novation with respect to such indebtedness. THE BORROWER REPRESENTS AND WARRANTS THAT AS OF THE DATE HEREOF THERE ARE NO CLAIMS OR OFFSETS AGAINST OR DEFENSES OR COUNTERCLAIMS TO ITS OR ANY OBLIGATED PARTIES' OBLIGATIONS UNDER THE EXISTING CREDIT AGREEMENT, THE OTHER LOAN DOCUMENTS AND THE DOCUMENTATION RELATING TO THE DEPOSIT AND CASH MANAGEMENT SERVICES.

[Remainder of Page Intentionally Left Blank.]

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

BORROWER:

EZCORP, INC.

By:

Daniel N. Tonissen
Senior Vice President

Address for Notices:

1901 Capital Parkway
Austin, TX 78746
Fax No.: (512) 314-3404
Telephone No.: (512) 314-2289
Email: dtonissen@ezcorp.com
Attention: Daniel N. Tonissen
Chief Financial Officer

AGENT, ISSUING BANK AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
Agent, Issuing Bank
and a Lender

By:

Richard Gan
Vice President

Address for Notices:

111 Congress Avenue, Suite 300
Austin, Texas 78701
Fax No.: (512) 344-7318
Telephone No.: (512) 344-7037
Email: gan@wellsfargo.com
Attention: Richard Gan

Address for Operational Notices:

Wells Fargo Bank, N.A.
1700 Lincoln, 3rd Floor
MAC # C7300-034
Denver, Colorado 80274
Fax No.: (303) 863-5533
Telephone No.: (303) 863-5415
Email: kevin.j.rapp@wellsfargo.com
Attention: Kevin J. Rapp

with a copy to:

Winstead, Sechrest & Minick P.C.
5400 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270
Fax No.: (214) 745-5390
Telephone No.: (214) 745-5265
Email: rmatthews@winstead.com
Attention: T. Randall Matthews, Esq.

Lending Office for Base Rate Advances and
Eurodollar Advances:

111 Congress Avenue, Suite 300
Austin, Texas 78701

GUARANTY BANK,
as a Lender

By: _____

Name:
Title:

Address for Notices and Applicable Lending
Office: 301 Congress Avenue, Suite 300
Austin, TX 78701
Fax No.: (512) 320-1041
Telephone No.: (512) 320-1273
Attn: Dan Leonard

Lending Office for Base Rate Advances and
Eurodollar Advances:

8333 Douglas Avenue, 2nd Floor
Dallas, TX 75225
Attn: Loan Support

CERTIFICATION

I, Joseph L. Rotunda, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EZCORP, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2004

/s/ Joseph L. Rotunda

 Joseph L. Rotunda
 President, Chief Executive Officer
 & Director

CERTIFICATION

I, Dan N. Tonissen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EZCORP, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2004

/s/ Dan N. Tonissen

 Dan N. Tonissen
 Senior Vice President,
 Chief Financial Officer &
 Director

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the Quarter Ended March 31, 2004 (the "Report") by EZCORP, Inc. ("Registrant"), the undersigned hereby certifies that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Registrant.

Date: May 7, 2004

/s/ Joseph L. Rotunda

Joseph L. Rotunda
President, Chief Executive Officer
& Director

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the Quarter Ended March 31, 2004 (the "Report") by EZCORP, Inc. ("Registrant"), the undersigned hereby certifies that:

3. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
4. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Registrant.

Date: May 7, 2004

/s/ Dan N. Tonissen

Dan N. Tonissen
Senior Vice President,
Chief Financial Officer &
Director