AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 12, 2001

REGISTRATION NO. 333-65998

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ASBURY AUTOMOTIVE GROUP, INC.*
(Exact name of registrant as specified in its charter)

DELAWARE	5511	58-2241119
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

3 LANDMARK SQUARE
SUITE 500
STAMFORD, CONNECTICUT 06901
(203) 356-4400
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

THOMAS R. GIBSON
CHIEF EXECUTIVE OFFICER
ASBURY AUTOMOTIVE GROUP, INC.
3 LANDMARK SQUARE
SUITE 500
STAMFORD, CONNECTICUT 06901
(203) 356-4400
(Name and address, including zip code, and telephone number, including area code, of agent for service)

COPIES TO:

ROBERT ROSENMAN, ESQ.	ANDREW D. SOUSSLOFF, ESQ.
CRAVATH, SWAINE & MOORE	SULLIVAN & CROMWELL
WORLDWIDE PLAZA	125 BROAD STREET
825 EIGHTH AVENUE	NEW YORK, NEW YORK 10004
NEW YORK, NEW YORK 10019	(212) 558-4000
(212) 474-1000	FAX: (212) 558-3588
FAX: (212) 474-3700	

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. / /

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SECTION 8(A), MAY DETERMINE.

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* Immediately prior to the offering pursuant to this registration statement, all the membership interests in Asbury Automotive Group L.L.C. will be contributed to Asbury Automotive Group, Inc. Thus, Asbury Automotive Group L.L.C. will become a wholly-owned subsidiary of Asbury Automotive Group, Inc.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION. DATED OCTOBER 12, 2001.

[ ] Shares

[LOGO]

ASBURY AUTOMOTIVE GROUP, INC.

Common Stock

This is an initial public offering of shares of common stock of Asbury Automotive Group, Inc.

Asbury is offering [ ] of the shares to be sold in the offering. The selling stockholders identified in this prospectus are offering an additional [ ] shares. Asbury will not receive any of the proceeds from the sale of the shares being sold by the selling stockholders.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $[ ] and $[ ]. Asbury has applied to list the common stock on the New York Stock Exchange under the symbol "ABG."

SEE "RISK FACTORS" ON PAGE 5 TO READ ABOUT FACTORS YOU SHOULD CONSIDER BEFORE BUYING SHARES OF THE COMMON STOCK.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PER SHARE	TOTAL
Initial public offering price..............................	$	$
Underwriting discount......................................	$	$
Proceeds, before expenses, to Asbury........................	$	$
Proceeds, before expenses, to the selling stockholders......	$	$

To the extent that the underwriters sell more than [ ] shares of common

stock, the underwriters have the option to purchase up to an additional [ ] shares from Asbury at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on [ ], 2001.

GOLDMAN, SACHS & CO. MERRILL LYNCH & CO.

SALOMON SMITH BARNEY

Prospectus dated , 2001.

[MAP OF THE U.S. WITH ASBURY STORES]

[PHOTOS OF CERTAIN ASBURY STORES]

[LOGOS OF PLATFORMS]

No manufacturer or distributor has been involved, directly or indirectly, in the preparation of this prospectus or in the offering being made hereby. No manufacturer or distributor has been authorized to make any statements or representations in connection with the offering, and no manufacturer or distributor has any responsibility for the accuracy or completeness of this prospectus or for the offering.

PROSPECTUS SUMMARY

THE FOLLOWING IS A SUMMARY OF SOME OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. IT MAY NOT CONTAIN ALL THE INFORMATION THAT IS IMPORTANT TO YOU. TO UNDERSTAND THIS OFFERING FULLY, YOU SHOULD READ CAREFULLY THE ENTIRE PROSPECTUS, INCLUDING THE RISK FACTORS BEGINNING ON PAGE 5 AND THE FINANCIAL STATEMENTS.

IN THIS PROSPECTUS THE TERMS "ASBURY," "WE," "US" AND "OUR" REFER TO ASBURY AUTOMOTIVE GROUP, INC., UNLESS THE CONTEXT OTHERWISE REQUIRES, AND ITS SUBSIDIARIES AND THEIR RESPECTIVE PREDECESSORS IN INTEREST. THIS PROSPECTUS ASSUMES THAT, IMMEDIATELY PRIOR TO THIS OFFERING ASBURY AUTOMOTIVE GROUP L.L.C. WILL HAVE BEEN CONVERTED FROM A LIMITED LIABILITY COMPANY INTO A CORPORATION NAMED ASBURY AUTOMOTIVE GROUP, INC. THROUGH THE CONTRIBUTION OF ALL OF THE MEMBERSHIP INTERESTS IN ASBURY AUTOMOTIVE GROUP L.L.C. TO ASBURY AUTOMOTIVE GROUP, INC. AS A RESULT OF THIS CONVERSION, ASBURY AUTOMOTIVE GROUP L.L.C. WILL BECOME A WHOLLY-OWNED SUBSIDIARY OF ASBURY AUTOMOTIVE GROUP, INC. PER SHARE DATA INCLUDED IN THIS PROSPECTUS ASSUME THAT MEMBERSHIP INTERESTS IN THE LIMITED LIABILITY COMPANY OUTSTANDING IMMEDIATELY PRIOR TO THE CONVERSION WILL BE EXCHANGED FOR SHARES OF COMMON STOCK IN THE NEW CORPORATION ON THE BASIS OF [ ] SHARES OF COMMON STOCK FOR EACH [ ]% OF MEMBERSHIP INTEREST.

THIS PROSPECTUS INCLUDES STATISTICAL DATA REGARDING THE AUTOMOTIVE RETAILING INDUSTRY. UNLESS OTHERWISE INDICATED, SUCH DATA IS TAKEN OR DERIVED FROM INFORMATION PUBLISHED BY:

- THE INDUSTRY ANALYSIS DIVISION OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION, ALSO KNOWN AS "NADA," NADA DATA 2000.

- AUTOMOTIVE NEWS 2001 MARKET DATA BOOK.

- AUTOMOTIVE NEWS DATA CENTER.

- CNW MARKETING/RESEARCH.

- SALES & MARKETING MANAGEMENT 2000 SURVEY OF BUYING POWER AND MEDIA MARKETS.

BUSINESS

OUR COMPANY

We are one of the largest automotive retailers in the United States, currently operating 127 franchises at 87 dealership locations. We offer our customers an extensive range of automotive products and services, including new and used vehicle sales and related financing and insurance, vehicle maintenance and repair services, replacement parts and service contracts. Our retail network is organized into nine regional dealership groups, which we refer to as "platforms," located in 15 market areas that we believe represent attractive opportunities. Our franchises include a diverse portfolio of 36 American, European and Asian brands, and a majority of our dealerships are either luxury franchises or mid-line import brands. We have grown rapidly in recent years,

primarily through acquisition, with annual sales of $3.0 billion in 1999 and $4.0 billion in 2000, which represented a 34% increase in annual sales from 1999. For the six months ended June 30, 2001, we had sales of $2.1 billion compared to sales for the first six months of 2001 of $2.0 billion, which represented a 5% increase in sales. We sold a total of 154,422 new and used retail units in 2000, which represented a 32% increase over the 116,790 retail units sold in 1999. For the six months ended June 30, 2001, we sold a total of 76,320 new and used retail units, as compared to 76,394 retail units sold during the first six months of 2000.

We compete in a large and highly fragmented industry comprised of approximately 22,000 franchised dealerships. The U.S. automotive retailing industry is estimated to have annual sales of approximately $1 trillion, with the 100 largest dealer groups generating less than 10% of total sales revenue.

OUR STRENGTHS

We believe our strengths are as follows:

- EXPERIENCED AND INCENTIVIZED MANAGEMENT. The former platform owners of seven of our nine platforms, each with greater than 24 years of experience in the automotive retailing industry, continue to manage their respective platforms. Our platforms' senior management teams will collectively own approximately [ ]% of our outstanding common stock after this offering.

- ADVANTAGEOUS BRAND MIX. We believe our current brand mix includes a higher proportion of luxury and mid-line import franchises to total franchises than most public automotive retailers, accounting for 63% of new retail vehicle revenue in the year 2000 and 68% of new retail vehicle revenue for the first half of 2001. Luxury and mid-line imports generate above average gross margins on new vehicles and have greater customer loyalty and repeat purchases than mid-line domestic and value automobiles.

- REGIONAL CONCENTRATION AND STRONG BRANDING OF OUR PLATFORMS. Each of our platforms is comprised of between eight and 22 franchises and generated average 2000 pro forma revenues of approximately $500 million. Regional concentration and strong brand recognition allow our platforms to realize significant economies of scale.

- DIVERSIFIED REVENUE STREAMS/VARIABLE COST STRUCTURE. Used vehicle sales and parts, service and collision repair generate higher profit margins than new vehicle sales and tend to fluctuate less with economic cycles. In addition, our incentive-based compensation structure helps us to manage expenses in an economic downturn.

OUR STRATEGY

Our objective is to be the most profitable automotive retailer in select markets in the United States. To achieve this objective, we intend to follow the outlined strategy:

- CONTINUED GROWTH THROUGH TARGETED ACQUISITIONS. We will seek to establish platforms in new markets through acquisitions of large, profitable and well-managed dealership groups. We will also pursue additional dealerships within our established markets to complement our platforms.

- FOCUS ON HIGHER MARGIN PRODUCTS AND SERVICES. We will continue to focus our efforts on products and services that generate higher profit margins than new vehicle sales, such as used vehicle retail sales, finance and insurance, parts, service and collision repair, from which we currently derive approximately two-thirds of our total gross profit.

- DECENTRALIZED DEALERSHIP OPERATIONS. We believe that decentralized dealership operations on a platform basis, complemented by centralized technology and financial controls, enable us to provide timely market-specific responses to sales, services, marketing and inventory requirements.

Our principal executive offices are located at 3 Landmark Square, Stamford, Connecticut 06901. Our telephone number is (203) 356-4400. Our World Wide Web site address is http://www.asburyauto.com. Information contained on our website or that can be accessed through our website is not incorporated by reference in this prospectus. You should not consider information contained on our website or that can be accessed through our website to be part of this prospectus.

THE OFFERING

Common stock offered by us............	shares(1)
Common stock offered by selling stockholders........................	shares
Total common stock offered............	shares(1)
Common stock outstanding after this offering............................	shares(2)
Use of Proceeds.......................	We intend to use the net proceeds from the sale of the common stock offered by us for repayment of outstanding indebtedness and general corporate purposes, including working capital and possible acquisitions. We will not receive any proceeds from the sale of shares by the selling stockholders.
Proposed NYSE Symbol..................	ABG
Risk Factors..........................	See "Risk Factors" beginning on page 5 of this prospectus for a discussion of factors that you should carefully consider before deciding to invest in shares of our common stock.

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(1) Does not include shares of common stock that may be sold by us if the underwriters choose to exercise their over-allotment option.

(2) Does not include (a) options issued under our 1999 Option Plan for [ ]% of the limited liability company interests in us converted to [   ] shares of common stock with a weighted average exercise price of $[   ] per share and (b) [ ] shares of common stock reserved for issuance under our 2001 Stock Option Plan, under which options to purchase [ ] shares of common stock will be issued on the date of this prospectus at the offering price set forth on the cover page.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL DATA

The summary below presents our consolidated financial information and should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this prospectus. The pro forma as adjusted columns reflect: (a) our recently completed and probable acquisitions; (b) our change in tax status and the method of valuing certain of our inventories that will occur simultaneously with our becoming a corporation; (c) the conversion of certain executives' carried interests (that is, interests in an increase in our value) into options for our common stock; and (d) this offering of our common stock and our use of a portion of the proceeds to us to pay down debt.

SIX MONTHS ENDED YEAR ENDED
DECEMBER 31, JUNE 30, -------

-------------- -------------
------------------------ 2000
2001 ------------------------
- ------------------------
PRO FORMA PRO FORMA 1998 1999
ACTUAL AS ADJUSTED 2000
ACTUAL AS ADJUSTED ---------
---------- ---------- -------
----- ---------- ---------- -
----------- ($ IN THOUSANDS,
EXCEPT PER SHARE DATA) INCOME
STATEMENT DATA: Revenues: New
vehicles................. $
687,850 $1,820,393 $2,439,729
$2,802,033 $1,212,693
$1,223,809 $1,320,532 Used
vehicles.................
221,828 787,029 1,064,102
1,228,166 531,102 571,482
617,516 Parts, service and
collision
repair......................

156,037 341,506 434,478
487,576 207,250 239,396
256,735 Finance and
insurance, net.... 19,149
63,206 89,481 97,478 42,823
49,739 51,569 --------- -----
----- ---------- ---------- -
--------- ---------- --------
-- Total
revenues..................
1,084,864 3,012,134 4,027,790
4,615,253 1,993,868 2,084,426
2,246,352 Gross
profit....................
155,449 441,168 597,539
673,093 293,196 322,093
341,471 Income from
operations.......... 21,810
81,564 121,885 142,667 65,454
61,038 66,650 Income before
minority interest and
extraordinary loss........
18,118 37,420 38,667 31,156
25,172 18,935 14,632 Net
income......................
3,081 16,148 28,927 31,156
15,646 17,000 14,632 Income
(loss) per common share--
basic........................
n/a n/a n/a [ ] n/a n/a $ [ ]
OTHER DATA: Gross profit
margin............. 14.3%
14.6% 14.8% 14.6% 14.7% 15.5%
15.2% Operating income
margin......... 2.0% 2.7%
3.0% 3.1% 3.3% 2.9% 3.0% New
vehicle retail units sold...
27,734 71,604 96,614 108,578
46,917 46,190 49,154 Used
vehicle retail units
sold.........................
15,205 45,186 57,808 66,255
29,477 30,130 32,626

AS OF JUNE 30, 2001 ------------------------ PRO FORMA
ACTUAL AS ADJUSTED --------- ------------ ($ IN THOUSANDS)
BALANCE SHEET DATA:
Inventories...
$508,331 $550,723 Total current
assets...................................... 766,091
833,909 Property and equipment,
net............................... 235,561 241,773
Goodwill..
364,002 403,490 Total
assets..
1,424,181 1,534,268 Floor plan notes
payable................................... 484,384 514,407
Total current liabilities, including floor plan notes
payable...
607,370 638,458 Total long-term debt, including current
portion............ 486,038 477,970 Total
equity..
327,428 399,968

RISK FACTORS

You should carefully consider the following risks and other information in this prospectus before deciding to invest in shares of our common stock. If any of the following risks and uncertainties actually occur, our business' financial condition or operating results may be materially and adversely affected. In this event, the trading price of our common stock may decline and you may lose part or all of your investment.

RISKS RELATED TO OUR DEPENDENCE ON VEHICLE MANUFACTURERS

IF WE FAIL TO OBTAIN RENEWALS OF ONE OR MORE OF OUR FRANCHISE AGREEMENTS FROM VEHICLE MANUFACTURERS ON FAVORABLE TERMS, OR IF ONE OR MORE OF OUR FRANCHISE

AGREEMENTS ARE TERMINATED, OUR OPERATIONS MAY BE SIGNIFICANTLY COMPROMISED.

Each of our dealerships operates under the terms of a franchise agreement with the manufacturer (or manufacturer-authorized distributor) of each vehicle brand it carries. Our dealerships may obtain new vehicles from manufacturers, sell new vehicles and display vehicle manufacturers' trademarks only to the extent permitted under franchise agreements. As a result of our dependence on these franchise rights, manufacturers exercise a great deal of control over our day-to-day operations and the terms of our franchise agreements implicate key aspects of our operations, acquisition strategy and capital spending.

Each of our franchise agreements provides the manufacturer with the right to terminate the agreement or refuse to renew it after the expiration of the term of the agreement under specified circumstances. We cannot assure you we will be able to renew any of our existing franchise agreements or that we will be able to obtain renewals on favorable terms. Specifically, many of our franchise agreements provide that the manufacturer may terminate the agreement or direct us to divest the subject dealerships, if the dealership undergoes a change of control. Provisions such as these may provide manufacturers with superior bargaining positions in the event that they seek to terminate our franchise agreements or renegotiate the agreements on terms that are disadvantageous to us. Some of our franchise agreements also provide the manufacturer with the right to purchase from us any franchise we seek to sell. Our results of operations may be materially and adversely affected to the extent that our franchise rights become compromised or our operations restricted due to the terms of our franchise agreements.

MANUFACTURERS' STOCK OWNERSHIP RESTRICTIONS LIMIT OUR ABILITY TO ISSUE ADDITIONAL EQUITY, WHICH MAY HAMPER OUR ABILITY TO MEET OUR FINANCING NEEDS.

Some of our automobile franchise agreements prohibit transfers of any ownership interests of a dealership or, in some cases, its parent. The most prohibitive restriction, which has been imposed by various manufacturers, provides that, under certain circumstances, we may lose a franchises if a person or entity acquires an ownership interest in us above a specified level (ranging from 20% to 50% depending on the particular manufacturer's restrictions) without the approval of the applicable manufacturer. This trigger level can fall to as low as 5% if another vehicle manufacturer is the entity acquiring the ownership interest.

Violations by our stockholders or prospective stockholders (including vehicle manufacturers) of these ownership restrictions are generally outside of our control and may result in the termination or non-renewal of one or more franchises, which may have a material adverse effect on us. We cannot assure you that manufacturers will grant the approvals required for such acquisitions. Moreover, if we are unable to obtain the requisite approval in a timely manner we may not be able to issue additional equity in the time necessary to take advantage of a market opportunity dependent on ready financing or an equity issuance. These restrictions may also prevent or deter prospective acquirers from acquiring control of us and, therefore, may adversely impact the value of our common stock.

MANUFACTURERS' RESTRICTIONS ON ACQUISITIONS MAY LIMIT OUR FUTURE GROWTH.

We are required to obtain the consent of the applicable manufacturer before we can acquire any additional dealership franchises. We cannot assure you that manufacturers will consent to future acquisitions which may deter us from being able to take advantage of a market opportunity. Obtaining manufacturer consent for acquisitions may also take a significant amount of time which may negatively affect our ability to acquire an attractive target. In addition, under an applicable franchise agreement or under state law, a manufacturer may have a right of first refusal to acquire a dealership that we seek to acquire.

Many vehicle manufacturers place limits on the total number of franchises that any group of affiliated dealerships may obtain. A manufacturer may place generic limits on the number of franchises or share of total franchises or vehicle sales maintained by an affiliated dealership group on a national, regional or local basis. Manufacturers may also tailor these types of restrictions to particular dealership groups. Our current franchise mix has caused us to reach the present franchise ceiling, set by agreement or corporate policy, with Acura, and we are close to our franchise ceiling with Toyota and Jaguar. We may have difficulty, or it may be impossible, for us to obtain additional franchises from manufacturers once we reach their franchise ceilings.

As a condition to granting their consent to our acquisitions, a number of manufacturers may impose additional restrictions on us. Manufacturers' restrictions typically prohibit:

- material changes in our company or extraordinary corporate transactions

such as a merger, sale of a substantial amount of assets or any change in our board of directors or management that may have a material adverse effect on the manufacturer's image or reputation or may be materially incompatible with the manufacturer's interests;

- the removal of a dealership general manager without the consent of the manufacturer; and

- the use of dealership facilities to sell or service new vehicles of other manufacturers.

OUR DEALERS DEPEND UPON VEHICLE SALES AND, THEREFORE, THEIR SUCCESS DEPENDS IN LARGE PART UPON THE DEMANDS FOR THE PARTICULAR VEHICLE LINES THEY CARRY.

The success of our dealerships depends in large part on the overall success of the vehicle lines they carry. New vehicle sales generate the majority of our gross revenue and lead to sales of higher-margin products and services such as finance and insurance products and repair and maintenance services. Although we have sought to limit our dependence on any one vehicle brand, we have focused our new vehicle sales operations in mid-line import and luxury brands. Further, in 2000, Honda, Ford, Toyota and Nissan accounted for 17%, 13%, 10% and 8% of our revenues from new vehicle sales, respectively. No other franchise accounted for more than 5% of our total new vehicle retail sales revenue in 2000. If one or more vehicle lines that separately or collectively account for a significant percentage of our new vehicle sales suffer from decreasing consumer demand, our new vehicle sales and related revenues may be materially reduced.

IF WE FAIL TO OBTAIN A DESIRABLE MIX OF POPULAR NEW VEHICLES FROM MANUFACTURERS, OUR PROFITABILITY WILL BE NEGATIVELY IMPACTED.

We depend on manufacturers to provide us with a desirable mix of popular new vehicles. Typically, popular vehicles produce the highest profit margins but tend to be the most difficult to obtain from manufacturers. Manufacturers generally allocate their vehicles among their franchised dealerships based on the sales history of each dealership. If our dealerships experience prolonged sales slumps, those manufacturers will cut back their allotments of popular vehicles to our dealerships and new vehicle sales and profits may decline.

IF AUTOMOBILE MANUFACTURERS DISCONTINUE INCENTIVE PROGRAMS, OUR SALES VOLUME AND/OR PROFIT MARGIN ON EACH SALE MAY BE MATERIALLY AND ADVERSELY AFFECTED.

Our dealerships depend on manufacturers for certain sales incentives, warranties and other programs that are intended to promote and support new vehicle sales. Manufacturers often make many changes to their incentive programs during each year. Some key incentive programs include:

- customer rebates on new vehicles;

- dealer incentives on new vehicles;

- special financing or leasing terms;

- warranties on new and used vehicles; and

- sponsorship of used vehicle sales by authorized new vehicle dealers.

A reduction or discontinuation of key manufacturers' incentive programs may reduce our new vehicle sales volume resulting in decreased vehicle sales and related revenues.

ADVERSE CONDITIONS AFFECTING ONE OR MORE MANUFACTURERS MAY NEGATIVELY IMPACT OUR PROFITABILITY.

The success of each of our dealerships depends to a great extent on vehicle manufacturers':

- financial condition;

- marketing efforts;

- vehicle design;

- production capabilities;

- reputation;

- management; and

- labor relations.

Adverse conditions affecting these and other important aspects of manufacturers' operations and public relations may adversely affect our ability to market their automobiles to the public and, as a result, significantly and detrimentally affect our profitability.

OUR FAILURE TO MEET A MANUFACTURER'S CONSUMER SATISFACTION AND FINANCIAL AND SALES PERFORMANCE REQUIREMENTS MAY ADVERSELY AFFECT OUR ABILITY TO ACQUIRE NEW DEALERSHIPS AND OUR PROFITABILITY.

Many manufacturers attempt to measure customers' satisfaction with their purchase and warranty service experiences through rating systems which are generally known as consumer satisfaction indexes, or CSI, which augment manufacturers' monitoring of dealerships' financial and sales performance. Manufacturers may use these performance indicators as a factor in evaluating applications for additional acquisitions. The components of these performance indicators have been modified by various manufacturers from time to time in the past, and we cannot assure you that these components will not be further modified or replaced by different systems in the future. Some of our dealerships have had difficulty from time to time meeting these standards. We cannot assure you that we will be able to comply with these standards in the future. A manufacturer may refuse to consent to our acquisition of one of its franchises if it determines our dealerships do not comply with its performance standards. This may impede our ability to execute our acquisition strategy. In addition, we receive payments from the manufacturers based, in part, on CSI scores, and future payments may be materially reduced or eliminated if our CSI scores decline.

IF STATE DEALER LAWS ARE REPEALED OR WEAKENED, OUR DEALERSHIPS WILL BE MORE SUSCEPTIBLE TO TERMINATION, NON-RENEWAL OR RE-NEGOTIATION OF THEIR FRANCHISE AGREEMENTS.

State dealer laws generally provide that a manufacturer may not terminate or refuse to renew a franchise agreement unless it has first provided the dealer with written notice setting forth good cause and stating the grounds for termination or nonrenewal. Some state dealer laws allow dealers to file protests or petitions or attempt to comply with the manufacturer's criteria within the notice period to avoid the termination or nonrenewal. Though unsuccessful to date, manufacturers' lobbying efforts may lead to the repeal or revision of state dealer laws. If dealer laws are repealed in the states in which we operate, manufacturers may be able to terminate our franchises without providing advance notice, an opportunity to cure or a showing of good cause. Without the protection of state dealer laws, it may also be more difficult for our dealers to renew their franchise agreements upon expiration.

RISKS RELATED TO OUR ACQUISITION STRATEGY

IF WE ARE UNABLE TO SUCCESSFULLY INTEGRATE ACQUISITIONS, WE WILL BE UNABLE TO REALIZE DESIRED RESULTS FROM OUR GROWTH THROUGH ACQUISITION STRATEGY AND ACQUIRED OPERATIONS WILL DRAIN RESOURCES FROM COMPARATIVELY PROFITABLE OPERATIONS.

The automobile retailing industry is considered a mature industry in which minimal growth is expected in industry unit sales. Accordingly, our future growth depends in large part on our ability to acquire additional dealerships, manage expansion, control costs in our operations and consolidate acquired dealerships into our organization. In pursuing our strategy of acquiring other dealerships, we face risks commonly encountered with growth through acquisitions. These risks include, but are not limited to:

- incurring significantly higher capital expenditures and operating expenses;

- failing to integrate the operations and personnel of the acquired dealerships;

- entering new markets with which we are unfamiliar;

- incurring undiscovered liabilities at acquired dealerships;

- disrupting our ongoing business;

- diverting our management resources;

- failing to maintain uniform standards controls and policies;

- impairing relationships with employees, manufacturers and customers as a result of changes in management;

- causing increased expenses for accounting and computer systems;

- failing to obtain manufacturers' consents to acquisitions of additional franchises; and

- incorrectly valuing acquired entities.

We may not adequately anticipate all the demands that our growth will impose on our personnel, procedures and structures, including our financial and reporting control systems, data processing systems and management structure. Moreover, our failure to retain qualified management personnel at any acquired dealership may increase the risk associated with integrating the acquired dealership. If we cannot adequately anticipate and respond to these demands, we may fail to realize acquisition synergies and our resources will be focused on incorporating new operations into our structure rather than on areas that may be more profitable.

WE MAY BE UNABLE TO CAPITALIZE ON ACQUISITION OPPORTUNITIES BECAUSE OUR FINANCIAL RESOURCES ARE LIMITED.

We intend to finance our acquisitions by issuing shares of common stock as full or partial consideration for acquired dealerships. The extent to which we will be able or willing to issue common stock for acquisitions will depend on the market value of the common stock from time to time and the willingness of potential acquisition candidates to accept common stock as part of the consideration for the sale of their businesses. Since we may focus on large platform acquisitions, it is possible that we will issue a significant number of additional shares of common stock in connection with such acquisitions in the near future. The additional shares of common stock may be as much as, or more than, the number of outstanding shares of common stock available immediately after the offering. Moreover, manufacturer consent is required before we can acquire additional dealerships and, in some cases, to issue additional equity. See "Risk Factors--Manufacturers' restrictions on acquisitions may limit our future growth," and "Risk Factors--Manufacturers' stock ownership restrictions limit our ability to issue additional equity, which may hamper our ability to meet our financing needs." We may be required to use available cash or other sources of debt or equity financing. We cannot assure you that we will be able to obtain additional financing by issuing stock or debt securities, and using cash to complete acquisitions may substantially limit our operating or financial flexibility. If we are unable to obtain financing on acceptable terms, we may be required to reduce the scope of our presently anticipated expansion, which may materially and adversely affect our growth strategy.

We are dependent to a significant extent on our ability to finance our inventory. Automotive retail inventory financing involves borrowing significant sums of money in the form of "floor plan" financing. Floor plan financing is how a dealership finances its purchase of new vehicles from a manufacturer. The dealership borrows money to buy a particular vehicle from the manufacturer and pays off the loan when it sells that particular vehicle, paying interest during the interim period. We must obtain new floor plan financing or obtain consents to assume such financing in connection with our acquisition of dealerships. Our pledging of substantially all our inventory and other assets to obtain this financing may impede our ability to borrow from other sources.

OUR SUBSTANTIAL INDEBTEDNESS MAY LIMIT OUR ABILITY TO OBTAIN FINANCING FOR ACQUISITIONS AND WILL REQUIRE THAT A SIGNIFICANT PORTION OF OUR CASH FLOW BE USED FOR DEBT SERVICE.

We have substantial indebtedness and, as a result, significant debt service obligations. As of June 30, 2001, we had approximately $980.4 million of total indebtedness outstanding. Of this amount, $484.4 represents floor plan financing. Our total indebtedness outstanding (excluding floor plan financing) is equal to approximately 60% of our total capitalization plus short-term debt. As of June 30, 2001, after giving pro forma effect to this offering and the application of the net proceeds to us, our total indebtedness would have been approximately $1,002.4 million ($488.0 million, excluding floor plan financing), representing approximately 55% of total capitalization. We may incur substantial additional indebtedness in the future. We will have substantial debt service obligations, consisting of cash payments of principal and interest, for the foreseeable future.

The terms of our borrowing facilities also place restrictions on our ability to engage in specific corporate transactions. In particular, the facilities prohibit us from paying dividends, undergoing a change of control and disposing of significant assets or subsidiaries.

The degree of our financial leverage and, as a result, significant debt service obligations, may have a significant impact on our financial results and operations, including:

- limiting our ability to obtain additional financing to fund our growth strategy, working capital requirements, capital expenditures, acquisitions, debt service requirements or other general corporate requirements;

- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of our cash flow to fund debt service obligations; and

- increasing our vulnerability to adverse economic and industry conditions that may negatively impact our cash flow available for debt service.

THE COMPETITION WITH OTHER DEALER GROUPS TO ACQUIRE AUTOMOTIVE DEALERSHIPS IS INTENSE, AND WE MAY NOT BE ABLE TO FULLY IMPLEMENT OUR GROWTH THROUGH ACQUISITION STRATEGY IF ATTRACTIVE TARGETS ARE ACQUIRED BY COMPETING GROUPS OR PRICED OUT OF OUR REACH DUE TO COMPETITIVE PRESSURES.

We believe that the U.S. automotive retailing market is fragmented and offers many potential acquisition candidates that meet our targeting criteria. However, we compete with several other national dealer groups, some of which may have greater financial and other resources, and competition with existing dealer groups and dealer groups formed in the future for attractive acquisition targets may result in fewer acquisition opportunities and increased acquisition costs. We will have to forego acquisition opportunities to the extent that we cannot negotiate acquisitions on acceptable terms.

RISKS RELATED TO COMPETITION

THE LOSS OF KEY PERSONNEL AND LIMITED MANAGEMENT AND PERSONNEL RESOURCES MAY ADVERSELY AFFECT OUR OPERATIONS AND GROWTH.

Our success depends to a significant degree upon the continued contributions of our management team, particularly our senior management, and service and sales personnel. Additionally, manufacturer franchise agreements may require the prior approval of the applicable manufacturer before any change is made in dealership general managers. We do not have employment agreements with most of our dealership managers and other key dealership personnel. Consequently, the loss of the services of one or more of these key employees may materially impair the efficiency and productivity of our operations.

In addition, we may need to hire additional managers as we expand. The market for qualified employees in the industry and in the regions in which we operate, particularly for general managers and sales and service personnel, is highly competitive and may subject us to increased labor costs during periods of low unemployment. The loss of the services of key employees or the inability to attract additional qualified managers may adversely affect the ability of our dealerships to conduct their operations in accordance with the standards set by our headquarters management.

SUBSTANTIAL COMPETITION IN AUTOMOBILE SALES MAY ADVERSELY AFFECT OUR PROFITABILITY.

The automotive retailing and servicing industry is highly competitive with respect to price, service, location and selection. Our competition includes:

- franchised automobile dealerships in our markets that sell the same or similar new and used vehicles that we offer;

- other national or regional affiliated groups of franchised dealerships;

- privately negotiated sales of used vehicles;

- service center chain stores; and

- independent service and repair shops.

We do not have any cost advantage in purchasing new vehicles from manufacturers. We typically rely on advertising, merchandising, sales expertise, service reputation and dealership location to sell new and used vehicles. Our franchise agreements do not grant us the exclusive right to sell a manufacturer's product within a given geographic area. Our revenues or profitability

may be materially and adversely affected if competing dealerships expand their market share or are awarded additional franchises by manufacturers that supply our dealerships.

RISKS RELATED TO THE AUTOMOTIVE INDUSTRY

OUR BUSINESS WILL BE HARMED IF OVERALL CONSUMER DEMAND SUFFERS FROM A SEVERE OR SUSTAINED DOWNTURN.

Our business is heavily dependent on consumer demand and preferences. Our revenues will be materially and adversely affected if there is a severe or sustained downturn in overall levels of consumer spending. Retail vehicle sales are cyclical and historically have experienced periodic downturns characterized by oversupply and weak demand. These cycles are often dependent on general economic conditions and consumer confidence, as well as the level of discretionary personal income and credit availability. The current economic outlook appears uncertain and consumer demand may decline in the aftermath of the terrorist attacks in the U.S. on September 11, 2001. Future recessions may have a material adverse effect on our retail business, particularly sales of new and used automobiles. Our sales of trucks and bulk sales of vehicles to corporate customers are also cyclical and dependent on overall levels of economic activity. In addition, severe or sustained increases in gasoline prices may lead to a reduction in automobile purchases or a shift in buying patterns from luxury/SUV models (which typically provide high profit margins to retailers) to smaller, more economical vehicles (which typically have lower margins).

OUR BUSINESS MAY BE ADVERSELY AFFECTED BY UNFAVORABLE CONDITIONS IN OUR LOCAL MARKETS, EVEN IF THOSE CONDITIONS ARE NOT PROMINENT NATIONALLY.

Our performance is also subject to local economic, competitive and other conditions prevailing in our platforms' particular geographic areas. Our dealerships currently are located primarily in the Atlanta, Austin, Chapel Hill, Dallas-Fort Worth, Greensboro, Houston, Jackson, Jacksonville, Little Rock, Orlando, Raleigh, Richmond, Portland, St. Louis and Tampa markets. Although we intend to pursue acquisitions outside of these markets, our current operations are based in these areas. As a consequence, our results of operations depend substantially on general economic conditions and consumer spending levels in the Southeast and Texas, and to a lesser extent in the Northwest and Midwest.

THE SEASONALITY OF THE AUTOMOBILE RETAIL BUSINESS MAGNIFIES THE IMPORTANCE OF OUR SECOND AND THIRD QUARTER RESULTS.

The automobile industry is subject to seasonal variations in revenues. Demand for automobiles is generally lower during the first and fourth quarters of each year. Accordingly, we expect our revenues and operating results generally to be lower in our first and fourth quarters than in our second and third quarters. Therefore, if conditions surface during the second or third quarters that retard automotive sales, such as high fuel costs, depressed economic conditions or similar adverse conditions, our sales revenues for the year will be disproportionately adversely affected.

OUR BUSINESS MAY BE ADVERSELY AFFECTED BY IMPORT PRODUCT RESTRICTIONS AND FOREIGN TRADE RISKS THAT MAY IMPAIR OUR ABILITY TO SELL FOREIGN VEHICLES PROFITABLY.

A significant portion of our new vehicle business will involve the sale of vehicles, parts or vehicles composed of parts that are manufactured outside the United States. As a result, our operations will be subject to customary risks of importing merchandise, including fluctuations in the relative values of currencies, import duties, exchange controls, trade restrictions, work stoppages and general political and socio-economic conditions in foreign countries. The United States or the countries from which our products are imported may, from time to time, impose new quotas, duties, tariffs or other restrictions, or adjust presently prevailing quotas, duties or tariffs, which may affect our operations and our ability to purchase imported vehicles and/or parts at reasonable prices.

OUR CAPITAL COSTS AND RESULT OF OPERATIONS MAY BE MATERIALLY AND ADVERSELY AFFECTED BY A RISING INTEREST RATE ENVIRONMENT.

We finance our purchases of new and, to a lesser extent, used vehicle inventory under a floor plan borrowing arrangement under which we are charged interest at floating rates. We obtain capital for acquisitions and for some working capital purposes under a similar arrangement. As a result, our debt service expenses may rise with increases in interest rates. Rising interest rates may also have the effect of depressing demand in the interest rate sensitive aspects of our business, particularly new and used vehicle sales, because many of our customers finance their vehicle purchases. As a result, rising interest rates may have the effect of simultaneously increasing our costs and reducing our revenues.

GENERAL RISKS RELATED TO INVESTING IN OUR STOCK

WE WILL BE CONTROLLED BY RIPPLEWOOD HOLDINGS L.L.C., WHICH MAY HAVE INTERESTS DIFFERENT FROM YOUR INTERESTS.

After the completion of the offering, Asbury Automotive Holdings L.L.C., a controlled affiliate of Ripplewood Holdings L.L.C., will own [ ]% of our common stock, and certain platform principals, consisting of the former owners of our platforms and members of their management teams, will collectively own [ ]% of our common stock, assuming no exercise of the underwriters' over-allotment option. We do not know Asbury Automotive Holdings' future plans as to its holdings of our common stock and cannot give you any assurances that its actions will not negatively affect our common stock in the future. For example, Asbury Automotive Holdings has from time to time had discussions with competitors regarding potential business combinations.

Pursuant to stockholders agreement among us, Asbury Automotive Holdings and the platform principals, the platform principals are required to vote their shares in accordance with Asbury Automotive Holdings' instructions with respect to:

- persons nominated by Asbury Automotive Holdings to our board of directors (and persons nominated against Asbury Automotive Holdings' nominees); and

- any matter to be voted on by the holders of our common stock, whether or not the matter was initiated by Asbury Automotive Holdings.

CONCENTRATION OF VOTING POWER AND ANTI-TAKEOVER PROVISIONS OF OUR CHARTER, BYLAWS, DELAWARE LAW AND OUR FRANCHISE AGREEMENTS MAY REDUCE THE LIKELIHOOD OF ANY POTENTIAL CHANGE OF CONTROL.

When this offering is completed, Ripplewood, through its control of Asbury Automotive Holdings, will control [ ]% of our common stock. Further, under the stockholders agreement, Ripplewood will have the power to cause the platform principals (who, together with Ripplewood will collectively hold [ ]% of our common stock after this offering is completed, assuming no exercise of the underwriters' over-allotment option) to vote in favor of Ripplewood's nominees to our board of directors.

Provisions of our charter and bylaws may have the effect of discouraging, delaying or preventing a change in control of us or unsolicited acquisition proposals that a stockholder might consider favorable. These include provisions:

- providing that no more than one-third of the members of our board of directors stand for re-election by the stockholders at each annual meeting;

- permitting the removal of a director from office only for cause and only by the affirmative vote of the holders of at least 80% of the voting power of all common stock outstanding;

- vesting the board of directors with sole power to set the number of directors;

- allowing a special meeting of the shareholders to be called only by the chairman of our board of directors, either on his or her own initiative or at the request of stockholders collectively holding at least 50% of the common stock outstanding;

- prohibiting stockholder action by written consent;

- requiring the affirmative vote of the holders of at least 80% of the voting power of all common stock outstanding to effect certain amendments to our charter or by-laws; and

- requiring formal advance notice for nominations for election to our board of directors or for proposing matters that can be acted upon at stockholders' meetings.

In addition, Delaware law makes it difficult for stockholders who have recently acquired a large interest in a corporation to cause the merger or acquisition of the corporation against the directors' wishes. Furthermore, our board of directors has the authority to issue shares of preferred stock in one or more series and to fix the rights and preferences of the shares of any such series without stockholder approval. Any series of preferred stock is likely to be senior to the common stock with respect to dividends, liquidation rights and, possibly, voting rights. Our board's ability to issue preferred stock may also have the effect of discouraging unsolicited acquisition proposals, thus adversely affecting the market price of the common stock. Finally, restrictions

imposed by some of our dealer agreements may impede or prevent any potential takeover bid.

Under the terms of the options granted under our 2001 option plan, many option grants will fully vest and become immediately exercisable upon a change in control of us, which, together with severance arrangements and other change of control provisions contained in several of our employment agreements with our executives, may further deter a potential acquisition bid.

GOVERNMENTAL REGULATIONS AND ENVIRONMENTAL REGULATION COMPLIANCE COSTS MAY ADVERSELY AFFECT OUR PROFITABILITY.

We are subject to a wide range of federal, state and local laws and regulations, such as local licensing requirements, consumer protection laws and environmental requirements governing, among other things, discharges into the air and water, above ground and underground storage of petroleum substances and chemicals, handling and disposal of wastes and remediation of contamination arising from spills and releases. If we or our properties violate these laws and regulations, we may be subject to civil and criminal penalties, or a cease and desist order may be issued against our operations that are not in compliance. Our future acquisitions may also be subject to governmental regulation, including antitrust reviews. We believe that all of our platforms, the first of which we acquired in 1996, comply in all material respects with all applicable laws and regulations relating to our business, but future laws and regulations may be more stringent and require us to incur significant additional costs.

SHARES ELIGIBLE FOR FUTURE SALE, INCLUDING SHARES OWNED BY ASBURY AUTOMOTIVE HOLDINGS, MAY CAUSE THE MARKET PRICE OF OUR COMMON STOCK TO DROP SIGNIFICANTLY, EVEN IF OUR BUSINESS IS DOING WELL.

The potential for sales of substantial amounts of our common stock in the public market after this offering may adversely affect the market price of the common stock. After this offering is concluded, we will have [ ] shares of common stock outstanding ([ ] shares if the underwriters exercise their over-allotment option in full), including [ ] shares owned by Asbury Automotive Holdings. Of these shares, the [ ] shares of common stock offered hereby ([ ] shares if the underwriters exercise their over-allotment option in full) will be freely tradable without restriction or further registration under the Securities Act, except for shares held by persons deemed to be "affiliates" of us (including Asbury Automotive Holdings) or acting as "underwriters," as those terms are defined in the Securities Act and related rules. The remaining [ ] shares of common stock outstanding, including the shares owned by Asbury Automotive Holdings, will be "restricted

securities" within the meaning of Rule 144 under the Securities Act and will be eligible for resale subject to the volume, manner of sale, holding period and other limitations of Rule 144.

In addition to outstanding shares eligible for sale, [ ] shares of our common stock are issuable under currently outstanding stock options granted to certain executive officers and employees. An additional [ ] shares of common stock are reserved for issuance to employees under our 2001 Stock Option Plan, and options for [ ] shares of common stock will be granted pursuant to that plan at the time of the offering. See "Shares Eligible for Future Sale."

IF WE ARE UNABLE TO RETAIN KEY MANAGEMENT OR OTHER PERSONNEL, WE MAY BE UNABLE TO SUCCESSFULLY DEVELOP OUR BUSINESS.

We depend on our executive officers as well as other key personnel. Not all our key personnel are bound by employment agreements, and those with employment agreements are bound only for a limited period of time. If we are unable to retain our key personnel, we may be unable to successfully develop and implement our business plans. Further, we do not maintain "key man" life insurance policies on any of our executive officers or key personnel.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about the industry in which we operate, management's beliefs and assumptions made by management. Such statements include, in particular, statements about our plans, strategies and prospects under the headings "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Shares Eligible for Future Sale" and "Underwriting." Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from

what is expressed or forecasted in such forward-looking statements. Except as required under the federal securities laws and the rules and regulations of the Securities and Exchange Commission, we do not have any intention or obligation to update publicly any forward-looking statements after we distribute this prospectus, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

We estimate that our proceeds from the sale of [ ] shares of common stock in this offering (at an assumed offering price of $[ ] per share), after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $[ ] million ($[ ] million if the underwriters exercise their over-allotment option in full). We will not receive any proceeds from the sale of [ ] shares of common stock by the selling stockholders. Pursuant to the terms of our $550 million acquisition credit facility, we are required to apply 80% of the net proceeds to us from this offering to repay debt incurred under the facility. Since the formation of the credit facility in January 2001, we have drawn a total of $44 million to finance the acquisition of five dealerships. The credit facility terminates in January 2004 and has a variable interest rate. After reduction of our debt under the credit facility, we will have the ability to borrow additional funds from the credit facility in accordance with its terms. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Credit Facilities". We will use the remaining net proceeds to us for working capital, future platform or dealership acquisitions and general corporate purposes.

DIVIDEND POLICY

We intend to retain all our earnings to finance the growth and development of our business, including future acquisitions. Our acquisition financing credit facility prohibits us from declaring or paying cash dividends or other distributions to our stockholders. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any future change in our dividend policy will be made at the discretion of our board of directors and will depend on the then applicable contractual restrictions on us contained in our financing credit facilities and other agreements, our results of operations, earnings, capital requirements and other factors considered relevant by our board of directors.

DILUTION

Our pro forma net tangible book value as of June 30, 2001, was $[ ] per share of common stock. Pro forma net tangible book value per share represents our pro forma tangible net worth (pro forma tangible assets less pro forma total liabilities), divided by the total number of shares of our common stock outstanding.

Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of common stock in this offering and the net tangible book value per share of common stock immediately after the completion of this offering. After giving effect to the sale by us of [ ] shares of common stock at an assumed initial public offering price of $[ ] per share, and after deducting the underwriting discounts and estimated offering expenses payable by us, our pro forma net tangible book value as of June 30, 2001, as adjusted would have been approximately $[ ], or $[ ] per share of common stock. This represents an immediate increase in pro forma net tangible book value of $[ ] per share to existing stockholders and immediate dilution of $[ ] per share to new investors purchasing common stock in this offering. If all outstanding stock options were exercised, pro forma tangible net book value would be further diluted by $[ ] per share to $[ ] per share.

The following table illustrates the pro forma per share dilution:

Assumed initial public offering price per share............	$	--
Pro forma net tangible book value per share before giving effect to the offering and the related expenses..........	$	--
Increase in pro forma net tangible book value per share attributable to new investors............................	$	--
Pro forma net tangible book value per share after giving effect to the offering....................................	$	--
Dilution per share to new investors........................	$	--

The following table sets forth on a pro forma basis, as of June 30, 2001,

the following:

- the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid to us by existing stockholders; and

- the number of shares to be purchased and the total consideration to be paid by new investors purchasing shares of common stock from us in this offering (before deducting estimated underwriting discounts and offering expenses).

```
SHARES PURCHASED TOTAL CONSIDERATION -
------------------ ------------------
  AVERAGE PRICE NUMBER PERCENT AMOUNT
PERCENT PER SHARE -------- -------- --
------ -------- ------------- Existing
stockholders.................... % $ %
                 $ New
 investors...........................
 ------ ------ ------- ------ -------
TOTAL.................................
   $ 100.0% $ 100.0% $ ====== ======
         ======= ====== =======
```

The table assumes (1) the exercise of options for [ ] shares of common stock with a weighted average exercise price of [ ] per share granted under our 1999 Stock Option Plan and (2) [ ] shares of common stock reserved for issuance under our 2001 Stock Option Plan, under which options for [ ] shares of common stock will be issued on the date hereof at the offering price set forth on the cover page of this prospectus.

The preceding table assumes that the underwriters will not exercise their over-allotment option. If the underwriters' over-allotment is exercised in full, the pro forma net tangible book value as of June 30, 2001, as adjusted would have been $[ ] million or $[ ] per share, which would result in dilution to the new investors of $[ ] per share, and the number of shares held by the new investors would increase to [ ] or [ ]% of the total number of shares to be outstanding after this offering, and the number of shares held by the existing stockholders would be [ ] shares, or [ ]% of the total number of shares to be outstanding after this offering.

CAPITALIZATION

The following table sets forth, as of June 30, 2001: (a) our historical capitalization as a limited liability company; (b) our pro forma capitalization which gives effect to our completed and currently probable acquisitions after June 30, 2001; (c) our pro forma as adjusted capitalization which gives effect to our conversion to a corporation and our issuance and sale of [ ] shares of common stock offered hereby (at an assumed initial public offering price of $[ ] per share, the midpoint of the range of the initial public offering price set forth on the cover page of this prospectus, and after deducting the underwriting discount and estimated expenses of the offering); and (d) the application of the net proceeds of this offering as described under the heading "Use of Proceeds."

```
AS OF JUNE 30, 2001 ------------------------------
------- PRO FORMA AS HISTORICAL PRO FORMA ADJUSTED
---------- --------- ----------- ($ IN THOUSANDS)
   Short-term debt (including current portion of
                  long-term debt)
 (1).................................... $25,842
 $25,842 $25,842 ======== ======== ======== Long-
                        term
  debt...............................................
   $470,196 $514,128 $462,128 Equity Contributed
    capital...................................
303,245 303,245 -- Preferred stock, par value $.01
per share, [ ] shares authorized; no shares issued
or outstanding... -- -- -- Common stock, par value
 $.01 per share, [ ] shares authorized; [ ] shares
   issued and outstanding, pro forma; [ ] shares
        issued and outstanding, pro forma as
adjusted(2)................................. -- --
                [] Additional paid-in
   capital............................ -- 5,000
                 396,179 Retained
  earnings.......................................
  24,183 24,183 3,789 -------- -------- --------
```

Total
equity...
327,428 332,428 399,968 -------- -------- --------
Total
capitalization.....................................
$797,624 $846,556 $862,096 ======== ========
========

----

(1) Does not include floor plan notes payable of $484,384, $514,407 and $514,407, respectively, relating to inventory financing.

(2) Does not include (a) options issued under our 1999 Option Plan for [ ]% of the limited liability company interests in us converted to [ ] shares of common stock with a weighted average exercise price of $[ ] per share and (b) [ ] shares of common stock reserved for issuance under our 2001 Stock Option Plan, under which options for [ ] shares of common stock will be issued on the date hereof at the offering price set forth on the cover page hereof.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth our historical selected consolidated data for the periods indicated. The data from the years ended December 31, 1997, 1998, 1999 and 2000 are derived from our audited financial statements, some of which are included elsewhere in this prospectus. The financial statements for the years ended 1997, 1998, 1999 and 2000 were audited by Arthur Andersen LLP, independent public accountants. The data for the six months ended June 30, 2000, and 2001 are derived from unaudited financial statements included elsewhere in this prospectus, which in management's opinion, include all adjustments, consisting of only normally recurring adjustments, necessary for a fair presentation.

We consider the Nalley (Atlanta) platform, our first platform, which we acquired on February 20, 1997, to be our predecessor. The results of the Nalley franchise for the period between January 1, 1996, to February 20, 1997, are set forth in footnote 1 and were audited by Dixon Odom P.L.L.C. The historical selected financial information may not be indicative of our future performance. The information should be read in conjunction with, and is qualified in its entirety by reference to, our consolidated financial statements, the unaudited interim consolidated financial statements and the related notes included elsewhere in this prospectus.

SIX MONTHS ENDED YEAR
ENDED DECEMBER 31, JUNE
30, -------------------

---- ------------------
---- 1997(1) 1998 1999
2000 2000 2001 INCOME
STATEMENT DATA: --------
- ---------- ----------
---------- ---------- --
-------- ($ IN
THOUSANDS) Revenues: New
vehicles.............
$298,967 $687,850
$1,820,393 $2,439,729
$1,212,693 $1,223,809
Used
vehicles............
91,933 221,828 787,029
1,064,102 531,102
571,482 Parts, service
and collision
repair....... 69,425
156,037 341,506 434,478
207,250 239,396 Finance
and insurance,
net...................
4,304 19,149 63,206
89,481 42,823 49,739 ---
----- ---------- -------
--- ---------- ---------
- ---------- Total
revenues.............
464,629 1,084,864

3,012,134 4,027,790
1,993,868 2,084,426 Cost
of sales(2)...........
411,739 929,415
2,570,966 3,430,251
1,700,672 1,762,333 ----
---- ---------- --------
-- ---------- ----------
---------- Gross
profit...............
52,890 155,449 441,168
597,539 293,196 322,093
Depreciation and
amortization.............
1,118 6,303 16,161
24,249 10,614 14,769
Selling, general and
administrative
expenses.................
45,432 127,336 343,443
451,405 217,128 246,286
-------- ---------- ----
------ ---------- ------
---- ---------- Income
from operations.....
6,340 21,810 81,564
121,885 65,454 61,038 --
------ ---------- ------
---- ---------- --------
-- ---------- Floor plan
interest
expense..................
(4,160) (7,730) (22,982)
(36,968) (17,172)
(17,557) Other interest
expense..... (698)
(7,104) (24,703)
(42,009) (18,075)
(23,446) Interest
income........... 27
1,108 3,021 5,846 2,717
1,787 Equity investment
losses,
net......................
-- -- (616) (6,066)
(6,027) (1,000) Gain
(loss) on sale of
assets...................
54 9,307 2,365 (1,533) -
- 10 Other income,
net.......... 760 727
550 1,023 444 849 ------
-- ---------- ----------
---------- ---------- --
-------- Total other
expense, net... (4,017)
(3,692) (42,365)
(79,707) (38,113)
(39,357) -------- ------
---- ---------- --------
-- ---------- ----------
Income before income
taxes, minority interest
and extraordinary
loss....... 2,323 18,118
39,199 42,178 27,341
21,681 Income
taxes(3)............ --
-- 1,779 3,511 2,169
2,746 Minority interest
in subsidiary
earnings(4)... 801
14,303 20,520 9,740
9,526 502 -------- -----
----- ---------- -------
--- ---------- ---------
- Income before
extraordinary
loss.....................
1,522 3,815 16,900
28,927 15,646 18,433

Extraordinary loss on early extinguishment of debt...	--	(734)	(752)	--	--	(1,433)
Net income.............	$1,522	$3,081	$16,148	$28,927	$15,646	$17,000

	AS OF DECEMBER 31,					AS OF JUNE 30,
	1996	1997	1998	1999	2000	2001
	($ IN THOUSANDS)					
BALANCE SHEET DATA:						
Inventories(2).................	$6,428	$73,303	$255,878	$434,234	$554,141	$508,331
Total current assets...........	11,285	108,494	391,151	616,060	776,943	766,091
Property and equipment, net....	436	29,907	125,410	141,786	215,149	235,561
Goodwill......................	3,830	17,151	138,697	226,321	364,164	364,002
Total assets..................	17,988	162,835	709,457	1,034,606	1,404,200	1,424,181
Floor plan notes payable.......	7,263	66,305	232,297	385,263	499,332	484,384
Total current liabilities......	8,972	85,503	323,061	497,376	625,574	607,370
Total long-term debt, including current portion.............	1,568	22,798	223,523	307,648	455,374	486,038
Total equity..................	7,448	36,957	127,380	198,113	321,882	327,428

----

(1) Selected financial data for the Nalley platform predecessor, exclusive of the results from October 1, 1996, of a single Nalley Jeep dealership we acquired on September 30, 1996, is as follows:

	YEAR ENDED DECEMBER 31, 1996	PERIOD FROM JANUARY 1, 1997 FEBRUARY 20, 1997
Total revenues................................	$343,331	$43,263
Income from operations.......................	572	87
Total assets..................................	63,405	
Long-term debt................................	1,954	

(2) When we converted from a limited liability company to a corporation, we changed our method of valuation of certain of our inventories from "last-in, first-out," or LIFO, to specific identification and "first-in, first-out," or FIFO. The historical inventory valuation data in this table does not

reflect this change in inventory valuation method.

(3) Prior to this offering, we consisted primarily of a group of limited liability companies and partnerships (with Asbury Automotive Group L.L.C. as the parent) which were treated as one partnership for tax purposes. Under this structure, such limited liability companies and partnerships were not subject to income taxes, but instead, our owners were taxed on their respective distributive shares of Asbury Automotive Group L.L.C.'s taxable income. Therefore, no provision for federal or state income taxes has been included in the historical financial statements of the limited liability companies and partnerships. Immediately prior to the offering, we changed our tax status to corporation status and now provide for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."

(4) On April 30, 2000, the then parent company and the minority owners of our subsidiaries reached an agreement whereby their respective equity interests were transferred into escrow and subsequently into Asbury Automotive Oregon L.L.C. in exchange for equity interests in Asbury Automotive Oregon, which we refer to as the "minority member transaction." Following the minority member transaction, the then parent company changed its name to Asbury Automotive Holdings L.L.C. and Asbury Automotive Oregon L.L.C. changed its name to Asbury Automotive Group L.L.C. Substantially all minority interests were eliminated effective April 30, 2000, in connection with the minority member transaction.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma balance sheet gives effect to the following transactions and events as if they had occurred on June 30, 2001:

(a) our acquisitions of Audi of North Atlanta, Inc. (May 18, 2001), Roswell Infiniti, Inc. (May 18, 2001), Dealer Profit Systems, Inc. (July 2, 2000), Key Cars, Inc. (July 2, 2000), (d/b/a Metro Imports), Brandon Ford, Inc. (July 2, 2000), (d/b/a Gray-Daniels Ford) and Gage Motor Car Company L.L.C. (September 18, 2001) (d/b/a Pegasus Motor Car Company);

(b) the probable acquisitions of Tom Wimberley Auto World, Inc., Crest Pontiac, Inc. (d/b/a Kelly Pontiac) and the remaining portion (49%) of the Deland Automotive Group that we had not previously acquired;

(c) the change in valuation of certain inventories from "last-in, first-out" or LIFO to specific identification and "first-in, first-out" or FIFO, upon conversion to a corporation;

(d) the change in our tax status resulting from our conversion to a corporation;

(e) the conversion of certain executives' carried interest into options for our common stock;

(f) the offering, including the use of a portion of the net proceeds to us (assuming the net proceeds to us of $65 million) to reduce debt outstanding as required by our credit facility; and

(g) the transfer of our ownership interests in CarsDirect.com to our membership interest holders prior to this offering.

The following unaudited pro forma income statements for the year ended December 31, 2000 and for the six months ended June 30, 2001 give effect to the transactions and events listed above as well as our acquisition of Hutchinson Automotive Group and the Minority Member Transaction (as described in Note 3 of our Consolidated Financial Statements) as if they had occurred on January 1, 2000. The information, other than the individually insignificant acquisitions, is based upon our historical financial statements and should be read in conjunction with (a) our historical financial statements, (b) the historical financial statements of Hutchinson Automotive Group, (c) the related notes to such financial statements and (d) other information contained elsewhere in this prospectus.

The unaudited pro forma financial information is not necessarily indicative of what our actual financial position or results of operations would have been had all of the previously mentioned acquisitions and this offering occurred on the dates previously mentioned, nor does it give effect to: (a) any pending transactions other than those previously mentioned above or this offering; (b) our results of operations since June 30, 2001; or (c) the results of final valuations of all assets and liabilities of the acquisitions mentioned above due to pre-acquisition contingencies. We may revise the allocation of the purchase price of these acquisitions when additional information becomes available in

accordance with Accounting Principles Board Opinion No. 16. Accordingly, the pro
forma financial information is not intended to be indicative of the financial
position or results of operations as of today's date, as of the offering or any
period ending at the offering, or as of or for any other future date or period.

UNAUDITED PRO FORMA BALANCE SHEET
AS OF JUNE 30, 2001
($ IN THOUSANDS)

ACQUISITIONS PROBABLE
CONSUMMATED ACQUISITIONS
HISTORICAL AFTER PRO FORMA
AFTER PRO FORMA PRO FORMA
ASBURY 6/30/01(1)
ADJUSTMENTS(2) 6/30/01(1)
ADJUSTMENTS(2) COMBINED -------
--- ------------ ------------
- ------------ ------------ -
--------- ASSETS CURRENT ASSETS
Cash and cash
equivalents....... $147,941
$1,027 $(1,500) $372 $ $147,840
Accounts
receivable............. 89,858
2,478 324 92,660
Inventory.......................
508,331 25,115 9,591 543,037
Prepaid and other current
assets........................
19,961 21 200 126 20,308 ------
---- ---------- ---------- ----
----- ----------- ----------
Total current assets..........
766,091 28,641 (1,300) 10,287
126 803,845 PROPERTY AND
EQUIPMENT, net....... 235,561
5,812 400 241,773 GOODWILL,
net.....................
364,002 28,656 10,832 403,490
OTHER
ASSETS......................
58,527 119 281 (2,582) 56,345 -
--------- ---------- ----------
--------- ----------- ---------
- Total
assets..................
$1,424,181 $34,572 $27,637
$10,687 $8,376 $1,505,453
========== ==========
========== =========
=========== ==========
LIABILITIES AND EQUITY CURRENT
LIABILITIES Floor plan notes
payable........ $484,384
$22,329 $ $7,694 $ $514,407
Current portion of long-term
debt..........................
15,842 15,842 Short-term
debt................. 10,000
10,000 Accounts
payable................ 39,995
39,995 Accrued
liabilities............. 57,149
1,300 315 (550) 58,214 --------
-- ---------- ---------- ------
--- ----------- ----------
Total current liabilities.....
607,370 23,629 8,009 (550)
638,458 LONG-TERM
DEBT....................
470,196 32,762 11,170 514,128
OTHER
LIABILITIES................
19,187 818 434 20,439 EQUITY
Contributed
capital............ 303,245
303,245 Common Stock, par value
$.01 shares authorized [ ];
shares issued and outstanding [
].........................

Additional paid-in
capital...... 10,125 (5,125)
2,244 (2,244) 5,000 Retained
earnings.............. 24,183
24,183 ---------- ---------- --
-------- --------- ----------
---------- Total
equity..................
327,428 10,125 (5,125) 2,244
(2,244) 332,428 ---------- ----
------ ---------- --------- ---
-------- ---------- Total
liabilities and
equity....................
$1,424,181 $34,572 $27,637
$10,687 $8,376 $1,505,453
========== ==========
========== =========
=========== ==========
OTHER PRO FORMA PRO FORMA
ADJUSTMENTS AS ADJUSTED -------
---- ---------- ASSETS CURRENT
ASSETS Cash and cash
equivalents....... $13,000 (3)
$160,840 Accounts
receivable............ 92,660
Inventory......................
7,686 (4) 550,723 Prepaid and
other current
assets........................
9,378 (5) 29,686 ---------- ---
------- Total current
assets.......... 30,064 833,909
PROPERTY AND EQUIPMENT,
net....... 241,773 GOODWILL,
net....................
403,490 OTHER
ASSETS.....................
(1,249)(6) 55,096 ---------- --
-------- Total
assets.................
$28,815 $1,534,268 ==========
========== LIABILITIES AND
EQUITY CURRENT LIABILITIES
Floor plan notes
payable........ $ $514,407
Current portion of long-term
debt.........................
15,842 Short-term
debt................ 10,000
Accounts
payable................ 39,995
Accrued
liabilities............. 58,214
---------- ---------- Total
current liabilities.....
638,458 LONG-TERM
DEBT....................
(52,000)(3) 462,128 OTHER
LIABILITIES................
13,275 (5) 33,714 EQUITY
Contributed
capital............ (303,245)
(7) [ ] [ ] Common Stock, par
value $.01 shares authorized [
]; shares issued and
outstanding [
].........................
Additional paid-in
capital...... 65,000(7) 396,179
24,183 (3) 303,245 (7) (1,249)
(7) (24,183)(7) 7,686 (4)
Retained
earnings............... (3,897)
(5) 3,789 ---------- ----------
Total equity.................
67,540 399,968 ---------- -----
----- Total liabilities and
equity...................
$28,815 $1,534,268 ==========
==========

UNAUDITED PRO FORMA STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2000
($ IN THOUSANDS EXCEPT PER SHARE DATA)

2000 AND 2001 HUTCHINSON INDIVIDUALLY
PRO OTHER HISTORICAL AUTOMOTIVE
INSIGNIFICANT PRO FORMA FORMA PRO
FORMA ASBURY GROUP(8) ACQUISITIONS(9)
ADJUSTMENTS(10) COMBINED ADJUSTMENTS
---------- ---------- -------------
- -------------- ---------- --------
---- REVENUES New vehicle
sales..................... $2,439,729
$58,061 $304,243 $ $2,802,033 $ Used
vehicle sales....................
1,064,102 35,903 128,161 1,228,166
Parts, service and body shop
sales.... 434,478 8,285 44,813
487,576 Finance and insurance,
net............ 89,481 1,713 6,284
97,478 ---------- --------- ---------
-- ----------- ---------- ---------
Total
revenues.........................
4,027,790 103,962 483,501 4,615,253
COST OF
SALES..........................
3,430,251 89,362 424,644 3,944,257
(2,097)(4) ---------- --------- -----
------ ---------- --------- -------
-- Gross
profit.......................
597,539 14,600 58,857 670,996 2,097
OPERATING EXPENSES: Selling, general
and administrative... 451,405 10,705
40,842 502,952 [ ] (12) Depreciation
and amortization......... 24,249 260
707 2,258 27,474 ---------- ---------
----------- ---------- ---------- --
------- Income from
operations............. 121,885
3,635 17,308 (2,258) 140,570 2,097
OTHER INCOME (EXPENSE): Floor plan
interest expense.......... (36,968)
(635) (5,344) (42,947) Interest
expense......................
(42,009) (177) (8,638) (50,824) 5,252
(3) Interest
income...................... 5,846
5,846 Gain (loss) on sale of
assets......... (1,533) 8 (1,525)
Equity investment losses,
net......... (6,066) (6,066) Other
income, net....................
1,023 58 280 1,361 ---------- -------
-- ----------- ---------- ---------
--------- Total other income
(expense), net... (79,707) (577)
(5,233) (8,638) (94,155) 5,252 ------
---- --------- ---------- ---------
- ---------- --------- Income before
income taxes and minority
interest.................. 42,178
3,058 12,075 (10,896) 46,415 7,349
INCOME TAX
EXPENSE..................... 3,511
3,511 MINORITY INTEREST IN SUBSIDIARY
EARNINGS............................
9,740 (9,740)(11) ---------- --------
- ----------- ---------- ----------
--------- Net
income.........................
28,927 3,058 21,815 (10,896) 42,904
7,349 PRO FORMA INCOME TAX EXPENSE
(BENEFIT)
(5).......................... 10,394
1,223 9,347 (4,358) 16,606 2,491 ----
------ --------- ---------- --------

--- ---------- --------- Pro Forma
Net Income...................
$18,533 $1,835 $12,468 $(6,538)
$26,298 $4,858 ========= =========
=========== ========== ==========
========= Earnings per common share:
Basic................................
Diluted..............................
Weighted average shares outstanding
(000s)
Basic................................
Diluted..............................
PRO FORMA AS ADJUSTED ------------
REVENUES New vehicle
sales..................... $2,802,033
Used vehicle
sales.................... 1,228,166
Parts, service and body shop
sales.... 487,576 Finance and
insurance, net............ 97,478 ---
-------- Total
revenues.........................
4,615,253 COST OF
SALES..........................
3,942,160 ----------- Gross
profit.......................
673,093 OPERATING EXPENSES: Selling,
general and administrative... 502,952
Depreciation and
amortization......... 27,474 --------
--- Income from
operations.............. 142,667
OTHER INCOME (EXPENSE): Floor plan
interest expense........... (42,947)
Interest
expense..................... 45,572
Interest
income...................... 5,846
Gain (loss) on sale of
assets......... (1,525) Equity
investment losses, net.........
(6,066) Other income,
net.................... 1,361 ------
----- Total other income (expense),
net... (88,903) ----------- Income
before income taxes and minority
interest.................. 53,764
INCOME TAX
EXPENSE..................... 3,511
MINORITY INTEREST IN SUBSIDIARY
EARNINGS.............................
----------- Net
income.........................
50,253 PRO FORMA INCOME TAX EXPENSE
(BENEFIT)
(5)......................... 19,097
----------- Pro Forma Net
Income................... $31,156
=========== Earnings per common
share:
Basic................................
$[ ](16) ===========
Diluted..............................
$[ ](16) =========== Weighted average
shares outstanding (000
Basic................................
[ ](16) ===========
Diluted..............................
[ ](16) ===========

UNAUDITED PRO FORMA STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2001
($ IN THOUSANDS EXCEPT PER SHARE DATA)

2001 INDIVIDUALLY HISTORICAL
INSIGNIFICANT PRO FORMA PRO
FORMA ASBURY ACQUISITIONS(13)
ADJUSTMENTS(14) COMBINED -------
------ -------------------- ---

----------------- -------------
REVENUES New vehicle
sales................ $1,223,809
$96,723 $ $1,320,532 Used
vehicle sales...............
571,482 46,034 617,516 Parts,
services and collision
repair.........................
239,396 17,339 256,735 Finance
and insurance, net....... 49,739
1,830 51,569 ----------- -------
------- ------------- ---------
--- Total
revenues....................
2,084,426 161,926 2,246,352 COST
OF SALES......................
1,762,333 143,217 1,905,550 ----
------- ------------- ---------
----- ------------ Gross
profit..................
322,093 18,709 340,802 OPERATING
EXPENSES: Selling, general and
administrative................
246,286 12,999 259,285
Depreciation and
amortization.... 14,769 184 583
15,536 ----------- ------------
- ------------- -----------
Income from operations.........
61,038 5,526 (583) 65,981 OTHER
INCOME (EXPENSE): Floor plan
interest expense...... (17,557)
(1,758) (19,315) Interest
expense.................
(23,446) (31) (2,530) (26,007)
Interest
income.................. 1,787
1,787 Gain (loss) on sale of
assets.... 10 2 12 Equity
investment losses, net....
(1,000) (1,000) Other income,
net................ 849 69 918 -
---------- ------------- ------
-------- ----------- Total
other income (expense),
net.........................
(39,357) (1,718) (2,530)
(43,605) ----------- ----------
--- ------------- -----------
Income before income taxes,
minority interest and
extraordinary loss............
21,681 3,808 (3,113) 22,376
INCOME TAX
EXPENSE................. 2,746
2,746 MINORITY INTEREST IN
SUBSIDIARY
EARNINGS.......................
502 (502)(11) EXTRAORDINARY LOSS
ON EARLY EXTINGUISHMENT OF
DEBT........... (1,433) (1,433)
----------- ------------- -----
--------- ----------- Net
Income.........................
17,000 4,310 (3,113) 18,197 PRO
FORMA INCOME TAX EXPENSE
(5)...................... 6,036
1,736 (1,245) 6,527 -----------
------------- ------------- --
---------- Pro Forma Net
Income........... $10,964 $2,574
$(1,868) $11,670 ===========
============= =============
=========== Earnings per common
share:
Basic...........................
Diluted.........................
Weighted average shares
outstanding (000s)
Basic...........................
Diluted.........................

OTHER PRO FORMA PRO FORMA
ADJUSTMENTS AS ADJUSTED --------
-------- ----------------
REVENUES New vehicle
sales................ $
$1,320,532 Used vehicle
sales............... 617,516
Parts, services and collision
repair.........................
256,735 Finance and insurance,
net....... 51,569 ------------ -
------------ Total
revenues.....................
2,246,352 COST OF
SALES......................
(669)(4) 1,904,881 ------------
------------- Gross
profit................... 669
341,471 OPERATING EXPENSES:
Selling, general and
administrative.................
[ ] (12) 259,285 Depreciation
and amortization.... 15,536 ----
-------- ------------ Income
from operations......... 669
66,650 OTHER INCOME (EXPENSE):
Floor plan interest
expense...... (19,315) Interest
expense................ 2,834
(3) (23,173) Interest
income.................. 1,787
Gain (loss) on sale of
assets.... 12 Equity investment
losses, net.... (1,000) Other
income, net................ 918
------------ ------------ Total
other income (expense),
net.........................
2,834 (40,771) ------------ ----
--------- Income before income
taxes, minority interest and
extraordinary loss............
3,503 25,879 INCOME TAX
EXPENSE................ 2,746
MINORITY INTEREST IN SUBSIDIARY
EARNINGS........................
EXTRAORDINARY LOSS ON EARLY
EXTINGUISHMENT OF
DEBT........... 1,433 (15) -----
------- ------------ Net
Income........................
4,936 23,133 PRO FORMA INCOME
TAX EXPENSE
(5)...................... 1,974
8,501 ------------ ------------
Pro Forma Net Income...........
$2,962 $14,632 ============
============= Earnings per
common share:
Basic............................
$[](16) =============
Diluted..........................
$[](16) ============ Weighted
average shares outstanding
Basic............................
[](16) ============
Diluted..........................
[](16) ============

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION

(1) Reflects the impact (historical results) of all acquisitions either consummated after June 30, 2001, or currently probable as if the transactions were consummated as of June 30, 2001.

(2) Reflects the fair value and other acquisition related adjustments to the acquisitions consummated after June 30, 2001 or currently probable. Because the majority of the acquisitions (all other than Audi of North Atlanta and

Roswell Infinity) either recently took place or have yet to take place, the final valuations of all assets and liabilities have not yet been completed. Amounts for certain of the acquisitions are subject to final purchase price adjustments for items such as tangible net worth and seller's representations regarding the adequacy of certain reserves. In addition, the allocation of amounts to acquired intangibles is subject to final valuation. The total purchase price for these acquisitions consisted of $44,882 in cash and $5,000 in the form of equity interests in Asbury. The initial allocation of the total purchase price of our 2001 individually insignificant acquisitions is as follows:

Working Capital	$7,617
Property and Equipment	6,212
Goodwill	39,488
Other assets	573
Non-current liabilities assumed	(4,008)
Total purchase price	$49,882

(3) Reflects the proceeds received by us from this offering (net of estimated underwriting discounts, fees and expenses of $10 million). We assumed a portion of our estimated net proceeds are to be used to reduce a portion of our borrowings as contractually required under our acquisition financing credit facility. The credit facility has a variable LIBOR based rate of interest. The addition to interest expense was calculated using the weighted average interest rate on the Company's credit facilities for the respective periods (10.1% for 2000 and 10.9% for the six months ended June 30, 2001).

(4) Reflects adjustment to change Asbury's method of valuation of certain of it inventories from the "last-in, first-out" or LIFO method to the specific identification and "first-in, first-out" or FIFO methods upon changing from a limited liability company to a corporation. Asbury believes that the change to the specific identification and FIFO methods results in a better matching of revenue and expense and most clearly reflects periodic income. Additionally, the specific identification and FIFO methods are most widely used by Asbury's major publicly held competitors.

(5) Reflects an adjustment to change our tax status to corporation status and, accordingly provides for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes." Prior to the transfer of all interests in Asbury's predecessor limited liability company to a corporation prior to this offering, we consisted primarily of a group of limited liability companies and partnerships (with us as the parent), which were treated as one partnership for tax purposes. Under this structure, the limited liability companies and partnerships were not themselves subject to income taxes, but instead our members were taxed on their respective distributive shares of our taxable income.

(6) Reflects the transfer of our cost basis investment in CarsDirect.com to our membership interest holders prior to this offering.

(7) Reflects an adjustment to reclassify members' equity to common stock and additional paid-in capital due to the conversion from a limited liability company to a corporation.

(8) Reflects the impact (historical results) of the acquisition of the Hutchinson Automotive Group on April 14, 2000, and related real estate as if the transaction was consummated on January 1,

2000. Hutchinson Automotive Group was acquired for an aggregate purchase price of $90,242 including the issuance of a $7.5 million equity interest in Asbury to certain selling shareholders.

(9) Reflects the impact (historical results) of the 2000 and 2001 individually insignificant acquisitions, as if the transactions were consummated on January 1, 2000.

(10) Reflects adjustments to the historical financial statements of the Hutchinson Automotive Group, Asbury's 2000 and 2001 individually insignificant acquisitions and for the Minority Member Transaction (April 30, 2000) as if the transactions were consummated on January 1, 2000, for (a) goodwill amortization using the straight-line method and a 40 year useful life, (b) interest expense based on the acquisition financing and the weighted average interest rate on Asbury's credit facilities for 2000

(10.1%), (c) tax expense based on a 40% effective tax rate, (d) additional depreciation expense for long-lived assets acquired which was not included in the historical results of the acquired companies using the straight-line method and a useful life of 35 years and (e) amortization expense for other intangible assets using the straight-line method and the useful life of three years.

(11) Reflects the elimination of minority interest effective January 1, 2000 in connection with the Minority Member Transaction.

(12) Reflects non-recurring charge for compensation of $[ ] related to an arrangement whereby, due to the offering, some of our senior executives participate in the increase in our value. See "Management--Employment Agreements".

(13) Reflects the impact (historical results) of the 2001 individually insignificant acquisitions, as if the transactions were consummated on January 1, 2000.

(14) Reflects adjustments to the historical financial statements of the 2001 individually insignificant acquisitions as if the transactions were consummated on January 1, 2000 for (a) goodwill amortization using the straight-line method and a 40 year useful life, (b) interest expense based on the acquisition financing and the weighted average interest rate on Asbury's credit facility for the six months ended June 30, 2001 (10.9% including the amortization of related deferred finance fees), (c) tax expense based on a 40% effective tax rate, (d) additional depreciation expense for long-lived assets acquired which was not included in the historical results of the acquired companies using the straight-line method and a useful life of 35 years and (e) amortization expense for other intangible assets using the straight-line method and the useful life of three years.

(15) Reflects the elimination of extraordinary loss.

(16) Earnings per share:

Basic earnings per share is computed by dividing net income by the weighted-average common shares outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted-average common shares and common share equivalents outstanding during the period.

The basic and diluted earnings per share and number of common share and common share equivalents were as follows:

	FOR THE YEAR ENDED DECEMBER 31, 2000	FOR THE SIX MONTHS ENDED JUNE 30, 2001
EARNINGS PER SHARE:		
Basic.............................		
Diluted...........................		
Common shares and common share equivalents (in thousands):		
Weighted average shares outstanding....................		
Basic shares....................		
Shares issuable with respect to additional common share equivalents (stock options)....		
Shares issuable with respect to carried interest...............		
Shares issuable with respect to CEO options...................		
Diluted equivalent shares........		

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. OUR ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE DISCUSSED IN THE FORWARD-LOOKING STATEMENTS AS A RESULT OF VARIOUS FACTORS, INCLUDING BUT NOT LIMITED TO THOSE DESCRIBED UNDER "RISK FACTORS" BEGINNING ON PAGE 5, AND

INCLUDED IN OTHER PORTIONS OF THIS PROSPECTUS.

OVERVIEW

We are a national automotive retailer, currently operating 127 franchises at 87 dealership locations in nine states and 15 markets in the U.S. We also operate 23 collision repair centers that serve our markets.

Our revenues are derived from selling new and used cars, light trucks and replacement parts, providing vehicle maintenance, warranty, paint and repair services and arrangement of vehicle finance, insurance and service contracts for our automotive customers and the sale of heavy trucks.

Since inception, we have grown through the acquisition of nine large platforms and additional tuck-in acquisitions. All acquisitions were accounted for using the purchase method of accounting. As a result, the operations of the acquired dealerships are included in the consolidated statements of income commencing on the date acquired.

Prior to the completion of this offering, we consisted primarily of a group of limited liability companies and partnerships (with us as the parent), which were treated as one partnership for tax purposes. Under this structure, our owners were taxed on their respective distributive shares of taxable income; however, neither we nor our limited liability company and partnership subsidiaries were subject to income tax. The balance of our subsidiaries were "C" corporations under the provisions of the Internal Revenue Code and, accordingly, provided for income taxes in accordance with Statement of Financial Accounting Standard No. 109, "Accounting for Income Taxes." Under the provisions of our limited liability company agreement, we had periodically distributed cash to each owner equal to 50% of the owner's respective distributive share of taxable income to cover the owner's tax liabilities. Immediately prior to the completion of this offering, we will change our tax status to corporation status and will provide for federal and state income taxes for the entire company going forward. As a result of this change in our tax status, Asbury Automotive Group, Inc. will succeed to the historic tax basis of the assets held by Asbury Automotive Group L.L.C. (except as increased to reflect any gain recognized by our owners).

Sales of motor vehicles (particularly new vehicles) have historically fluctuated with general macroeconomic conditions such as general business cycles, consumer confidence, availability of consumer credit, fuel prices and interest rates. Although these factors may impact our business, we believe that any future negative trends due to the above factors may be mitigated by the performance of our parts, service and collision repair operations, our variable cost structure, regional diversity and advantageous franchise mix.

Our operations are subject to modest seasonal variations that are somewhat offset by our regional diversity. We typically generate more revenue and operating income in the second and third quarters than in the first and fourth quarters. Seasonality is based upon, among other things, weather conditions, manufacturer incentive programs, model changeovers and consumer buying patterns.

RESULTS OF OPERATIONS

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

REVENUES--Our revenues for the first six months of 2001 increased $90.6 million or 4.5% over the first half of 2000. The increase was primarily due to $202.7 million of revenues from tuck-in

acquisitions completed after January 1, 2000, partially offset by a decrease in revenues at dealerships owned prior to January 1, 2000 (same store), of $112.1 million or 6.4%. Same store revenue increases at three of our platforms (Texas, St. Louis and Jacksonville) were offset by significant same store decreases at (a) our Oregon platform (down $74.3 million) primarily due to changes in our business practices and restrictions in our sales policies, declining Ford sales related to the Firestone tire recall and the effect on employment and consumer spending in the Pacific Northwest from the technology downturn, (b) our Arkansas platform (down $34.0 million) due to declining demand in the local market, increased competition and issues with Ford related to the Firestone recall and (c) the Atlanta platform's heavy truck business (down $26.0 million) due to a cyclical downturn resulting from macroeconomic factors such as higher interest rates and fuel prices.

Same store revenues from vehicle sales were off 7.7% primarily due to the conditions noted above in Oregon, Arkansas and Atlanta. Overall, sales were impacted by declining demand in the automotive industry as the average seasonally adjusted annual rate of new vehicles sold in the U.S. declined from 17.8 million units in the first six months of 2000 to 16.9 million units for the

comparable period in 2001. Despite this national decline, our Texas platform continued its strong performance with a $23.2 million or 12.9% increase in same store vehicle sales over the prior year first half. In addition, our St. Louis and Jacksonville platforms posted 4.6% and 2.7% increases, respectively. Finance and insurance revenues per vehicle retailed were $613 for the six months ended June 30, 2001, an 18% increase over the six months ended June 30, 2000.

Parts, service and collision repair revenues on a same store basis were up 4.6% in the first half of 2001 over the first half of 2000 due to a continued emphasis on those products. Seven of the eight platforms in our organization in 2000 generated an increase in parts, service and collision repair in the first six months of 2001 over the same period last year.

GROSS PROFIT--Gross profit for the first six months of 2001 increased $28.9 million or 9.9% over the first six months of 2000. The increase was primarily due to $31.3 million of gross profit from tuck-in acquisitions completed after January 1, 2000, partially offset by a decrease in gross profit at dealerships owned prior to January 1, 2000 (same store), of $2.4 million or 0.9%. Overall, gross profit as a percentage of revenues for the six months ended June 30, 2001 was 15.5% as compared to 14.7% for the six months ended June 30, 2000. This increase is primarily attributable to a shift in product mix to higher margin parts, service and collision repair services and finance and insurance.

OPERATING EXPENSES--Selling, general and administrative expenses, or SG&A, for the first six months of 2001 increased $29.2 million or 13.4% over the first six months of 2000. The increase was primarily due to $22.9 million of SG&A from tuck-in acquisitions completed after January 1, 2000, and an increase in SG&A at dealerships owned prior to January 1, 2000 (same store), of $6.3 million or 3.3%. Same store SG&A in the first six months of 2001 included special charges related to stock compensation and severances of $4.1 million and the rebranding of our Portland platform of $1.8 million. SG&A as a percentage of revenues increased to 11.8% of revenues in the first half of 2001, from 10.9% in the first half of 2000. Contributing to this increase were the aforementioned special charges in 2001, increased variable compensation related to higher gross profit, higher advertising and insurance costs, and expense control initiatives in Oregon lagging behind revenue declines. The increase in depreciation and amortization is principally attributable to acquisitions completed after January 1, 2000.

OTHER INCOME (EXPENSE)--Floor plan interest expense increased to $17.6 million for the six months ended June 30, 2001 from $17.2 million for the six months ended June 30, 2000, primarily due to acquisitions completed after January 1, 2000, and a greater number of vehicles in inventory, offset by a decline in interest rates. Other interest expense increased by $5.4 million over the prior half year principally due to increased borrowings used to fund acquisitions completed after January 1, 2000, partially offset by a decline in interest rates. Equity investment losses in the six months ended June 30, 2001, represent our share of losses in an automotive finance company

while losses in the six months ended June 30, 2000, primarily reflect our share of losses in our investment in Greenlight.com, which was fully written off as of December 31, 2000. Interest income was $0.9 million lower for the six months ended June 30, 2001, as compared to the same period last year due to lower interest rates and a decrease in average available cash.

YEAR ENDED DECEMBER 31, 2000, COMPARED TO YEAR ENDED DECEMBER 31, 1999

REVENUES--Our revenues for the year ended December 31, 2000, increased $1.02 billion or 33.7% over the year ended December 31, 1999. The increase was primarily due to $898.1 million related to tuck-in acquisitions made subsequent to January 1, 1999, an $84.5 million net increase in revenues generated by the acquisition of our Arkansas platform (which we acquired in February 1999) and an increase in revenues at dealerships owned prior to January 1, 1999 (same store), of $33.1 million or 1.4%.

Same store revenues from vehicle sales increased $21.1 million, or 1.0%, as strong year-over-year increases at five of our platforms were offset by declines in our Oregon platform (down $86.9 million), primarily due to changes in our business practices and restrictions in our sales policies, declining demand in the local markets, declining Ford sales related to the Firestone tire recall and reduced sales in Atlanta's heavy truck franchises (down $11.6 million). Finance and insurance revenues per vehicle sold were $540 for the twelve months ended December 31, 2000, a 10.8% increase over the twelve months ended December 31, 1999.

Parts, service and collision repair revenues on a same store basis were up 4.3% in fiscal 2000 versus fiscal 1999 principally due to a focus on this higher margin product line. Six of our seven platforms posted year-over-year revenue

increases in this area.

GROSS PROFIT--Gross profit for the year ended December 31, 2000, increased $156.4 million or 35.4% over the year ended December 31, 1999. The increase was primarily due to $120.1 million related to tuck-in acquisitions made subsequent to January 1, 1999, a $12.7 million net increase in gross profit generated by the acquisition of our Arkansas platform and an increase in gross profit at dealerships owned prior to January 1, 1999 (same store) of $23.6 million or 6.7%. Gross profit as a percentage of revenues for the year ended December 31, 2000, was 14.8% as compared to 14.6% for the year ended December 31, 1999. This increase was primarily attributable to increased finance and insurance revenues per vehicle sold, improved margins on new vehicles due to a shift away from lower margin fleet sales and increased margins on used vehicles due to reduced losses on wholesale dispositions.

OPERATING EXPENSES--SG&A expenses for the year ended December 31, 2000, increased $108.0 million or 31.4% over the year ended December 31, 1999. The increase was primarily due to $90.6 million of SG&A expenses related to tuck-in acquisitions made subsequent to January 1, 1999, a $9.3 million net increase in SG&A expenses generated by the acquisition of our Arkansas platform and an increase in SG&A expenses at dealerships owned prior to January 1, 1999 (same store), of $8.1 million or 3.0%. SG&A expenses as a percentage of revenues decreased to 11.2% in 2000 from 11.4% in 1999 principally due to containment of variable and fixed compensation costs. Advertising costs increased $12.6 million primarily due to significant number of acquisitions completed after January 1, 1999. Depreciation and amortization increased $8.1 million to $24.2 million principally due to a significant number of acquisitions completed after January 1, 1999.

OTHER INCOME (EXPENSE)--Floor plan interest expense increased to $37.0 million for the year ended December 31, 2000, from $23.0 million for the year ended December 31, 1999, primarily due to acquisitions completed after January 1, 1999, higher interest rates throughout 2000 as compared to 1999, and a greater number of vehicles in inventory. Other interest expense increased by $17.3 million over the prior year principally due to increased borrowings used to fund acquisitions completed after January 1, 1999, and to a lesser extent, higher interest rates. Equity investment losses for the years ended December 31, 2000, and December 31, 1999, primarily reflect our share of losses in our investment in Greenlight.com of $6.9 million and $0.8 million, respectively. Interest

income was $2.8 million higher for the year ended December 31, 2000, due to higher interest rates and an increase in average available cash.

YEAR ENDED DECEMBER 31, 1999, COMPARED TO YEAR ENDED DECEMBER 31, 1998

REVENUES--Our revenues for the year ended December 31, 1999, increased $1.93 billion or 177.7% over the year ended December 31, 1998. The increase was primarily due to $1.87 billion of revenue from six platform acquisitions made subsequent to January 1, 1998, along with an increase in revenues at platforms owned prior to January 1, 1998 (Atlanta and St. Louis) (same store), of $53.6 million or 7.8%. Same store revenues from vehicle sales increased $44.4 million or 7.7% in 1999 as compared to 1998 due to a strong year-over-year increase at our St. Louis platform. Parts, service and collision repair center revenues on a same store basis increased 8.5% in fiscal 2000 from fiscal 1999 as the Atlanta and St. Louis platforms both posted significant year-over-year increases in these services.

GROSS PROFIT--Gross profit for the year ended December 31, 1999, increased $285.7 million or 183.8% over the year ended December 31, 1998. The increase was primarily due to $279.1 million of gross profit from six platform acquisitions made subsequent to January 1, 1998, along with an increase in gross profit at platforms owned prior to January 1, 1998 (Atlanta and St. Louis) (same store), of $6.6 million or 6.9%. Total gross profit as a percentage of revenues for the year ended December 31, 1999, was 14.6% as compared to 14.3% for the year ended December 31, 1998. This increase is primarily attributable to a slight shift in product mix to finance and insurance revenue.

OPERATING EXPENSES--SG&A expenses for the year ended December 31, 1999, increased $216.1 million or 169.7% over the year ended December 31, 1998. The increase was primarily due to $206.0 million of SG&A expenses from six platform acquisitions made subsequent to January 1, 1998, along with an increase in SG&A expenses at platforms owned prior to January 1, 1998 (Atlanta and St. Louis) (same store), of $10.1 million or 13.2%. SG&A expenses as a percentage of sales declined to 11.4% during the year ended 1999 from 11.7% during the year ended 1998 mostly due to containment of fixed operating expenses. Depreciation and amortization increased $9.9 million to $16.2 million principally due to a significant number of acquisitions completed after January 1, 1998.

OTHER INCOME (EXPENSE)--Floor plan interest expense increased $15.3 million for the year ended December 31, 1999, from $7.7 million for the year ended December 31, 1998, primarily due to acquisitions completed after January 1, 1998. Other interest expense increased by $17.6 million over the prior year principally due to increased borrowings used to fund acquisitions completed after January 1, 1998. Interest income was $1.9 million higher for the year ended December 31, 1999 due to an increase in average available cash.

LIQUIDITY AND CAPITAL RESOURCES

We require cash to fund working capital needs, finance acquisitions of new dealerships and fund capital expenditures. These requirements are met principally from cash flow from operations, borrowings under our credit facilities and floor plan financing below, mortgage notes and issuances of equity interests. As of June 30, 2001, we had cash and cash equivalents of $147.9 million, including contracts-in-transit of $81.6 million.

CREDIT FACILITIES

On January 17, 2001, we entered into two financing agreements with Ford Motor Credit Company, Chrysler Financial Company, L.L.C. and General Motors Acceptance Corporation establishing an aggregate line of credit totaling $1.3 billion. One facility provides for $550 million in committed acquisition financing and general corporate purpose loans and the other facility establishes a framework for obtaining up to $750 million in floor plan financing.

At the date of the closing, we borrowed $330.6 million under the acquisition financing credit facility to repay certain existing term notes and pay certain fees and expenses of the closing. In

addition, we refinanced substantially all of our existing floor plan debt under the floor plan financing facility.

Borrowings under the acquisition credit facility bear interest at LIBOR plus a specified percentage depending on our attainment of certain leverage ratios and the outstanding balance under the facility. This credit facility contains covenants that, among other things, place restrictions on our ability to incur additional debt, encumber our property and other assets, repay other debt, dispose of assets, invest capital and permit our subsidiaries to issue equity securities. This credit facility also imposes minimum requirements which the terms of transactions to acquire prospective targets must meet before we can borrow funds to finance the transactions. The terms of our credit facility require us on an ongoing basis to meet certain financial ratios, including a current ratio, as defined in our credit facility of at least 1.2 to 1, a fixed charge coverage ratio, as defined in our credit facility, of no less than 1.2 to 1, and a leverage ratio, as defined in our credit facility, no greater than 4.4 to 1. A breach of these covenants or any other of the covenants in the facility would be cause for acceleration of repayment and termination of the facility by the lenders. This credit facility also contains provisions for default upon, among other things, a change of control, a material adverse change and the non-payment of obligations. As of the date of this prospectus, we were in compliance with all of the covenants.

Our subsidiaries have guaranteed, and any future subsidiaries will be required to guarantee, our obligations under this credit facility. Substantially all of our assets not subject to security interests granted to floor plan lenders are subject to security interests to lenders under the floor plan financing and acquisition credit facilities. We pay annually in arrears a commitment fee for the credit facility of 0.35% of the undrawn amount available to us. The acquisition credit facility provides for an indefinite series of one-year extensions at our request if approved by the lenders and the floor plan financing credit facility has an indefinite duration. Conversely, we can terminate the acquisition financing credit facility by repaying all of the outstanding balances under the acquisition line plus a termination fee. The fee, currently equal to 3% of $550 million, the amount committed under the acquisition credit facility, declines one percentage point on each of the first, second and third anniversaries of the facility. As of June 30, 2001, $204.8 million remained available to us for additional borrowings under the acquisition financing facility.

In addition, we have $10 million available through other revolving credit facilities, which are secured by certain notes receivable for finance contracts. The borrowings are repayable on the lenders' demand and accrue interest at variable rates. These facilities are subject to certain financial and other covenants. As of June 30, 2001, we had $10.0 million outstanding under these facilities.

FLOOR PLAN FINANCING

We finance substantially all of our new vehicle inventory and a portion of our used vehicle inventory under the floor plan financing credit facility, but also use other revolving floor plan arrangements. We are required to make monthly interest payments on the amount financed, but are not required to repay the principal prior to the sale of the vehicle. These floor plan arrangements grant a security interest in the financed vehicles as well as the related sales proceeds. Amounts financed under the floor plan financing bear interest at variable rates, which are typically tied to LIBOR or a prime rate. As of June 30, 2001, we had $484.4 million outstanding under all of our floor plan financing agreements.

CASH FLOW

Cash flow from operations totaled $64.0 million for the six months ended June 30, 2001, as net income plus non-cash items of $36.6 million, along with a reduction in inventories of $55.3 million, more than offset a reduction in floor plan notes payable of $19.5 million due to our decision to finance a greater percentage of our vehicles. Net cash flow used in investing activities was $37.8 million, principally related to capital expenditures of $27.1 million, acquisitions of $8.1 million, a net increase in finance contracts of $2.6 million and a strategic investment in CarsDirect.com of $1.2 million. Net cash flow used in financing activities was $2.1 million, as the $9.0 million used to

pay member distributions was offset by a net increase in borrowings of $6.9 million, principally to fund acquisitions. In addition, new borrowings under the acquisition line of $330.6 million were used to repay existing debt and finance certain fees and expenses of the closing of the credit facilities.

Cash flow from operations was $82.6 million for the year ended December 31, 2000, an increase of $33.5 million over the prior year. This was primarily due to an increase in net income plus non-cash items of $18.4 million and an increase in floor plan notes payable of $38.2 million which more than offset an increase in inventories of $22.9 million due to our decision to finance a greater percentage of vehicles. Cash flow was used in investing activities to fund acquisitions of $179.5 million and capital expenditures $36.1 million, offset by the proceeds from the sale of certain dealerships of $6.1 million. Cash flow from financing was comprised of $159.4 million of proceeds from new borrowings and $20.7 million of member contributions, principally to fund acquisitions, offset by repayment of existing debt of $14.6 million and member distributions of $13.4 million.

CAPITAL EXPENDITURES

Capital spending for the six months ended June 30, 2001, and for the year ended December 31, 2000, was $27.1 million and $36.1 million, respectively. Capital spending other than from acquisitions is estimated to be approximately $60 million for the year ended December 31, 2001, primarily related to an increase in manufacturer-required spending to upgrade existing dealership facilities.

Subsequent to June 30, 2000, we acquired three dealerships (operating seven franchises) for consideration in the form of cash and equity in us equal to $39.1 million. The cash component of the consideration we paid for the acquisitions was funded through the proceeds of borrowings on our acquisition financing credit facility.

Our future growth is dependent on our ability to acquire additional dealerships and successfully operate existing dealerships. We believe that cash flow generated from operations, working capital availability under the acquisition line, availability under our floor plan arrangements as well as mortgage financings, will be sufficient to fund debt service, working capital requirements and capital spending. Future acquisitions will be funded from cash flow from operations, capital available under our acquisition financing credit facility and through the public or private issuance of equity or debt securities.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative instrument may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction

or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a foreign currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. SFAS No. 137 amended the effective date to all fiscal quarters of fiscal years beginning after June 15, 2000. SFAS No. 138 issued in June 2000, addressed a limited number of issues that were causing implementation difficulties for numerous entities applying SFAS No. 133. We have determined that the adoption of SFAS No. 133 will not have a material impact on our results of operations, financial position, liquidity or cash flows.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition". SAB 101 was effective for years beginning after December 31,

1999, and provides clarification related to recognizing revenue in certain circumstances. The adoption of SAB 101 did not have a material impact on Asbury's revenue recognition policies.

On June 30, 2001, the Financial Accounting Standards Board (FASB) finalized and issued Statements of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS 141") and No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142").

SFAS 141 requires all business combinations initiated after June 30, 2001, to be accounted for using the purchase method, eliminating the pooling of interests method.

SFAS 142, when effective, eliminates amortization of the goodwill component of an acquisition price over the estimated useful life of the acquisition. However, goodwill will be subject to at least an annual assessment for impairment by applying a fair-value based test. Additionally, acquired intangible assets should be separately recognized if the benefit of the intangible is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented or exchanged, regardless of the acquirer's intent to do so. Intangible assets with definitive lives will need to be amortized over their useful lives.

The provisions of SFAS 142 apply immediately to all acquisitions completed after June 30, 2001. Goodwill and intangible assets with indefinite lives existing at June 30, 2001, will continue to be amortized until December 31, 2001. Effective January 1, 2002, such amortization will cease, as companies are required to adopt the new rules on such date. By the end of the first quarter of calendar year 2002, companies must begin to perform an impairment analysis of intangible assets. Furthermore, companies must complete the first step of the goodwill transition impairment test by June 30, 2002. Any impairment noted must be recorded at the date of effectiveness restating first quarter results, if necessary. Impairment charges, if any, that result from the application of the above tests would be recorded as the cumulative effect of a change in accounting principle in the first quarter of the year ending December 31, 2002.

Asbury will not be able to determine the ultimate impact of SFAS 142 on its consolidated financial statements until such time as it applies their provisions.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE RISK--We are exposed to market risk from changes in interest rates on substantially all outstanding indebtedness. Outstanding balances under the acquisition line bear interest at a variable rate based on a margin over the benchmark LIBOR rate. Given amounts outstanding at June 30, 2001, a 1% change in interest rate would result in a change of approximately $4.8 million to our annual non-floor plan interest expense. Similarly, amounts outstanding under floor plan financing arrangements (including the floor plan line) bear interest at variable rates based on a margin over LIBOR or prime. Based on floor plan amounts outstanding at June 30, 2001, a 1% change in interest rates would result in a $4.8 million change to annual floor plan interest expense.

INTEREST RATE SWAPS--During 1998, we caused a subsidiary to enter into swap arrangements with a bank in an aggregate initial notional principal amount of $31 million in order to fix a portion of our interest expense and reduce our exposure to floating interest rates. These swaps required the subsidiary to pay fixed rates ranging from 4.7% to 5.2% on the notional principal amounts, and receive in return payments calculated at LIBOR. In December 2000, we terminated our swap arrangements resulting in a gain of $0.4 million which was recognized in the quarter ended March 31, 2001, in connection with our refinancing of certain existing debt utilizing our credit facilities. Management continually monitors interest rates and trends in rates and will from time to time

reevaluate the advisability of entering into derivative transactions to hedge our interest rate risk and may consider restructuring our debt from floating to fixed rate.

FOREIGN CURRENCY EXCHANGE RISK--All our business is conducted in the U.S. where all of our revenues and expenses are transacted in U.S. dollars. As a result, our operations are not subject to foreign exchange risk.

BUSINESS

COMPANY

We are one of the largest automotive retailers in the United States. We offer our customers an extensive range of automotive products and services, in addition to new and used vehicle sales. We have grown rapidly in recent years, primarily through acquisition, with annual sales of $3.0 billion in 1999, $4.0 billion in 2000 and $2.1 billion during the first six months of 2001.

Our retail network is organized into nine regional dealership groups, or "platforms," which are groups of dealerships operating under a distinct brand. Our platforms are located in markets or clusters of markets that we believe represent attractive opportunities, generally due to the presence of relatively few dealerships and high rates of population and income growth. The following is a detailed breakdown of our platforms:

PLATFORM	REGIONAL BRANDS	DATE OF INITIAL PLATFORM ACQUISITION	PLATFORM MARKETS	FRANCHISES
Atlanta	Nalley Automotive Group	September 1996	Atlanta	Acura, Audi, Chevrolet, Dodge, Hino, Honda, Infiniti, Isuzu Truck, Jaguar, Jeep, Lexus(c), Navistar, Peterbilt
St. Louis	Plaza Motor Company	December 1997	St. Louis	Audi, BMW, Cadillac, Infiniti, Land Rover(a), Lexus, Mercedes-Benz, Porsche
Texas	David McDavid Automotive			

Group April
1998
Dallas/Fort
Worth
Acura,
Buick, GMC,
Honda,
Lincoln,
Mercury,
Pontiac,
Suzuki
Houston
Honda, Kia,
Nissan
Austin
Acura Tampa
Courtesy
Dealership
Group
September
1998 Tampa
Chrysler,
GMC,
Hyundai,
Infiniti,
Isuzu,
Jeep, Kia,
Lincoln,
Mazda(c),
Mercedes-
Benz,
Mercury,
Mitsubishi,
Nissan,
Pontiac,
Toyota
Jacksonville
Coggin
Automotive
Company
October
1998
Jacksonville
Chevrolet,
GMC,
Honda(c),
Kia, Mazda,
Nissan(c),
Pontiac(b),
Toyota
Orlando
Buick,
Chevrolet,
GMC, Ford,
Honda(c),
Lincoln,
Mercury,
Pontiac
Fort Pierce
BMW, Honda,
Mercedes-
Benz Oregon
Thomason
Auto Group
December
1998
Portland
Ford(c),
Honda,
Hyundai(c),
Mazda,
Nissan,
Subaru,
Suzuki,
Toyota
North
Carolina
Crown
Automotive
Company
December

1998
Greensboro
Acura,
Audi, BMW,
Dodge, GMC,
Honda, Kia,
Mitsubishi,
Nissan,
Pontiac,
Volvo
Chapel
Hill/Raleigh
GMC, Honda,
Isuzu,
Pontiac,
Volvo
Fayetteville
Ford
Richmond,
VA Acura,
BMW(c),
Porsche
Arkansas
North Point
(previously
known as
February
1999 Little
Rock BMW,
Ford,
Lincoln(c),
Mazda,
McLarty
Companies)
Mercury(c),
Nissan,
Toyota,
Volkswagen,
Volvo
Texarkana,
TX
Chrysler,
Dodge, Ford
Mississippi
Gray-
Daniels
April 2000
Jackson
Chrysler(b),
Daewoo,
Ford,
Hyundai,
Isuzu,
Jeep(b),
Lincoln(b),
Mazda,
Mercury(b),
Mitsubishi,
Nissan(c),
Suzuki,
Toyota

(a) Minority owned and operated by us. See "Related Transactions" for a description of our ownership interest in this franchise.

(b) Pending acquisitions.

(c) This platform market has two of these franchises.

Each platform originally operated as an independent business before being acquired and integrated into our operations, and each continues to enjoy high local brand name recognition and regional concentration.

COMPANY HISTORY

We were formed in 1995 by management and Ripplewood Holdings L.L.C. In 1997,

an investment fund affiliated with Freeman Spogli & Co. Inc. acquired a significant interest in us. The group identified an opportunity to aggregate a number of the nation's top retail automotive dealers into one cohesive organization. We acquired eight of our platforms between 1997 and 1999, and combined them on February 1, 2000. In the combination, dealers holding ownership interests in their respective platforms transferred their interests to the Oregon platform in exchange for ownership interests in the Oregon platform. Dealers who held interests in the Oregon platform did not exchange their interests, but had their holdings adjusted to reflect their overall ownership interest in the consolidated company. The Oregon platform then changed its name to Asbury Automotive Group L.L.C. and became the parent company to our platforms and other companies. Since the consolidation of the eight platforms as of February 1, 2000, a ninth platform, the Mississippi platform, was formed on July 2, 2001, following our acquisition of five franchises in the Jackson market, which we added to five franchises that we previously acquired in this market.

OUR STRENGTHS

We believe our competitive strengths are as follows:

EXPERIENCED AND INCENTIVIZED MANAGEMENT

- RETAIL MANAGEMENT EXPERIENCE. We have a management team with extensive experience and expertise in the retail sector. Thomas R. Gibson, our co-founder, chairman and interim chief executive officer, spent most of his 28-year automotive career working with automobile retail dealers throughout the U.S., including serving as president and chief operating officer of Subaru of America. Thomas F. Gilman, our vice president and chief financial officer, served for 25 years at DaimlerChrysler where his knowledge of the dealer network allowed him to play a key role assisting DaimlerChrysler dealerships during the recession of the automotive industry in the early 1990s. See "Management." In addition, the former platform owners of seven of our nine platforms, each with greater than 24 years of experience in the automotive retailing industry, continue to manage their respective platforms.

- INCENTIVIZATION AT EVERY LEVEL. We tie compensation to performance by relying upon an incentive-based pay system at both the platform and dealership levels. At the platform level all our senior management are compensated on an incentive-based pay system while 71% of the senior management at our nine platforms have a stake in our performance based upon their ownership of approximately 40% of our total equity, and will continue to own [ ]% after giving effect to this offering. We also create incentives at the dealership level. Each dealership is managed as a separate profit center by a trained and experienced general manager who has primary responsibility for decisions relating to inventory, advertising, pricing and personnel. We compensate our general managers based on dealership profitability, and the compensation of department managers is similarly based upon departmental profitability. Approximately 80% of compensation earned by our dealerships' general managers and sales forces in 2000 and the first six months of 2001 was earned through commissions and performance-based bonuses.

ADVANTAGEOUS BRAND MIX

We classify our primary franchise sales lines into luxury, mid-line import, mid-line domestic and value. We believe that our current brand mix includes a higher proportion of luxury and mid-line imports franchises to total franchises than most other public automotive retailers. Luxury and

mid-line imports together accounted for approximately 63% of our 2000 new retail vehicle revenues and 68% of our new retail vehicle revenue in the first six months of 2001, and comprise over half of our total franchises. Luxury and mid-line imports generate above average gross margins on sales, and have greater customer loyalty and repeat purchases than mid-line domestic and value automobiles. We also believe that luxury vehicle sales are less susceptible to economic cycles.

The following is a list of franchises currently owned and franchises expected to be acquired through pending acquisitions:

% OF TOTAL % OF 2000 CURRENT AND NEW
VEHICLE CLASS/FRANCHISE CURRENT
PENDING PENDING FRANCHISES REVENUE
RETAIL --------------- -------- -----
--- ------------------ ------------
-- LUXURY
Acura................................

5
Audi..................................
3
BMW...................................
6
Cadillac..............................
1
Infiniti..............................
3
Jaguar................................
1 Land
Rover(a)........................ 1
Lexus.................................
3
Lincoln...............................
5 1 Mercedes-
Benz........................ 3
Porsche...............................
2
Volvo.................................
3 --- --- TOTAL
LUXURY..................... 36 1 28%
25% MID-LINE IMPORT
Honda.................................
11
Mazda.................................
6
Mitsubishi............................
3
Nissan................................
9
Subaru................................
1
Toyota................................
5
Volkswagen............................
1 --- TOTAL MID-LINE
IMPORT............ 36 27% 38% MID-
LINE DOMESTIC
Buick.................................
2
Chevrolet.............................
3
Chrysler..............................
2 1
Dodge.................................
3
Ford..................................
7
GMC...................................
6
Jeep..................................
2 1
Mercury...............................
5 1
Pontiac...............................
6 1 --- --- TOTAL MID-LINE
DOMESTIC.......... 36 4 30% 28%
VALUE
Daewoo................................
1
Hyundai...............................
4
Isuzu.................................
3
Kia...................................
4
Suzuki................................
3 --- TOTAL
VALUE...................... 15 12%
4% HEAVY TRUCKS
Hino..................................
1
Isuzu.................................
1
Navistar..............................
1
Peterbilt.............................
1 --- TOTAL HEAVY
TRUCKS................ 4 3% 5% --- --
- ---- ----

TOTAL.................................
127 5 100% 100% === === ==== ====

(a) Minority owned and operated by us. See "Related Party Transactions" for a description of our ownership interest in this franchise.

REGIONAL CONCENTRATION AND STRONG BRANDING OF OUR PLATFORMS

- REGIONAL CONCENTRATION. Each of our platforms, which is comprised of between eight and 22 franchises, sold an average of over 19,000 cars and generated average pro forma annual revenues of approximately $500 million in 2000, and each sold an average of over 9,000 cars on a pro forma basis and generated average pro forma revenues of approximately $250 million during the six months ended June 30, 2001. Our regional concentration and strong brand recognition allow our platforms to realize significant regional economies of scale.

- BRANDING. Each of our platforms maintains a strong regional brand. We believe that our cultivation of strong regional brands can be beneficial because:

  - platforms enjoy strong local brand recognition from their long presence and regional advertising;

  - consumers may prefer to interact with a locally recognized brand;

  - placing our franchises in one region under a single brand allows us to generate significant advertising savings; and

  - our platforms can retain customers even as they purchase and service different automobile brands.

DIVERSIFIED REVENUE STREAMS/VARIABLE COST STRUCTURE

Our operations provide a diversified revenue base that we believe mitigates the impact of slower new car sales volumes. Used car sales and parts, service and collision repair, which represented 37% of our total 2000 revenue and 39% of our revenue for the first six months of 2001, generate higher profit margins than new car sales and tend to fluctuate less with economic cycles. In addition, our variable cost structure helps us manage expenses in an economic downturn, as a large part of our operating expenses consist of incentive-based compensation, vehicle carrying costs and advertising.

- NEW VEHICLES. Our franchises include a diverse portfolio of 36 American, European and Asian brands. We believe that our diverse brand, product and price mix enables us to reduce our exposure to specific product supply shortages and changing customer preferences. New vehicle sales were approximately 61% of our total revenues and 32% of total gross profit in 2000, and approximately 59% of our total revenues and 30% of total gross profit in the first six months of 2001.

- USED VEHICLES. We sell used vehicles at virtually all our franchised dealerships. Retail sales of used vehicles has become an increasingly significant source of profit for us, making up approximately 26% of our total revenues and 16% of total gross profit in 2000, and approximately 27% of our total revenues and 16% of total gross profit in the first six months of 2001. We obtain used vehicles through customer trade-ins, auctions restricted to new vehicle dealers (offering off-lease, rental and fleet vehicles) and "open" auctions which offer repossessed vehicles and vehicles sold by other dealers. We sell our used vehicles to retail customers when possible. We dispose of used vehicles that are not purchased by retail customers through sales to other dealers and at auction.

- FINANCE AND INSURANCE. We arranged customer financing on over 70% of the vehicles we sold in 2000 and in the first six months of 2001. These transactions result in commissions being paid to us by the indirect lenders, including manufacturer-captive finance arms. In addition to the finance commissions, each of these transactions creates other highly profitable sales opportunities, including extended service contracts and various insurance-related products for the consumer. Our size and sales volume motivate vendors to provide

these products to us at substantially reduced fees compared to industry

norms which result in competitive advantages as well as acquisition synergies. Furthermore, many of the insurance products we sell result in additional underwriting profits and investment income yields based on portfolio performances. Profits from finance and insurance generated approximately 2% of our total revenues and 15% of our total gross profit in 2000, and approximately 2% of our total revenues and 15% of total gross profit in the first six months of 2001.

- PARTS, SERVICE AND COLLISION REPAIR. We sell parts and provide maintenance and repair service at all our franchised dealerships. In addition, we have 23 free-standing collision repair centers in close proximity to dealerships in substantially all our platforms. Our dealerships and collision repair centers collectively operate approximately 1,600 service bays. Profits from parts, service and collision repair centers were approximately 11% of our total revenues and 37% of our total gross profit in 2000, and approximately 11% of our total revenues and 39% of total gross profit in the first six months of 2001.

OUR STRATEGY

Our objective is to be the most profitable automotive retailer in select markets in the United States. To achieve this objective, we intend to grow through targeted acquisitions, expand our higher margin businesses, emphasize decentralized dealership operations and enhance our customer relationship management.

CONTINUED GROWTH THROUGH TARGETED ACQUISITIONS

We intend to continue to grow through acquisitions. We will seek to establish platforms in new markets through acquisitions of large, profitable and well-managed dealership groups. In addition, we will pursue tuck-in acquisitions to complement the related platform by increasing brand diversity, market coverage and services.

- PLATFORM ACQUISITIONS. We will seek to establish platforms in new geographic markets through acquisitions of large, profitable and well-managed dealership groups in metropolitan and high-growth suburban markets in which we are not currently present. We will target those platforms with superior operational and financial management personnel. We believe that the retention of existing high quality management who understand the local market will enable acquired platforms to continue to operate efficiently, while allowing us to source future acquisitions more effectively and expand our operations without having to employ and train untested new personnel. Moreover, we believe we are well-positioned to pursue larger, established acquisition candidates as a result of the reputation of the original owners of our nine platforms as leaders in the automotive retailing industry.

- TUCK-IN ACQUISITIONS. One of our goals is to become the market leader in every region in which we operate a platform. We plan to acquire additional dealerships in each of the markets in which we operate, including acquisitions that increase the brands, products and services offered in that market. Since 1995 we have made 15 tuck-in acquisitions (representing 34 franchises) to add additional strength and brand diversity to our platforms. We believe that these acquisitions in the past and in the future will facilitate our regional operating efficiencies and cost savings in areas such as advertising and facility and personnel utilization. We have recently entered into definitive agreements to acquire five franchises consisting of Chrysler, Jeep, Lincoln, Mercury and Pontiac franchises in Jackson, Mississippi and Orange Park, Florida for a total cash consideration of $8.4 million.

- FOCUS ON ACQUISITIONS PROVIDING GEOGRAPHIC AND BRAND DIVERSITY. By focusing on geographic and brand diversity, we seek to manage economic risk and drive growth and profitability. By having a presence in all major brands and by avoiding concentration with one

manufacturer, we are well positioned to reduce our exposure to specific product supply shortages and changing customer preferences. At the same time, we will seek to continue to increase the proportion of our dealerships that are in markets with favorable demographic characteristics or that are franchises of fast-growing, high margin brands. In particular, we will focus on luxury dealerships (such as BMW, Lexus and Mercedes-Benz) and mid-line import dealerships (such as Honda, Toyota and Nissan). On an ongoing basis we will continue to evaluate the performance of our dealerships to determine if the sale of a particular dealership is advisable.

FOCUS ON HIGHER MARGIN PRODUCTS AND SERVICES

While new vehicle sales are critical to drawing customers to our dealerships, used vehicle retail sales, parts, service and collision repair and finance and insurance provide significantly higher gross profit margins. We currently derive approximately two-thirds of our total gross profit from these areas. In addition, we have discipline-specific executives at both the corporate and platform level who focus on both increasing the penetration of current services and expanding the breadth of our offerings to customers. While each of our platforms operates independently in a manner consistent with its specific market's characteristics, each platform will pursue an integrated strategy to grow these higher margin businesses to enhance profitability and stimulate internal growth.

- FINANCE AND INSURANCE. We intend to continue to bolster our finance and insurance revenues by offering a broad range of conventional finance and lease alternatives to fund the purchase of new and used vehicles. In addition to financing vehicle sales, we intend to expand our already broad offering of customer products like credit insurance, extended service contracts, maintenance programs and a host of other niche products to meet all of our customer needs on a "one stop" shopping basis. Furthermore, based on size and scale, we believe we will be able to continue negotiating with lending institutions and product providers to increase commissions on each of the products and services we sell. Moreover, continued in-depth sales training efforts and innovative computer technologies will serve as important tools in enhancing our finance and insurance profitability.

- PARTS, SERVICE AND COLLISION REPAIR. Each of our platforms offers parts and performs vehicle service work and substantially all of our platforms operate collision repair centers, all of which provide an important source of recurring higher gross profit margins. Currently, gross profit generated from these businesses absorbs approximately 60% of our total operating expenses, excluding salespersons' compensation. Expanding this absorption rate through focused marketing and customer relationship management represents a major opportunity for growth.

DECENTRALIZED DEALERSHIP OPERATIONS

We believe that decentralized dealership operations on a platform basis empower our retail network to provide market-specific responses to sales, service, marketing and inventory requirements. These operations are complemented by centralized technology and financial controls, as well as sharing of best practices and market intelligence throughout the organization.

While our administrative headquarters is located in Stamford, Connecticut, the day-to-day responsibility for the dealerships rests with each regional management team. Each of our platforms has a management structure that is intended to promote and reward entrepreneurial spirit and the achievement of team goals.

The chart below depicts our typical platform management structure:

AVERAGE EXPERIENCE OF PLATFORM MANAGEMENT

[FLOW CHART OF PLATFORM MANAGEMENT STRUCTURE]

Each of our dealerships is managed by a general manager who has authority over day-to-day operations. The general manager of each dealership is supported by a management team consisting, in most circumstances, of a new vehicle sales manager, a used vehicle sales manager, a finance and insurance manager and parts and service managers. Our dealerships are operated as distinct profit centers in which the general managers are given significant autonomy. The general managers are responsible for the operations, personnel and financial performance of their dealerships.

We employ professional management practices in all aspects of our operations, including information technology and employee training. A peer review process is also in place in which the platform managers address best practices, operational challenges and successes, and formulate goals for other platforms. Platforms utilize computer-based management information systems to monitor each dealership's sales, profitability and inventory on a daily basis. We believe the application of professional management practices provides us with a competitive advantage over many dealerships. In addition, platform management teams' thorough understanding of the local market enables them to effectively run day-to-day operations, recruit new employees and gauge acquisition opportunities in their market area.

CUSTOMER RELATIONSHIP MANAGEMENT

We are implementing a CRM initiative to increase customer loyalty and satisfaction and reduce marketing costs by redirecting expenditures from mass media to targeted communications. We expect to create a differentiated customer experience, allowing us to capture a greater percentage of our targeted households' automotive spending. Our CRM initiative includes the engagement of McKinsey & Company, a leading management consulting firm, to help develop the program and

pilot it in Jacksonville. We are also investing in a CRM software solution to provide the necessary technological tools.

We believe the retail auto industry is ripe for CRM given high customer (household) lifetime value, coupled with the industry's historic focus on short-term transactions as opposed to long-term customer retention. In addition to driving incremental new and used purchases over a multi-year period for a given household, we can benefit from incremental finance and insurance purchases and greater service expenditures, particularly post warranty. We also know that profitability varies dramatically by customer segment, as it does in most retail sectors; thus, we expect to benefit from initiatives that successfully target high value segments.

SALES AND MARKETING

NEW VEHICLE SALES. Our new vehicle retail sales include new vehicle retail lease transactions and other similar agreements, which are arranged by our individual dealerships. New vehicle leases generally have short terms, which cause customers to return to a dealership more frequently than in the case of financed purchases. In addition, leases provide us with a steady source of late-model, off-lease vehicles for our used vehicle inventory. Generally, leased vehicles remain under factory warranty for the term of the lease, allowing dealerships to provide repair service to the lessee throughout the lease term. Historically, less than 2% of our new vehicle sales revenue is derived from fleet sales, which are generally conducted on a commission basis.

We design our dealership service to meet the needs of our customers and establish relationships that will result in both repeat business and additional business through customer referrals. Our dealerships employ varying sales techniques to address changes in consumer preference.

We incentivize our dealership managers to employ more efficient selling approaches, engage in extensive follow-up to develop long-term relationships with customers and extensively train sales staffs to be able to meet customer needs. We continually evaluate innovative ways to improve the buying experience for our customers and believe that our ability to share best practices across our dealerships gives us an advantage over other dealerships.

We acquire substantially all our new vehicle inventory from manufacturers. Manufacturers allocate limited inventory among their franchised dealers based primarily on sales volume and input from dealers. We finance our inventory purchases through revolving credit arrangements known in the industry as floor plan facilities.

USED VEHICLE SALES. Used vehicle sales typically generate higher gross margins than new vehicle sales. We intend to grow our used vehicle sales by maintaining a high quality inventory, providing competitive prices and extended service contracts and continuing to enhance our marketing initiatives.

Profits from sales of used vehicles are dependent primarily on the ability of our dealerships to obtain a high quality supply of used vehicles and effectively manage inventory. New vehicle operations provide our used vehicle operations with a large supply of high quality trade-ins and off-lease vehicles, which we believe are the best sources of attractive used vehicle inventory. We supplement our used inventory with vehicles purchased at auctions.

Used vehicles are generally offered at our dealerships for 45 to 60 days on average, after which, if they have not been sold to a retail buyer, they are either sold to an outside dealer or offered at auction. During 2000 and for the first six months of 2001, approximately 77% of used vehicles sales were made to retail buyers. We may transfer used vehicles among dealerships to provide balanced inventories of used vehicles at each of our dealerships. We believe that acquisitions of additional dealerships will expand the internal market for transfer of used vehicles among our dealerships and, therefore, increase the ability of each dealership to offer a balanced mix of used vehicles. We developed integrated computer inventory systems allowing us to coordinate vehicle transfers among our dealerships, primarily on a regional basis.

Several steps have been taken towards building client confidence in our used

vehicle inventory, one of which includes participation in the manufacturers' certification processes which are available only to new vehicle franchises. This process makes certain used vehicles eligible for new vehicle benefits such as new vehicle finance rates and extended manufacturer warranties. In addition, each dealership offers extended warranties on our used car sales.

FINANCE AND INSURANCE. We arranged customer financing on over 70% of the vehicles we sold in 2000 and during the first six months of 2001, approximately 99% of which was non-recourse to us. These transactions generate commission revenue from indirect lenders, including manufacturer captive finance arms. In addition to finance commissions, each of these transactions creates other opportunities for more profitable sales, such as extended service contracts and various insurance-related products for the consumer. Our size and volume capabilities motivate vendors to provide these products at substantially reduced fees compared to the industry average which result in competitive advantages as well as acquisition synergies. Furthermore, many of the insurance products we sell result in additional underwriting profits and investment income yields based on portfolio performances.

PARTS, SERVICE AND COLLISION REPAIR. Historically, the automotive repair industry has been highly fragmented. However, we believe that the increased use of advanced technology in vehicles has made it difficult for independent repair shops to achieve the expertise required to perform major or technical repairs. Additionally, manufacturers permit warranty work to be performed only at franchised dealerships. As a result, unlike independent service stations or independent and superstore used car dealerships with service operations, our franchised dealerships are qualified to perform work covered by manufacturer warranties on increasingly technologically complex motor vehicles.

Our profitability in parts and service can be attributed to our comprehensive management system, including the use of variable rate pricing structures, cultivation of strong client relationships through an emphasis on preventive maintenance and the efficient management of parts inventory.

We use variable rate structures designed to reflect the difficulty and sophistication of different types of repairs to compensate employees working in parts and service. The percentage mark-ups on parts are also variably priced based on market conditions for different parts.

One of our major goals is to retain each vehicle purchaser as a long-term customer of our parts and service department. Currently, only 30% of customers return to our dealerships for other services after the vehicle warranty expires. Significant opportunity for growth exists in the auxiliary services part of our business. Each dealership has systems in place to track customer maintenance records and notify owners of vehicles purchased at the dealerships when their vehicles are due for periodic services. Service and repair activities are an integral part of our overall approach to customer service.

ADVERTISING. Our largest advertising medium is local newspapers, followed by radio, television, direct mail and the yellow pages. The retail automotive industry has traditionally used locally produced, largely unprofessional materials, often developed under the direction of each dealership's general manager. Each of our platforms has created common marketing materials for their dealerships using professional advertising agencies. Our corporate chief marketing officer helps oversee and share creative materials and general marketing best practices across platforms. Our total company marketing expense was $42.2 million in 2000 and $21.2 million for the first six months of 2001 which translates into an average of $273 and $278, respectively, per retail vehicle sold. In addition, manufacturers' direct advertising spending in support of their brands provides approximately 60% of the total amount spent on new car advertising in the U.S.

COMMITMENT TO CUSTOMER SERVICE. We are focused on providing a high level of customer service to meet the needs of an increasingly sophisticated and demanding automotive consumer. We strive to cultivate lasting relationships with our customers, which we believe enhances the opportunity for significant repeat and referral business. For example, our platforms regard service

and repair operations as an integral part of the overall approach to customer service, providing an opportunity to foster ongoing relationships with customers and deepen loyalty.

INTERNET AND E-COMMERCE. We believe that the growth of the Internet and e-commerce represents a new opportunity to build our platforms' brands and expand the geographic borders of their markets. We are applying e-commerce to our strategy of executing professionally developed best practices under the supervision of discipline-specific central management throughout our autonomous platforms. We believe that our e-commerce strategy constitutes a coherent, cost-effective and sustainable approach that allows us to leverage the projected

growth of the Internet.

At the corporate level, information technology-e-commerce executives set the parameters of our overall e-commerce strategy. Our strategy mandates that each platform establish a website that incorporates a professional design to reinforce the platform's unique brand and advanced functionalities to ensure that the website can hold the attention of customers and perform the informational and interactive functions for which the Internet is uniquely suited. Manufacturer website links provide our platforms with key sources of referrals.

Our commitment to e-commerce flows through to the platform level. Each platform maintains an e-commerce department, staffed with dedicated personnel, to promote the platform's brand over the World Wide Web and capitalize on Internet-originated sales leads. Many platforms use the Internet to communicate with customers both prior to vehicle purchase and after purchase to coordinate and market maintenance and repair services. Finally, each platform utilizes the Internet as an integral part of its overall branding and advertising efforts by ensuring that its website is aggressively promoted and periodically upgraded.

MANAGEMENT INFORMATION SYSTEM. We consolidate financial, accounting and operational data received from our dealers nationwide through an exclusive private communication network.

The data from the dealers is gathered and processed through their individual dealer management system. All our dealers use software from ADP, Inc., Reynolds & Reynolds, Co. or UCS, Inc. as their dealer management system. Our systems strategy allows for our platforms to choose the dealer management system that best fits their daily operational needs. We aggregate the information from the three disparate systems at our corporate headquarters to create one single view of the business using the Hyperion financial systems.

Our information technology allows us to quickly integrate and aggregate the information from a new acquisition. By creating a connection over our private network between the dealer management system and corporate Hyperion financial systems, corporate management can quickly view the financial, accounting and operational data of the newly acquired dealer. In that way, we can efficiently integrate the acquired dealer into our operational strategy.

COMPETITION

In new vehicle sales, our platforms compete primarily with other franchised dealerships in their regions. We do not have any cost advantage in purchasing new vehicles from the manufacturers. Instead, we rely on advertising and merchandising, sales expertise, service reputation and location of our dealerships to sell new vehicles. In recent years, automobile dealers have also faced increased competition in the sale or lease of new vehicles from independent leasing companies, on-line purchasing services and warehouse clubs. Our used vehicle operations compete with other franchised dealers, independent used car dealers, automobile rental agencies and private parties for supply and resale of used vehicles. See "Risk Factors--Substantial competition in automobile sales may adversely affect our profitability."

In our vehicle financing business, we compete with direct consumer lending institutions such as local banks, savings and loans and credit unions, including through the Internet. Our ability to offer manufacturer-subsidized financing terms as part of an incentive-based sales strategy can place

us at a competitive advantage relative to independent financing companies. We also compete in this area based on:

- interest rates; and
- convenience of "one stop shopping," which we offer by arranging vehicle financing at the point of purchase.

We seek to reduce our cost of funds, and as a result, the interest rates we charge, through leveraging our volume of business to obtain discounted terms.

We compete against other franchised dealers to perform warranty repairs and against other automobile dealers, franchised and independent service centers for non-warranty repair and routine maintenance business. We compete with other automobile dealers, service stores and auto parts retailers in our parts operations. We believe that the principal competitive factors in parts and service sales are the use of factory-approved replacement parts, price, the familiarity with a manufacturer's brands and models and the quality of customer service. A number of regional and national chains offer selected parts and services at prices that may be lower than our prices.

FACILITIES

We have 127 franchises situated in 87 dealership locations throughout nine states. We lease 49 of these locations and own the remainder. In addition, we operate 23 collision repair centers.

	DEALERSHIPS		COLLISION REPAIR CENTERS	
	OWNED	LEASED	OWNED	LEASED
Arkansas	0	6	1	1
Atlanta	7	4	1	3
Jacksonville	13	2	5	1
Mississippi	5	2	0	0
North Carolina	8	4	1	0
Oregon	0	10	0	2
St. Louis	5	0	1	0
Tampa	0	12	0	2
Texas	0	9	0	5
Total	38	49	9	14

We lease our corporate headquarters, which is located at 3 Landmark Square, Suite 500 in Stamford, Connecticut.

FRANCHISE AGREEMENTS

Each of our dealerships operates pursuant to franchise agreements between the applicable manufacturer and the dealership. The typical automotive franchise agreement specifies the locations at which the dealer has the right and obligation to sell the manufacturer's automobiles and related parts and products and to perform certain approved services. The franchise agreement grants the dealer the non-exclusive right to use and display the manufacturer's trademarks, service marks and designs in the form and manner approved by the manufacturer.

The allocation of new vehicles among dealerships is subject to the discretion of the manufacturer, which generally does not guarantee a dealership exclusivity within a given territory. A franchise agreement may impose requirements on the dealer concerning such matters as the showrooms, the facilities and equipment for servicing vehicles, the maintenance of inventories of vehicles and parts, the maintenance of minimum net working capital, the achievement of certain minimum customer service and satisfaction standards and the training of personnel. Compliance with these requirements is closely monitored by the manufacturer. In addition, many manufacturers require each dealership to submit monthly and annual financial statements.

We are subject to additional provisions contained in supplemental agreements, framework agreements or franchise addenda, which we collectively refer to as "franchise framework agreements." Many of our dealerships are also subject to these agreements. Franchise framework

agreements impose requirements similar to those discussed above, as well as limitations on changes in our ownership or management and limitations on the number of a particular manufacturer's franchises we may own. In addition, we are party to an agreement with General Motors Corporation under which we have divested ourselves of and agreed not to acquire Saturn franchises.

PROVISIONS FOR TERMINATION OR NON-RENEWAL OF FRANCHISE AGREEMENTS. Certain franchise agreements expire after a specified period of time, ranging from one to five years, and we expect to renew expiring agreements for franchises we wish to continue in the ordinary course of business. Typical franchise agreements provide for termination or non-renewal by the manufacturer under certain circumstances, including insolvency or bankruptcy of the dealership, failure to adequately operate the dealership, failure to maintain any license, permit or authorization required for the conduct of business, or material breach of other provisions of the franchise agreement. Some of our franchise agreements and franchise framework agreements provide that the manufacturer may acquire our dealerships or terminate the franchise agreement if a person or entity acquires an equity interest above a specified level (ranging from 20% to 50% depending on

the particular manufacturer's restriction) in us without the approval of the applicable manufacturer. This trigger can fall to as low as 5% if the entity acquiring the equity interest in us is another automobile manufacturer or a felon whose conviction stems from fraudulent sales practices or violations of state or federal consumer protection laws. Some manufacturers also restrict changes in the membership of our board of directors. Although our franchise agreements may not be renewed or may be terminated prior to the conclusion of their terms, manufacturers have rarely chosen to take such action. Further, as discussed below, state dealer laws substantially limit the ability of manufacturers to terminate or fail to renew franchise agreements. See "Risk Factors--If we fail to obtain renewals of one or more of our franchise agreements from vehicle manufacturers on favorable terms, or if one or more of our franchise agreements are terminated, our operations could be significantly compromised."

MANUFACTURERS' LIMITATIONS ON ACQUISITIONS. We are required to obtain the consent of the applicable manufacturer before we can acquire any additional dealership franchises. Six of our manufacturers impose limits on the number of dealerships we are permitted to own at the metropolitan, regional and national levels. These limits vary according to the agreements we have with each of the manufacturers but are generally based on fixed numerical limits or on a fixed percentage of the aggregate sales of the manufacturer. We currently own the maximum number of dealerships allowed under our franchise agreement with Acura and have only one more dealership available for Jaguar. We are also approaching the ownership limits allocated under our framework franchise agreement with Toyota. Unless we renegotiate these franchise agreements or receive the consent of the manufacturers, we may be prevented from making further acquisitions upon reaching the limits provided for in these framework franchise agreements.

STATE DEALER LAWS. We operate in states that have state dealer laws limiting manufacturers' ability to terminate dealer franchise agreements. We are basing the following discussion of state dealer laws on our understanding of these laws and therefore, the description may not be accurate. State dealer laws generally provide that it is a violation for manufacturers to terminate or refuse to renew franchise agreements unless they provide written notice to the dealers setting forth good cause and stating the grounds for termination or nonrenewal. State dealer laws typically require 60 to 90 days advance notice to dealers prior to termination or nonrenewal of a franchise agreement. Some state dealer laws allow dealers to file protests or petitions within the notice period and allow dealers an opportunity to comply with the manufacturers' criteria. These statutes also provide that manufacturers are prohibited from unreasonably withholding approval for a proposed change in ownership of the dealership. Acceptable grounds for disapproval include material reasons relating to the character, financial ability or business experience of the proposed transferee. See "Risk Factors--If state dealer laws are repealed or weakened, our dealerships will be more susceptible to termination, non-renewal or re-negotiation of their franchise agreements."

GOVERNMENTAL REGULATIONS

A number of federal, state and local regulations affect our marketing, selling, financing and servicing of automobiles. The nine platforms also are subject to state laws and regulations relating to business corporations generally.

Under various state laws, each of our dealerships must obtain a license in order to establish, operate or relocate a dealership or provide certain automotive repair services. These laws also regulate conduct of our businesses, including advertising and sales practices. Other states into which we may expand our operations in the future are likely to have similar requirements.

Our financing activities with our customers are subject to federal truth-in-lending, consumer leasing and equal credit opportunity regulations as well as state and local motor vehicle finance laws, installment finance laws, insurance laws, usury laws and other installment sales laws. Some states regulate finance fees that may be paid as a result of vehicle sales. Penalties for violation of any of these laws or regulations may include revocation of necessary licenses, assessment of criminal and civil fines and penalties, and in certain instances, create a private cause of action for individuals. We believe that we comply substantially with all laws and regulations affecting our business and do not have any material liabilities under such laws and regulations and that compliance with all such laws and regulations will not, individually or in the aggregate, have a material adverse effect on our capital expenditures, earnings or competitive position, and we do not anticipate that such compliance will have a material effect on us in the future. See "Risk Factors--Governmental regulations and environmental regulation compliance costs may adversely affect our profitability."

ENVIRONMENTAL MATTERS

We are subject to a wide range of environmental laws and regulations, including those governing discharges into the air and water, the storage of petroleum substances and chemicals, the handling and disposal of wastes and the remediation of contamination. As with automobile dealerships generally, and service and parts and collision repair center operations in particular, our business involves the generation, use, handling and disposal of hazardous or toxic substances and wastes. Operations involving the management of wastes are subject to requirements of the Federal Resource Conservation and Recovery Act and comparable state statutes. Pursuant to these laws, federal and state environmental agencies have established approved methods for handling, storage, treatment, transportation and disposal of regulated substances and wastes with which we must comply.

Our business also involves the use of above ground and underground storage tanks. Under applicable laws and regulations, we are responsible for the proper use, maintenance and abandonment of our regulated storage tanks and for remediation of subsurface soils and groundwater impacted by releases from existing or abandoned storage tanks. In addition to these regulated tanks, we own, operate, or have otherwise closed in place other underground and above ground devices or containers (such as automotive lifts and service pits) that may not be classified as regulated tanks, but which could or may have released stored materials into the environment, thereby potentially obligating us to clean up any soils or groundwater resulting from such releases.

We are also subject to laws and regulations governing remediation of contamination at or from our facilities or to which we send hazardous or toxic substances or wastes for treatment, recycling or disposal. The Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, also known as the "Superfund" law, imposes liability, without regard to fault or the legality of the original conduct, on those that are considered to have contributed to the release of a "hazardous substance." Responsible parties include the owner or operator of the site or sites where the release occurred and companies that disposed or arranged for the disposal of the hazardous substances released at such sites. These responsible parties may be subject to joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment and for damages to natural resources. It is not uncommon for neighboring

landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances.

Further, the Federal Clean Water Act and comparable state statutes prohibit discharges of pollutants into regulated waters without the necessary permits, require containment of potential discharges of oil or hazardous substances and require preparation of spill contingency plans. We believe that we are in material compliance with those wastewater discharge requirements as well as requirements for the containment of potential discharges and spill contingency planning.

Environmental laws and regulations are very complex and it has become difficult for businesses that routinely handle hazardous and non-hazardous wastes to achieve and maintain full compliance with all applicable environmental laws. From time to time we experience incidents and encounter conditions that will not be in compliance with environmental laws and regulations. However, none of our dealerships have been subject to any material environmental liabilities in the past and we do not anticipate that any material environmental liabilities will be incurred in the future. Nevertheless, environmental laws and regulations and their interpretation and enforcement are changed frequently and we believe that the trend of more expansive and stricter environmental legislation and regulations is likely to continue. Hence, there can be no assurance that compliance with environmental laws or regulations or the future discovery of unknown environmental conditions will not require additional expenditures by us, or that such expenditures would not be material. See "Risk Factors--Governmental regulations and environmental regulation compliance costs may adversely affect our profitability."

EMPLOYEES

As of June 30, 2001, we employed approximately 7,030 people, of whom approximately 590 were employed in managerial positions, approximately 1,800 were employed in non-managerial sales positions, approximately 3,800 were employed in non-managerial parts and service positions, approximately 650 were employed in administrative support positions and approximately 200 were employed in non-managerial finance and insurance positions. We intend, upon completion of the offering, to provide certain executive officers and managers with options to purchase common stock and believe this equity incentive will be attractive to our existing and prospective employees. See "Management--2001 Stock Option Plan".

We believe our relationship with our employees is favorable. None of our employees are represented by a labor union. Because of our dependence on vehicle manufacturers, however, we may be affected by labor strikes, work slowdowns and walkouts at vehicle manufacturers' production facilities.

LEGAL PROCEEDINGS AND INSURANCE

From time to time, we and our nine platforms are named in claims involving the manufacture of automobiles, contractual disputes and other matters arising in the ordinary course of our business. Currently, no legal proceedings are pending against us or the nine platforms that, in management's opinion, could be expected to have a material adverse effect on our business, financial condition or results of operations.

Because of their vehicle inventory and nature of business, automobile retail dealerships generally require significant levels of insurance covering a broad variety of risks. Our insurance program includes two umbrella policies with a total per occurrence and aggregate limit of $100 million. We also have insurance on our real property, comprehensive coverage for our vehicle inventory, garage liability and general liability insurance, employee dishonesty insurance and errors and omissions insurance in connection with our vehicle sales and financing activities.

INDUSTRY OVERVIEW

Automotive retailing, with 2000 industry sales of approximately $1 trillion, is the largest consumer retail market in the U.S., representing approximately 9% of gross domestic product according to figures provided by the Bureau of Economic Analysis. Since 1996, retail new vehicle unit sales have grown at a 3.5% compound annual rate. Over the same period, retail used vehicle

units have grown at a 0.7% compound annual rate. Retail sales of new vehicles, which are conducted exclusively through new vehicle dealers, were approximately $386 billion in 2000. In addition, used vehicle sales in 2000 were estimated at $367 billion, with approximately $306 billion in sales by franchised and independent dealers and the balance in privately negotiated transactions.

Of the approximately 17.4 million new vehicles sold in the United States in 2000, approximately 28.3% were manufactured by General Motors Corporation, 24.1% by Ford Motor Company, 15.7% by DaimlerChrysler Corporation, 9.3% by Toyota Motor Corp., 6.7% by Honda Motor Co., Ltd., 4.3% by Nissan Motor Co., Ltd. and 11.6% by other manufacturers. Sales of newer used vehicles have increased over the past five years, primarily as a result of the greater availability of newer used vehicles due to the increased popularity of short-term leases. Approximately 44 million used vehicles were sold in 2000. Franchised dealers accounted for 16.2 million, or 37%, of all used vehicle units sold. Independent lots accounted for 31% with the balance accounted for in privately negotiated transactions.

INDUSTRY CONSOLIDATION. Franchised dealerships were originally established by automobile manufacturers for the distribution of new vehicles. In return for granting dealers exclusive distribution rights within specified territories, manufacturers exerted significant influence over their dealers by limiting the transferability of ownership in dealerships, designating the dealership's location, and managing the supply and composition of the dealership's inventory. These arrangements resulted in the proliferation of small, single-owner operations that, at their peak in the late 1940's, totaled almost 50,000. As a result of competitive, economic and political pressures during the 1970's and 1980's, significant changes and consolidation occurred in the automotive retail industry. One of the most significant changes was the increased penetration by foreign manufacturers and the resulting loss of market share by domestic manufacturers, which forced many dealerships to close or sell to better capitalized dealership groups. According to industry data, the number of franchised dealerships has declined from approximately 27,900 in 1980 to approximately 22,000 in 2000. Although significant consolidation has taken place since the automotive retailing industry's inception, the industry today remains highly fragmented, with the largest 100 dealer groups generating less than 10% of total sales revenues and controlling less than 8% of all franchised dealerships.

We believe that further consolidation is likely due to increased capital requirements of dealerships, the limited number of viable alternative exit strategies for dealership owners and the desire of certain manufacturers to strengthen their brand identity by consolidating their franchised dealerships. We also believe that an opportunity exists for dealership groups with significant equity capital and experience in identifying, acquiring and professionally managing dealerships, to acquire additional dealerships for cash, stock, debt or a combination thereof. Publicly-owned dealer groups, such as

ours, are able to offer prospective sellers tax-advantaged transactions through the use of publicly traded stock which may, in certain circumstances, make them more attractive to prospective sellers.

INDUSTRY OPPORTUNITIES. In addition to new and used vehicles, dealerships offer a wide range of other products and services, including repair and warranty work, replacement parts, extended warranty coverage, financing and insurance. In 2000, the average dealership's revenue consisted of 60% new vehicle sales, 29% used vehicle sales and 11% parts and services. Sales of newer used vehicles by franchised dealers have increased over the past five years, primarily as a result of the substantial increase in new vehicle prices and the greater availability of newer used vehicles due to the increased popularity of short-term leases. Franchised dealers retailed 16.2 million used vehicles in 2000, amounting to only 37% of all used vehicles sold in the U.S. Independent used vehicle dealers and private transactions accounted for the rest of the 43.9 million used vehicles sold in 2000.

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

Set forth below are the names of our executive officers and directors, together with their ages and positions.

NAME	AGE	POSITION
Thomas R. Gibson	59	Chairman, Interim Chief Executive Officer and Director
Thomas F. "Mack" McLarty, III	55	Vice Chairman of the Company
Thomas F. Gilman	50	Vice President and Chief Financial Officer
Thomas G. McCollum	45	Vice President -- Finance and Insurance
Phillip R. Johnson	52	Vice President -- Human Resources
Allen T. Levenson	38	Vice President -- Marketing and Customer Experience
Timothy C. Collins	45	Director
C.V. "Jim" Nalley	58	Director
John M. Roth	43	Director
Ian K. Snow	32	Director

Set forth below is a brief description of our directors' and executive officers' business experience.

THOMAS R. GIBSON has served as our interim chief executive officer since October 2001. He is one of our founders and served as our chairman from 1995 to October 2001. Mr. Gibson has over 30 years experience in the automotive retailing industry. Prior to joining us, he served as president and chief operating officer of Subaru of America. Mr. Gibson was part of Lee Iacocca's management team at Chrysler from 1980 to 1982, where he served as director of marketing operations and general manager of import operations. He began his career in 1967 with the Ford Motor Company and held key marketing and field management positions in both the Lincoln-Mercury and Ford divisions. Mr. Gibson serves on the board of directors of IKON Office Solutions, including its Audit, Executive and Strategies committees. Mr. Gibson is a graduate of DePauw University and holds a master's in business administration from Harvard University.

THOMAS F. "MACK" MCLARTY, III has served as our vice chairman since May 2000. After leaving the White House staff in 1998, Mr. McLarty served as president and chief executive officer of our Arkansas platform. Mr. McLarty began his 32-year career in the automotive retailing industry by building McLarty Leasing Systems, the platform his grandfather founded, into one of

America's largest transportation companies. Mr. McLarty also serves as vice chairman of Kissinger McLarty Associates, an international consulting firm formed in 1999 by the merger of Mr. McLarty's and Dr. Henry Kissinger's consulting operations. Mr. McLarty joined Arkla Gas Company's board of directors in 1976, and from 1983 to 1992 he was Arkla Inc.'s chairman and chief executive officer. Between 1992 and 1998, Mr. McLarty served as White House Chief of Staff, Special Envoy for the Americas and Counselor to President Bill Clinton. He also was appointed to the National Petroleum Council by President George H. W. Bush and served on the St. Louis Federal Reserve Board from 1989 until joining the White House in 1992. Mr. McLarty currently serves on the board of directors of Axciom Corporation. Mr. McLarty graduated summa cum laude from the University of Arkansas.

THOMAS F. GILMAN has served as our vice president and chief financial officer since April 2001. From 1973 to 2000, Mr. Gilman worked for Chrysler/Daimler Chrysler Corporation. At Chrysler, Mr. Gilman began his finance career in manufacturing operations at the divisional and plant levels, including 3 years at Chrysler de Mexico. Mr. Gilman's experiences at Chrysler included participation of the Chrysler Loan Guarantee efforts, the acquisition by Chrysler of American Motors (Jeep) and the creation of the 1990 Billion Dollar Cost Reduction Program. From 1990 to 1994, Mr. Gilman was

responsible for Chrysler Corporation's credit operations, extending financial assistance to automotive retail dealers and distributors worldwide. In late 1994 to mid-1995, Mr. Gilman was Director of Finance for Chrysler's Asia-Pacific region. In 1995, Mr. Gilman led the finance organization at Chrysler Financial Company, L.L.C. where he became chief financial officer of the captive finance company. In 1998, Mr. Gilman was selected as a member of the Daimler-Benz/Chrysler Corporation Merger Integration Team and appointed as a member of the Financial Services Committee of DaimlerChrysler Services, AG, positions he held until June, 2000. In July of 2000, Mr. Gilman founded CEO Solutions, LLC, an independent consulting practice, and served as President and CEO until April 2001. Mr. Gilman currently serves on the board of directors of Leapsource, Inc. Mr. Gilman graduated from Villanova University with a bachelor's degree in finance.

THOMAS G. MCCOLLUM has been our vice president of finance and insurance since April of 2001. Mr. McCollum has over 25 years of experience in finance and insurance. From 1982 to 2001, Mr. McCollum served as executive vice president for Aon's Resource Group (formally Pat Ryan & Associates). He joined Aon in 1982 where he employed innovative, customer focused finance and insurance programs to improve same store results. Mr. McCollum holds a bachelor's degree in business from Sam Houston University.

PHILLIP R. JOHNSON has been our vice president of human resources since June of 2000. Mr. Johnson has held top human resources positions in large national and regional retail companies for the past 22 years. He operated his own Human Resources consulting practice from 1998 to 2000. From 1994 to 1998 he served as senior vice president of human resources at Entex Information Services, a national personal computer systems integrator. Mr. Johnson served as executive vice president of human resources at Macy's East from 1993 to 1994, and as senior vice president of human resources at Saks Fifth Avenue from 1991 to 1993. He has also held senior human resources positions at Marshall Fields and Gimbels. Mr. Johnson holds a bachelor's degree and master's in business administration from the University of Florida.

ALLEN T. LEVENSON has served as our vice president of customer experience and chief marketing officer since March 2001. From 1999 to 2001, Mr. Levenson co-founded and served as president and chief executive officer of a business-to-consumer e-commerce company, Gazelle.com. From 1998 to 1999, he served as Vice President of Marketing for United Rentals, a market leader and consolidator in the equipment rental industry. From 1996 to 1998, he served as vice president of sales and marketing for Petroleum Heat & Power Inc., and he also served as Vice President of Marketing for The Great Atlantic & Pacific Tea Company from 1993 to 1996. Mr. Levenson began his career in 1985 with two leading strategy consulting firms, McKinsey & Company and Bain & Company. He received his undergraduate degree from Tufts University and a master's in business administration from the Wharton School at the University of Pennsylvania.

TIMOTHY C. COLLINS has served as a member of our board of directors since 1996 and has been a member of our compensation committee since 1996. Mr. Collins founded Ripplewood Holdings L.L.C. in 1995 and currently serves as its Chief Executive Officer. In addition, he is co-head of RHJ Industrial Partners, an affiliate of Ripplewood Holdings L.L.C.. From 1991 to 1995, Mr. Collins managed the New York office of Onex Corporation, a leveraged buy-out group headquartered in Canada. Previously, Mr. Collins was a vice president at Lazard Freres & Company and held various positions at Booz, Allen & Hamilton and Cummins Engine Company. He also currently serves on the board of directors of

Ripplewood Holdings L.L.C., Advance Stores Company, Incorporated, The Strong Schafer Value Fund, Shinsei Bank, Ltd. (formerly The Long-Term Credit Bank of Japan, Limited), Western Multiplex Corporation, Kraton Polymers L.L.C. and various other privately held Ripplewood portfolio companies. Mr. Collins received a master's in business administration from Yale University's School of Organization and Management and a bachelor's degree in philosophy from DePauw University.

IAN K. SNOW has served as a member of our board of directors since 1996, and a member of our compensation committee since 1996. He joined Ripplewood Holdings L.L.C. in 1995, and he is

currently a managing director. Prior to joining Ripplewood in 1995, Mr. Snow was a financial analyst in the Media Group at Salomon Brothers Inc, where he focused on strategic advisory and capital raising assignments for clients in the media industry. He also currently serves on the board of directors of Kraton Polymers L.L.C., a privately held Ripplewood portfolio company. Mr. Snow received a bachelor's degree in history from Georgetown University.

JOHN M. ROTH has been a member of our board of directors since our board was established in 1996 and a member of our compensation committee since 1996. Mr. Roth joined Freeman Spogli and Co. Inc. in 1988, and became a general partner in 1993. Mr. Roth was a member of Kidder, Peabody & Company, Inc.'s mergers and acquisitions group from 1984 to 1988. He is also a member of the board of directors of Advance Stores Company, Incorporated, AFC Enterprises, Inc., Galyan's Trading Company, Inc. and a number of privately held corporations. Mr. Roth holds a bachelor's degree and master's in business administration from the Wharton School at the University of Pennsylvania.

CLARENCE V. "JIM" NALLEY has served as a director since 2000. He has been the president and chief executive officer of our Atlanta platform since its acquisition in 1996. Mr. Nalley has over 30 years of automotive retailing experience. His platform consisted of nine franchises when he joined us. He has also been the director of Russell Corp., an apparel company, since 1990 and served as director of First Union Corp., a banking corporation, from 1980-1987. He formerly served as the President of the Metro Atlanta Chevrolet Dealers Association and as Chairman of the PACCAR National Distributors Council. Mr. Nalley holds a bachelor's degree from the University of Georgia.

BOARD OF DIRECTORS

Our board of directors currently consists of Messrs. Timothy C. Collins, Thomas R. Gibson, C.V. Nalley, John M. Roth, and Ian K. Snow, and a sixth director to be elected by the board of directors prior to this offering. No later than 90 days after this offering, we will satisfy the requirements for independent directors contained in the rules governing companies listed on the New York Stock Exchange by appointing three additional independent directors.

TERMS. The board of directors is divided into three classes. The first class of directors consists of Thomas R. Gibson and two independent directors to be elected after this offering, each of whom will serve for a term of one year. The second class of directors consists of John M. Roth, Ian K. Snow and one independent director to be elected after this offering, each of whom will serve for a term of two years. The third class of directors consists of Timothy C. Collins, C.V. "Jim" Nalley and a third director to be elected by the board of directors prior to this offering, each of whom will serve for a term of three years. After these directors have served their initial terms, each director will be nominated to serve for a term of three years. Directors will hold office until the annual meeting of stockholders in the year in which the term of their class expires and until their successors have been duly elected and qualified. Executive officers are appointed by, and serve at the discretion of, the board of directors. Under a stockholders agreement entered into by holders of a majority of our outstanding common stock, stockholders who are parties to the agreement are required to vote their shares with respect to nominations to our board of directors in accordance with the terms of the agreement. See "Description of Capital Stock--Stockholders Agreement".

COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT COMMITTEE. We have an audit committee consisting of Messrs. Ian K. Snow and John M. Roth. The audit committee has responsibility for, among other things:

- recommending to the board of directors the selection of our independent auditors,

- reviewing and approving the scope of the independent auditors' audit activity and extent of non-audit services,

- reviewing with management and the independent accountants the adequacy of our basic accounting systems and the effectiveness of our internal audit plan and activities,

- reviewing with management and the independent accountants our financial statements and exercising general oversight of our financial reporting process and

- reviewing litigation and other legal matters that may affect our financial condition and monitoring compliance with our business ethics and other policies.

The current members of our audit committee will be replaced by the three independent directors we will appoint within 90 days after this offering.

COMPENSATION COMMITTEE. The compensation committee consists of Messrs. Timothy C. Collins, Ian K. Snow and John M. Roth. This committee has general supervisory power over, and the power to grant awards under, the 1999 option plan and the 2001 stock option plan. The compensation committee has responsibility for, among other things, reviewing the recommendations of the chief executive officer as to the appropriate compensation of our principal executive officers and certain other key personnel, periodically examining the general compensation structure and supervising our welfare, pension and compensation plans.

DIRECTORS' COMPENSATION

Directors who are full-time employees of ours or our affiliates, including Asbury Automotive Holdings L.L.C., and its two principals, Ripplewood Holdings L.L.C. and Freeman Spogli, will not receive a retainer or fees for service on our board of directors or on committees of our board. We expect to compensate each member of our board of directors who is not a full-time employee of ours or our affiliates with an annual retainer of $25,000. In addition to their annual compensation, each director will receive $1,000 for each meeting of the board or committee ($750 for meetings conducted by telephone), plus expenses, and the committee chair will receive $1,500. We will pay this compensation in the form of a combination of cash and our common stock.

EXECUTIVE COMPENSATION, EMPLOYMENT AGREEMENTS

The following table sets forth certain summary information concerning the compensation provided by us in 2000 to our executive management team.

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION		COMMON STOCK UNDERLYING	OTHER ANNUAL
NAME AND POSITION	YEAR	SALARY	BONUS	OPTIONS	COMPENSATION
Brian E. Kendrick, President and Chief Executive Officer(1)	2000	$750,000	$750,000	[]	$99,061(2)
Thomas R. Gibson, Chairman	2000	525,000	0	[]	109,192(3)
Thomas F. "Mack" McLarty, III, Vice Chairman	2000	300,000	0	[]	0
Phillip R. Johnson, Vice President-Human Resources	2000	133,846	56,000	[]	5,457(4)
Donna M. Colorito, Vice President I.T. and E-Commerce	2000	94,231	30,000	[]	5,240(5)

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(1) Mr. Kendrick served as our President and Chief Executive Officer from November 1999 until his death on October 4, 2001.

(2) $38,146 represents a tax gross-up of income.

(3) $47,805 represents a tax gross-up of income.

(4) $5,457 represents payments for automobile use.

(5) $5,240 represents payments for automobile use.

EMPLOYMENT AGREEMENTS

Several of our executive officers are entitled to compensation under the terms of employment agreements with us and under the terms of our Third Amended and Restated Limited Liability Company Agreement, dated February 1, 2000, which we refer to in this section of the prospectus as our "L.L.C. agreement". Both our L.L.C. agreement and the employment agreements with our current executive officers described below are included as exhibits to the registration statement of which this prospectus forms a part, and the following summary of these agreements is qualified in its entirety by reference to these exhibits.

THOMAS R. GIBSON. Mr. Gibson has an employment agreement with us to serve as chairman of our board of directors for a term that we intend to extend one year beyond the time of the completion of this offering. During the term of his agreement, Mr. Gibson will receive an annual salary as follows: (i) for the period January 1, 2001, through March 16, 2001, a prorated salary based upon the rate of $525,000 per year and (ii) for the period beginning March 17, 2001, to the termination of his employment with us, a prorated salary based upon the rate of $250,000 per year. In April 2001, we paid Mr. Gibson $2,250,000 in cash in exchange for his carried interest. Mr. Gibson was issued the carried interest under our L.L.C. agreement.

If we terminate Mr. Gibson's employment without cause or if he leaves for good reason, we will pay him his base salary for the balance of his employment term under the contract. During the term of Mr. Gibson's employment and for one year after the termination of his contract, he is subject to a non-compete provisions. During the term of Mr. Gibson's employment and for three years after the termination of his contract, he is subject to a non-solicitation provision.

THOMAS F. "MACK" MCLARTY. Mr. McLarty entered into an employment agreement with us to provide management and consulting services for a term of three years beginning February 23, 1999. Under this employment agreement Mr. McLarty received an annual base salary of $175,000 and was entitled to a discretionary performance-based bonus. On May 15, 2000, Mr. McLarty's employment contract was amended upon his appointment to our vice chairmanship. This amended employment contract increased his annual rate of compensation to $375,000 and provides for a discretionary performance-based bonus.

If Mr. McLarty terminates his contract for good reason or is terminated by us without cause, he will receive the present value of the remaining payments due on his employment agreement. During the term of Mr. McLarty's employment, he is subject to a non-compete provision. During the term of Mr. McLarty's employment and through the later of February 23, 2004, or two years after the termination of his contract, he is subject to a non-solicitation provision.

PHILLIP R. JOHNSON. Mr. Johnson entered into a severance agreement with us beginning April 3, 2001, providing for one year of base salary, bonus and benefits continuation if he is terminated. These benefits will not be extended in the event of death, disability, retirement, voluntary resignation or cause. Mr. Johnson may trigger severance payments if his office is relocated by more than 50 miles, his base salary is reduced or his duties are diminished. Mr. Johnson is restricted by non-solicitation and non-compete restrictions for one year following termination.

1999 OPTION PLAN

In January 1999, we adopted a non-qualified option plan under which we issued options granting the right to purchase limited liability company interests in us. Under our 1999 option plan, we granted options to certain of our directors, officers, employees and consultants for terms and at exercise prices and vesting schedules set by the compensation committee of our board of directors. We issued options for the purchase of a total of [ ]% of the limited liability company interests in us under our 1999 option plan, which will equate to a total of [ ]% of our outstanding common stock immediately after this offering ([ ]% if the underwriters exercise their over-allotment option in full). The options granted under our 1999 plan that have not vested prior to a change in

control of us will vest and become exercisable upon a change of control. We are no longer issuing options under our 1999 option plan.

The following table provides certain information regarding options granted to executive officers during 2000 under our 1999 option plan:

OPTION GRANTS IN LAST FISCAL YEAR

PERCENT OF
POTENTIAL
REALIZABLE VALUE
AT NUMBER OF TOTAL
ASSUMED ANNUAL
RATES OF
SECURITIES OPTIONS
EXERCISE OR STOCK
PRICE APPRECIATION
FOR UNDERLYING
GRANTED TO BASE
OPTION TERM(1)
OPTIONS EMPLOYEES
IN PRICE
EXPIRATION -------

---- NAME GRANTED
FISCAL YEAR ($/SH)
DATE 10% ($) 5%
($) ---- ---------
-- ------------- -
---------- -------
--- -------------

Phillip R.
Johnson..........
10.00% 6/5/2010
Donna M.
Colorito...........
6.25% 6/12/2010

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(1) Amounts represent hypothetical values that could be achieved for the respective options if exercised at the end of the option term. These values are based on assumed rates of stock price appreciation of 5% and 10% compounded annually from the date the respective options were granted to their expiration date based on the market price of the underlying securities on the date of the grant. These assumptions are not intended to forecast future appreciation of our stock price. The potential realizable value computation does not take into account federal or state income tax consequences of option exercises or sales of appreciated stock.

The options vest annually with respect to 33.33% of the shares covered by the options.

2001 STOCK OPTION PLAN

In connection with this offering, we intend to grant certain senior employees a grant of options under our 2001 stock option plan to purchase a total of [   ] shares of our common stock. A primary purpose of our 2001 stock option plan is to attract and retain exceptional officers and other key employees.

The following is a description of the material terms of the 2001 stock option plan. You should, however, refer to the exhibits that are a part of the registration statement, of which this prospectus forms a part, for a copy of the stock option plan. See "Where You Can Find More Information".

TYPE OF AWARDS. The 2001 stock option plan provides for grants of nonqualified stock options.

SHARES SUBJECT TO THE STOCK OPTION PLAN; OTHER LIMITATIONS ON AWARDS. Subject to potential adjustment by the compensation committee of our board of directors as described below, we may issue options to purchase a maximum of [   ] shares of our common stock under our 2001 stock option plan. The plan limits option grants to individual participants to options to purchase a maximum of [   ] shares in any single fiscal year. Shares underlying options may be issued from our authorized but unissued common stock or satisfied with common stock held in our treasury. If any option is forfeited, expires or is otherwise terminated or canceled, other than by reason of exercise or vesting, then the shares covered by that option will again become available under the 2001 stock option plan.

Our compensation committee has the authority to adjust the terms and conditions of, and the criteria included in, any outstanding options in order to prevent dilution or enlargement of the benefits intended to be made available under the plan as a result of any unusual or nonrecurring events (including any

dividend or other distribution, whether in the form of cash, shares of our common stock, other securities or other property, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, exchange of shares of our common stock or our other securities or other similar corporate transaction or event) affecting us, our affiliates, our financial statements or the financial statements of any of our affiliates, or any changes in applicable laws, regulations or accounting principles. In such events, the compensation committee may provide for a cash payment to the option holder in return for the

cancelation of the option in an amount equal to the excess, if any, of the fair market value of our shares of common stock over the aggregate exercise price of the option.

ELIGIBILITY. Awards may be made to any officer or other key employee of us or any of our subsidiaries, including any prospective officer or key employee, selected by the compensation committee.

ADMINISTRATION. The compensation committee administers the 2001 stock option plan. The compensation committee has the authority to construe, interpret and implement the 2001 stock option plan, and prescribe, amend and rescind rules and regulations relating to the plan. The determination of the compensation committee on all matters relating to the 2001 stock option plan or any award agreement is final and binding.

STOCK OPTIONS. The compensation committee may grant to our senior employees nonqualified stock options to purchase shares of common stock from us (at the price set forth in the award agreement), subject to such terms and conditions as the compensation committee may determine. No grantee of an option will have any of the rights of one of our stockholders with respect to shares subject to their award until the issuance of the shares.

Except as the compensation committee may otherwise establish in an option agreement at the time of grant, the exercise price of each option granted under the 2001 stock option plan prior to the initial public offering of shares of our common stock will be the initial public offering price per share of our common stock and the exercise price of each option granted under the plan after the initial public offering will be equal to the fair market value of a share of our common stock on the date of grant.

Except as the compensation committee may otherwise establish in an option agreement, options that are granted under the 2001 stock option effective as of the initial public offering of shares of our common stock will become vested and exercisable with respect to 41.67% of the shares subject to those options on each of the first two anniversaries of the date of grant and with respect to 16.66% of the shares subject to those options on the third anniversary of the date of grant. Except as the compensation committee may otherwise establish in an option agreement, options granted after this offering will become vested and exercisable with respect to one-third of the shares subject to those options on each of the first three anniversaries of the date of grant.

Except as the compensation committee may otherwise establish in an option agreement, options granted under the 2001 stock option plan will expire without any payment upon the earlier of the tenth anniversary of the option's date of grant and the date the optionee ceases to be employed by us or one of our subsidiaries.

CHANGE OF CONTROL. In the event of a change in control of us, options that are outstanding and unexercisable or unvested at the time of the change of control will vest and become exercisable immediately prior to the change of control.

NONASSIGNABILITY. Except to the extent otherwise provided in the option agreement, no option granted to any person under the 2001 stock option plan is assignable or transferable other than by will or by the laws of descent and distribution, and all options are exercisable during the life of the grantee only by the grantee or the grantee's legal representative.

AMENDMENT AND TERMINATION. The 2001 stock option plan is scheduled to terminate December 31, 2011. Our board of directors may at any time amend, alter, suspend, discontinue or terminate the 2001 stock option plan and, unless otherwise expressly provided in an option agreement, the compensation committee may waive any conditions under, or amend the terms of, any outstanding option. However, stockholder approval of any of those actions must be obtained if such approval is necessary to comply with any tax or regulatory requirement applicable to the 2001 stock option plan. In addition, if such an action would impair the rights of any option holder with

respect to options granted prior to the action, then the action will not be effective without the consent of the affected option holder.

EMPLOYEE STOCK PURCHASE PLAN

The following is a description of the material terms of our employee stock purchase plan, pursuant to which shares of our common stock will be made available, beginning in 2002, for purchase by our eligible employees.

GENERAL. The purpose of the plan is to promote our success and enhance our value by providing our eligible employees with the opportunity to purchase our common stock, in order to increase employee interest in our success and encourage them to remain in our employ. The plan is intended to qualify as an employee stock purchase plan under section 423 of the Internal Revenue Code.

The plan authorizes the purchase of up to [ ] shares of our common stock by eligible employees. However, the number of shares available for purchase under the plan will be adjusted proportionately to account for stock dividends, stock splits, reclassifications and other changes affecting such shares. The shares available for purchase under the plan may, in the discretion of our board of directors, be authorized but unissued shares of common stock, shares purchased on the open market or shares from any other proper source.

ADMINISTRATION. The plan will be administered by our board of directors or a committee appointed by the board of directors. Subject to the terms of the plan, the administrator has authority to interpret the plan, make, amend and rescind all rules and regulations for the operation of the plan, take any other actions and make all other determinations necessary or desirable to administer and operate the plan.

ELIGIBILITY TO PARTICIPATE. All our employees are eligible to participate in the plan, subject to such further eligibility requirements as may be specified by the administrator consistent with section 423 of the Code. However, any employee that owns, directly or indirectly, 5% or more of the total combined voting power or value of our stock (or would exceed this ownership limit after the option grant became effective) is not eligible.

PURCHASES OF COMMON STOCK UNDER THE PLAN. Eligible employees receive options to purchase our common stock pursuant to the plan. Commencing in 2002, the options are to be granted to each eligible employee on the first day of each calendar year in which the New York Stock Exchange is open for trading, or any other date specified by the administrator. Options remain outstanding for a period determined by the administrator not to exceed 27 months. Unless the administrator determines otherwise, consecutive option periods of equal duration will be established.

An individual must be employed as an eligible employee by us on the first trading day of an option period in order to be granted an option for that option period. In the case of an individual who first becomes an eligible employee after the first trading day of an option period, the administrator may designate a subsequent day within the option period upon which the employee will be granted an option that will have a duration equal to the balance of that option period.

Each option provides the employee the right to purchase, on the last day of the option period or on one or more trading days within the option period designated by the administrator, up to a maximum number of shares of common stock specified by the administrator. However, no employee may purchase in one calendar year shares of common stock having an aggregate fair market value in excess of $25,000. The purchase price for each share of common stock under an option will be determined by the administrator, in its discretion, prior to the beginning of the applicable option period. However, the purchase price will never be less than 85% of the fair market value of the common stock on the first day of the option period or the day of purchase, whichever is lower, and will never be less than the par value of the common stock. All eligible employees

granted options under the plan for an option period will have the same rights and privileges with respect to such options.

To facilitate payment of the purchase price of options, the administrator, in its discretion, may permit eligible employees to authorize payroll deductions to be made on each payday during an option period, in addition to contributions of cash or cash-equivalents to us, up to a maximum amount determined by the administrator. We will maintain bookkeeping accounts for all employees who authorize payroll deduction or make cash contributions. Interest will not be paid on any employee accounts, unless the administrator determines otherwise. The administrator will establish rules and procedures regarding elections to authorize payroll deductions, changes in such elections, timing and manner of

cash contributions, and withdrawals from employee accounts.

Amounts credited to employee accounts on the last trading day of an option period or on one or more trading days within the option period designated by the administrator will be applied to the payment of the purchase price of outstanding options. Options will be exercised on the close of business on the last trading day of an option period or on one or more trading days within the option period designated by the administrator, however, options of any participant who terminates employment for any reason before such date, or who is no longer an eligible employee on such date, will terminate unexercised. Options will be exercised only to the extent the purchase price is paid with respect to whole shares of common stock. Any balance remaining in an employee's account at the end of an option period will be carried forward automatically for the next option period. If an employee is not an eligible employee with respect to the next option period, any remaining balance will be promptly refunded without interest.

AMENDMENT AND TERMINATION. The board of directors may amend the plan at any time for any reason, except that (1) if the approval of any such amendment by our stockholders is required by section 423 of the Internal Revenue Code, such amendment will not be effected without such approval and (2) no amendment may be made that would cause the plan to fail to comply with section 423 of the Internal Revenue Code unless expressly so provided by the board of directors.

The board of directors, in its sole discretion, may terminate the plan at any time and for any reason. In the event the plan is terminated, all outstanding options shall immediately terminate and all amounts in an eligible employee's account under the plan shall be promptly refunded without interest.

RELATED PARTY TRANSACTIONS

Certain of our directors, beneficial owners and their affiliates, have engaged in transaction with us. Transactions with one of our directors, Mr. C.V. Nalley, two of our former directors, Mr. Thomas F. McLarty and Mr. David McDavid, Sr. and one of our principal shareholders, Mr. Luther Coggin, are described below. We believe these transactions involve terms comparable to, or more favorable to us than, terms that would be obtained from an unaffiliated third party.

We lease the following properties used by the Arkansas platform for dealership lots and offices from Mr. McLarty, his immediate family members and his affiliates:

- property leased from NPF Holdings L.L.C., a limited liability company in which Mr. McLarty has a 58.5% ownership interest for a monthly rental fee of $61,926;

- property leased from MHC Properties G.P., a partnership in which Mr. McLarty has an 85.5% ownership interest, for a monthly rental fee of $13,801;

- property leased from Prestige Properties, GP, a partnership in which MHC Properties GP, of which Mr. McLarty owns 85.5%, holds a 68% ownership interest, for a monthly rental fee of $38,572;

- property leased from Hope Auto Company, corporation in which Mr. McLarty has an 86% ownership interest, for a monthly rental fee of $118,300; and

- property leased from Summerhill Partnership, L.P., a limited partnership in which Mr. McLarty has a 49.88% ownership interest, for a monthly rental fee of $30,000.

We lease the following properties used by the Texas platform for dealership lots and offices from Mr. McDavid, his immediate family members and his affiliates:

- properties leased from Mr. McDavid with an aggregate monthly rental fee of $189,000;

- properties leased from David McDavid Family Properties, a partnership in which Mr. McDavid and his immediate family have a 100% ownership interest, for aggregate monthly rental fees of $90,000;

- property leased from BroMac Inc., an S-corporation in which Mr. McDavid and his immediate family have a 100% ownership interest, for a monthly rental fee of $1,500;

- properties leased from Sterling Real Estate Partnership, a partnership in which Mr. McDavid and his immediate family have a 100% ownership interest,

for aggregate monthly rental fees of $70,000;

- property leased from Texas Coastal Properties, a partnership in which Mr. McDavid and his immediate family have a 100% ownership interest, for a monthly rental fee of $4,000;

- property leased from McCreek Partners L.L.C., a limited liability corporation which is wholly owned by McCreek, Ltd., a partnership in which Mr. McDavid and his immediate family hold a 100% ownership interest, for a monthly rental fee of $4,900; and

- property leased from D.Q. Automobiles Inc., a corporation in which Mr. McDavid has a 100% ownership interest, for a monthly rental fee of $14,700.

In the near future, we expect to enter into agreements to purchase or lease certain additional properties from Mr. McDavid or his affiliates for use by the Texas platform with the following general business terms:

- purchase approximately four acres of land in Plano, Texas for the construction of a new body shop. Purchase price is the appraised value of $1,700,000.

- lease approximately four acres of land in Frisco, Texas, and a 100,000 square foot parking structure which Mr. McDavid will build on the land at his cost, for total rent of $50,000 per month. Mr. McDavid further will construct a new dealership facility at his expense, at which time we will increase monthly rent by 1% of the construction cost, representing a 12% annual capitalization rate.

- purchase two acres of land adjacent to our Honda dealership facility in Houston, Texas for $2,000,000. The existing Honda facility will become the new home for our Nissan dealership, and we will construct an additional facility on it for Nissan dealership expansion. The purchase price for the land is approximately $800,000 more than the appraised value, which will be offset by the "free rent" in the following transaction.

- lease ten acres of land adjacent to our current Nissan dealership in Houston, Texas for four years, rent-free. We will renovate the facility and it will become the new home for our Honda dealership. We estimate fair market rent over the four-year term (i.e., our savings to offset the above-market purchase price above) to be $814,000.

We lease property used by the Atlanta platform for dealership lots and offices from Mr. Nalley, his immediate family and his affiliates:

- properties owned by C.V. Nalley for an aggregate monthly rental fee of $50,500;

- properties owned by Chevrolet Metro Realty, Inc., a corporation in which Mr. Nalley has a 100% ownership interest, for aggregate monthly rental fees of $45,900;

- property owned by Heavy Duty Trucks Realty, Inc., a corporation in which Mr. Nalley has a 100% ownership interest, for a monthly rental fee of $36,000;

- property owned by Union City Honda Auto Realty, Inc., a corporation in which Mr. Nalley has a 100% ownership interest, for a monthly rental fee of $45,000; and

- property owned by Marietta Lexus Auto Realty, Inc., a corporation in which Mr. Nalley has a 100% ownership interest, for a monthly rental fee of $45,100.

We lease property used by the Jacksonville platform for dealership lots and offices from Coggin Management Company, a corporation in which Mr. Coggin has a 100% ownership interest, for a monthly rental fee of $10,500.

OTHER RELATED PARTY TRANSACTIONS

Loomis Advertising, a corporation in which Mr. McDavid and his immediate family hold a 21% ownership interest, has entered into various agreements to provide advertising services to the Texas platform for an aggregate value of $1,467,647 since January 1, 1998. Loomis Advertising also began providing advertising services to the Jacksonville platform in April 2000, for a monthly fee of $52,000 and production costs of $247,667 to date.

Mr. Nalley leased his private aircraft to us during part of 2000, and

currently charges us for employees who use the aircraft to fly on business trips. The total amount paid to Mr. Nalley since January 1, 1998, for use of the aircraft is $471,600.

Currently, we own a 10% interest in a Land Rover franchise operated under the St. Louis platform, Asbury Automotive Holdings L.L.C. owns a 40% interest in this franchise and John R. Capps owns the remaining 50% interest. We have entered into a binding assignment and assumption agreement whereby Mr. Capps has agreed to sell his 50% interest to us. This agreement is held in escrow at the Bank of New York pending manufacturer consent to the transaction.

The Jacksonville platform engages in management duties including co-signing checks and reviewing accounting records for a Holiday Inn Hotel owned by Mr. Coggin for a monthly fee of $1,500.

On January 1, 2001, we redeemed Mr. Gibson's carried interest for a purchase price of $2,250,000.

In February 2001, Mr. McLarty purchased a number of used vehicles from us after fire damage to our Hope, Arkansas dealership. The total purchase price paid by Mr. McLarty to us was $378,000.

Our 2.7% ownership interest in CarsDirect.com was transferred to the holders of our membership interests prior to this offering on a pro-rata basis.

Mr. Nalley entered into an employment agreement with the Atlanta platform to serve as its president and chief executive officer from March 1, 2000, to March 1, 2005. The agreement provides for an annual base salary of $500,000 and an annual bonus based upon the performance of the Atlanta platform of up to $1,000,000. If Mr. Nalley's employment is terminated for reasons other than voluntary resignation, cause, death or disability, the Atlanta platform will pay him his base salary for the balance of the employment term and a pro-rata portion of his annual bonus.

Mr. Coggin entered into an employment agreement with the Jacksonville platform to serve as its president and chief executive officer from October 30, 1998, to October 30, 2003. The agreement provides for an annual base salary of $250,000, adjusted in accordance with a cost of living index, and an annual bonus based upon the performance of the Jacksonville platform of up to $250,000. If Mr. Coggin's employment is terminated for reasons other than voluntary resignation, cause, death or disability, the Jacksonville platform will pay him his base salary for the balance of the employment term and a pro-rata portion of his annual bonus.

Mr. McDavid entered into an employment agreement with the Texas platform to serve as its president and chief executive officer from May 1, 1998, to May 1, 2003. The agreement provides for an annual base salary of $500,000. Mr. McDavid also receives an annual discretionary bonus in an amount determined by our board. If Mr. McDavid's employment is terminated for reasons other than voluntary resignation, cause, death or disability, the Texas platform will pay him his base salary for the balance of the employment term.

Mr. McLarty entered into an employment agreement with us to provide management and consulting services for a term of three years beginning February 23, 1999, to February 23, 2002. See "Management--Executive Compensation, Employment Agreements.

DESCRIPTION OF CAPITAL STOCK

AUTHORIZED CAPITAL

Our authorized capital stock consists of [ ] shares of common stock, par value $.01 per share, and [ ] shares of preferred stock, par value $.01 per share. After giving effect to the offering, we will have outstanding [ ] shares of common stock and no shares of preferred stock. Upon completion of the offering, we will have outstanding [ ] shares of common stock ([ ] shares if the underwriters' over-allotment option is exercised in full) and no shares of preferred stock.

COMMON STOCK

Subject to the rights of any then outstanding shares of preferred stock, the holders of the common stock are entitled to such dividends as may be declared in the discretion of our board of directors out of funds legally available therefor. Holders of common stock are entitled to share ratably in our net assets upon liquidation after payment or provision for all liabilities and any preferential liquidation rights of any preferred stock then outstanding. The holders of common stock have no preemptive rights to purchase shares of our stock. Shares of our common stock are not subject to any redemption provisions

and are not convertible into any other of our securities. All outstanding shares of common stock are, and the shares of common stock to be issued pursuant to the offering will be upon payment therefor, fully paid and non-assessable.

PREFERRED STOCK

Preferred stock may be issued from time to time by the board of directors in one or more series. Subject to the provisions of our charter and limitations prescribed by law, the board of directors is expressly authorized to adopt resolutions to issue the shares, to fix the number of shares and to change the number of shares constituting any series and to provide for or change the voting powers, designations, preferences and relative participating, optional or other special rights, qualifications, limitations or restrictions thereof, including dividend rights (including whether dividends are cumulative), dividend rates, terms of redemption (including sinking fund provisions), redemption prices, conversion rights and liquidation preferences of the shares constituting any

series of the preferred stock, in each case without any further action or vote by the stockholders. One of the effects of undesignated preferred stock may be to enable the board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a tender offer, proxy contest, merger or otherwise, and thereby to protect the continuity of our management. The issuance of shares of the preferred stock pursuant to the board of directors' authority described above may adversely affect the rights of the holders of common stock. For example, preferred stock issued by us may rank prior to the common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of common stock. Accordingly, the issuance of shares of preferred stock may discourage bids for the common stock or may otherwise adversely affect the market price of the common stock.

CERTAIN ANTI-TAKEOVER AND OTHER PROVISIONS OF THE CHARTER AND BYLAWS

LIMITATIONS ON REMOVAL OF DIRECTORS

Stockholders may remove a director only for cause upon the affirmative vote of holders of at least 80% of the voting power of the outstanding shares of common stock. In general, the board of directors, and not our stockholders, will have the right to appoint persons to fill vacancies on our board of directors.

OUR STOCKHOLDERS MAY NOT ACT BY WRITTEN CONSENT

Our corporate charter provides that any action required or permitted to be taken by our stockholders must be taken at a duly called annual or special stockholders' meeting. Special meetings of the stockholders may be called only by the chairman of our board of directors, either on his or her own initiative or at the request of stockholders collectively holding at least 50% of the outstanding common stock.

BUSINESS COMBINATIONS UNDER DELAWARE LAW

We are a Delaware corporation and are subject to section 203 of the Delaware General Corporation Law. In general, section 203 prevents an "interested stockholder" (defined generally as a person owning 15% or more of our outstanding voting stock) from engaging in a merger, acquisition or other "business combination" (as defined in section 203) with us for three years following the date that person becomes an interested stockholder unless:

- before that person became an interested stockholder, our board of directors approved the transaction in which the interested stockholder became an interested stockholder or approved the business combination;

- upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owns at least 85% of the voting stock outstanding at the time the transaction commenced (excluding stock held by our directors who are also officers and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or

- following the transaction in which that person became an interested stockholder, the business combination is approved by our board of directors and authorized at a meeting of stockholders by the affirmative vote of the holders of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Under section 203, these restrictions also do not apply to specified types of business combinations proposed by an interested stockholder if:

- the proposal follows the announcement or notification of one of certain extraordinary transactions involving us and a person who was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of our directors; and

- the extraordinary transaction is approved or not opposed by a majority of the directors who were directors before any person became an interested stockholder in the previous three years or who were recommended for election or elected to succeed such directors by a majority of such directors then in office.

STOCKHOLDERS AGREEMENT

We entered into a stockholders agreement with Asbury Automotive Holdings L.L.C. and certain platform principals, consisting of the former owners of our platforms and members of their management teams. After the completion of this offering, Asbury Automotive Holdings will own [ ]% of our common stock ([ ]% if the underwriters exercise their over-allotment option in full), and the platform principals will collectively own [ ]% of our common stock. Under the stockholders agreement, the platform principals are required to vote their shares in accordance with Asbury Automotive Holdings' instructions with respect to:

- persons nominated by Asbury Automotive Holdings to our board of directors (and persons nominated against Asbury Automotive Holdings' nominees); and

- any matter to be voted on by the holders of our common stock, whether or not the matter was initiated by Asbury Automotive Holdings.

The platform principals have the right to cause Asbury Automotive Holdings to vote for at least one platform principal nominee to the board of directors if the total number of directors (excluding directors that are our employees) on the board of directors is six or less and at least two platform principal nominees if such number of directors is more than six.

The stockholders agreement will terminate on the first to occur of:

- the fifth anniversary of the date of this offering;

- two years after the first date on which Asbury Automotive Holdings' share of the ownership of our outstanding common stock falls below 20%; and

- the first date on which Asbury Automotive Holdings' share of the ownership of our outstanding common stock falls below 5%.

LIMITATION OF LIABILITY OF OFFICERS AND DIRECTORS--INDEMNIFICATION

Delaware law authorizes corporations to limit or eliminate the personal liability of officers and directors to corporations and their stockholders for monetary damages for breach of officers' and directors' fiduciary duties of care. The duty of care requires that, when acting on behalf of the corporation, officers and directors must exercise an informed business judgment based on all material information reasonably available to them. Absent the limitations authorized by Delaware law, officers and directors are accountable to corporations and their stockholders for monetary damages for conduct constituting gross negligence in the exercise of their duty of care. Delaware law enables corporations to limit available relief to equitable remedies such as injunction or rescission. The charter limits the liability of our officers and directors to us or our stockholders to the fullest extent permitted by Delaware law. Specifically, our officers and directors will not be personally liable for monetary damages for breach of an officer's or director's fiduciary duty in such capacity, except for liability (i) for any breach of the officer's or director's duty of loyalty to us or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the officer and director derived an improper personal benefit.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the common stock is EquiServe Trust Company, N.A.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of [ ], 2001, as adjusted to reflect the sale of shares in this offering by us and by the selling stockholders, Luther Coggin and Royce Reynolds (without giving effect to the underwriters' over-allotment option), by our directors, executive officers and directors and officers as a group and each person known by us to beneficially own more than 5% of our outstanding voting securities.

SHARES BENEFICIALLY SHARES
BENEFICIALLY OWNED BEFORE OWNED
AFTER THE OFFERING(1) THE
OFFERING(1) ------------------- --
----------------- NAME OF
BENEFICIAL OWNER NUMBER % SHARES
OFFERED NUMBER % -----------------
------- -------- -------- --------
------ -------- -------- PRINCIPAL
STOCKHOLDERS Ripplewood Holdings
L.L.C.(2)........ One Rockefeller
Plaza 32 Floor New York, NY 10020
Freeman
Spogli(3)....................
Luther Coggin(4)
(5).................. CURRENT
DIRECTORS Timothy C. Collins(6)
(7)............. Ian K. Snow(6)
(7).................... John M.
Roth(8)(9).................. C.V.
Nalley(4).......................
Thomas R.
Gibson(4)................. NAMED
OFFICERS WHO ARE NOT DIRECTORS
Thomas F. McLarty,
III(4)............ Thomas F.
Gilman(4)..................
Phillip R.
Johnson(4)................ Allen
T. Levenson(4)................
Thomas G.
McCollum(4)............... All
directors and executive officers
of Asbury as a group (12
persons)..........................
OTHER SELLING STOCKHOLDERS Royce
Reynolds(4)(5)................

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(1) Unless otherwise indicated, each beneficial owner listed above has represented that he, she or it possesses sole voting and sole investment power with respect to the shares beneficially owned by such person, entity or group and includes all options currently exercisable or exercisable within 60 days of [ ], 2001. The percentages of beneficial ownership as to each person, entity or group assume the exercise or conversion of all options held by such person, entity or group.

(2) Represents shares owned by Asbury Automotive Holdings L.L.C. Ripplewood Holdings L.L.C. is the owner of 51% of the membership interests of Asbury Automotive Holdings and is deemed to be a member of a group that owns the shares of Asbury Automotive Holdings.

(3) Represents shares owned by Asbury Automotive Holdings L.L.C. FS Equity Partners III, L.P., FS Equity Partners International L.P. and FS Equity Partners IV, L.P., investment funds affiliated with Freeman Spogli, are the owners of 49% of the membership interests of Asbury Automotive Holdings and are deemed to be members of a group that own the shares of Asbury Automotive Holdings. The business address of Freeman Spogli & Co., FS Equity Partners III, FSEquity Partners IV is 11100 Santa Monica Boulevard, Suite 1900, Los Angeles, California 90025. The business address of FS Equity Partners International L.P. is c/o Paget-Brown & Company, Ltd., West Winds Building, Third Floor, Grand Cayman, Cayman Islands, British West Indies.

(4) Address c/o our principal executive offices at 3 Landmark Square, Suite 500, Stamford, CT 06901.

(5) Mr. Coggin is chief executive officer of the Jacksonville platform and Mr. Reynolds is president and chief executive officer of the North Carolina platform.

(6) Does not include [ ] shares of common stock held of record by Asbury Automotive Holdings L.L.C. an entity in which Ripplewood Holdings L.L.C. holds a 51% ownership interest. Mr. Collins and Mr. Snow are directors and executive officers of Ripplewood Holdings. Both Mr. Collins and Mr. Snow expressly disclaim beneficial ownership of any shares held by Ripplewood Holdings L.L.C. except to the extent of their pecuniary interests in them.

(7) Address c/o Ripplewood Holdings L.L.C. at One Rockefeller Plaza, 32nd Floor, New York, NY 10020.

(8) Does not include [ ] shares of common stock held of record by Asbury Automotive Holdings L.L.C., an entity in which investment funds affiliated with Freeman Spogli, as described in footnote three, hold approximately a 49% ownership interest. Mr. Roth is a director, member, partner or executive officer of the general partners of each of these investment funds. Mr. Roth expressly disclaims beneficial ownership of any shares held by such investment funds except to the extent of his pecuniary interest in them.

(9) Address c/o Freeman Spogli & Co. Inc. at 11100 Santa Monica Boulevard, Suite 1900, Los Angeles, CA 90025.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our common stock. We cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares or our common stock for sale will have on the market price of our common stock prevailing from time to time. Nevertheless, sales of substantial amounts of our common stock in the public market could adversely affect the market price of our common stock and impair our future ability to raise capital through the sale of our equity securities.

Upon completion of this offering, we will have [ ] shares of common stock outstanding, assuming no exercise of the underwriters' over-allotment option, and [ ] shares if the underwriters' over-allotment option is exercised in full. We have reserved [ ] shares of common stock for issuance upon exercise of options granted or to be granted under our 1999 Option Plan, 2001 Stock Option Plan and Employee Stock Purchase Plan, of which [ ] options are currently outstanding and up to [ ] additional options are expected to be granted simultaneously with this offering. All of the [ ] shares sold in this offering ([ ]shares if the underwriters' over-allotment option is exercised in full) will be freely tradable without restriction or further registration under the Securities Act unless the shares are purchased by our "affiliates", as that term is defined in Rule 144 under the Securities Act. None of the remaining [ ] outstanding shares of our common stock have been registered under the Securities Act, which means that they are "restricted securities" under the Securities Act, and may be resold publicly only upon registration under the Securities Act or in compliance with an exemption from the registration requirements of the Securities Act, including the exemption provided by Rule 144 under the Securities Act.

We summarize Rule 144, as it relates to sales of our shares, below.

RULE 144

Under Rule 144, [ ] shares of common stock will be tradable 90 days after the effective date of the registration statement of which this prospectus forms a part, subject to the restrictions described below. Sales of some of these shares will be subject to the restrictions included in lock-up agreements between certain of our stockholders and the underwriters, as described under "Lock-Up Agreements" below. In general, under Rule 144, beginning 90 days after the date on which the registration statement of which this prospectus is a part becomes effective, a person who has owned shares of our common stock for at least one year would be entitled to sell within any three month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately [ ] shares immediately after the completion of this offering ([ ] shares if the underwriters' over-allotment option is exercised in full); or

- the average weekly trading volume of the common stock on the New York Stock Exchange during the four calendar weeks preceding the filing of a notice on Form 144 providing notification of the sale.

Sales under Rule 144 are also governed by manner of sale requirements and may only be made if current public information about us is available.

REGISTRATION RIGHTS

Under a stockholders agreement between us and certain of our stockholders entered into simultaneously with or prior to this offering, we have granted Asbury Automotive Holdings L.L.C. and certain other of our stockholders the right to require us to register sales of their shares of our common stock under the Securities Act. These stockholders collectively, own [ ] shares of our common stock as of the date of this offering, representing [ ]% of our total common shares outstanding ([ ]% if the underwriters exercise their over-allotment option in full). Under the stockholders agreement, at any time following the completion of this offering, Asbury Automotive

Holdings or stockholders holding among them a majority of the total number of shares held by the stockholders, other than Asbury Automotive Holdings, that are parties to the stockholders agreement, may demand that we file a registration statement with the Securities and Exchange Commission registering the sale of all or part of their stockholdings within 45 days, subject to our ability to defer a registration demand for 15 to 45 days under specified circumstances. Our obligation to register offerings is subject to the following volume restrictions:

- Any proposed offering must be for at least 1% of the total number of our shares of common stock then outstanding;

- In the case of the first registration demand, we are not required to register the sale of more than 50% of the total holdings of any stockholder, other than Asbury Automotive Holdings; and

- In the case of the first registration demand of the stockholders, other than Asbury Automotive Holdings, we are not required to register for sale a number of shares greater than 20% of the total holdings of the stockholders who are parties to the stockholders agreement.

Under the stockholders agreement, Asbury Automotive Holdings has been granted five registration demands, and the remaining stockholders have been granted, collectively, two registration demands. We are not required to register the sale of any shares during the period that such shares are subject to a lock-up agreement. In addition, other than in the case of a request made by Asbury Automotive Holdings, we are not required to register more than one sale of shares during any one year period in response to a registration demand.

We have also granted Asbury Automotive Holdings and the other stockholders who are parties to the stockholders agreement "piggy-back" registration rights, meaning that we have agreed to notify the parties to the stockholders agreement in the event that we undertake to register a sale of our shares (whether in response to a registration demand or otherwise) and will permit those stockholders who request to join in the registered offering.

All registration rights granted under the stockholders agreement are subject to the right of the managing underwriter of the registered offering to reduce the number of shares included in the registration statement if the underwriter determines that the success of the offering would be materially adversely affected by the size of the registered offering. In general, we are responsible for paying the expenses of registration (other than underwriting discounts and commissions on the sale of shares), including the fees and expenses of counsel to the selling stockholders.

LOCK-UP ARRANGEMENTS

As of the date of this offering, holders of a significant number of shares of our common stock are subject to lock-up obligations with respect to their stockholdings.

LOCK-UP AGREEMENTS WITH THE UNDERWRITERS. The following groups of persons, who collectively hold [ ] shares of our common stock, have entered into lock-up agreements with the underwriters:

- Asbury Automotive Holdings L.L.C.;

- our officers and directors; and

- certain platform principals, consisting of those of our platform chief executive officers, chief operating financial officers and dealership general managers who received equity in us in connection with our acquisition of the related platforms.

The lock-up agreements provide that these persons will not offer, sell, contract to sell, grant any option to purchase, hedge or otherwise dispose of shares of our common stock or any securities that are convertible into or exercisable for our common stock for a period of 180 days after the date of this

prospectus without the prior written consent of Goldman, Sachs & Co. Goldman, Sachs &

Co. has advised us that it has no present intention to release any of the shares subject to the lock-up agreements prior to the expiration of the applicable lock-up period.

LOCK-UP ARRANGEMENTS WITH ASBURY. The platform principals described above have entered into lock-up provisions with us that provide that they will not offer, sell, contract to sell, grant any option to purchase, hedge or otherwise dispose of shares of our common stock or any securities that are convertible into or exchangeable for our common stock for a period of two years after the date of this prospectus without our prior written consent.

SHARES HELD BY RIPPLEWOOD HOLDINGS L.L.C.

After completion of the offering, Ripplewood Holdings L.L.C. will continue to own [ ]% of our outstanding common stock ([ ]% if the underwriters exercise their over-allotment option in full) through Asbury Automotive Holdings L.L.C., a controlled affiliate of Ripplewood. Ripplewood's ownership of our stock could negatively affect our stock price:

- Due to the perception of "market overhang", that is that large blocks of shares are readily available for sale, or

- In the event that Ripplewood disposed of all or a substantial portion of this common stock at any one-time or from time to time.

In addition, if Ripplewood continues to retain a substantial portion of our common shares, the liquidity of our common stock could be adversely affected.

We do not know Ripplewood's future plans as to its holdings of our common stock, and Ripplewood is not under any obligation to inform us of its intentions as to our common stock. We can not give you any assurances that Ripplewood's actions will not negatively affect the price or liquidity of our common stock in the future. See "Risk Factors--We will be controlled by Ripplewood Holdings L.L.C., which may have interests different from your interests."

UNDERWRITING

Asbury, the selling stockholders and the underwriters for the offering named below have entered into an underwriting agreement with respect to the shares being offered. Goldman, Sachs & Co., Merrill, Lynch, Pierce, Fenner & Smith Incorporated and Salomon Smith Barney Inc. are the representatives of the underwriters. Subject to conditions set forth in the underwriting agreement, each underwriter has severally agreed to purchase the number of shares indicated in the following table.

UNDERWRITERS	NUMBER OF SHARES
Goldman, Sachs & Co.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Salomon Smith Barney Inc.	
Total	

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional [ ] shares from Asbury. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions Asbury will pay to the underwriters. The amounts are shown, in the case of Asbury, assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	PAID BY THE SELLING STOCKHOLDERS	PAID BY ASBURY	
		NO EXERCISE	FULL EXERCISE
Per Share	$	$	$

Total.. $ $ $

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $[ ] per share from the initial public offering price. Any such securities dealers may resell any shares purchased from the underwriters to certain other brokers or dealers at a discount of up to $[ ] per share from the initial public offering price. If all the shares are not sold at the initial offering price, the representatives may change the offering price and the other selling terms.

Except with the prior consent of Goldman, Sachs & Co., Asbury, its directors and executive officers, Asbury Automotive Holdings L.L.C. and certain of Asbury's platform principals consisting of those of its platform chief executive officers, chief operating financial officers and dealership general managers who received equity in Asbury in connection with its acquisition of the related platform have agreed with the underwriters not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, subject to an exception that permits Asbury to issue a number of shares equal to 10% of the total number of common shares outstanding immediately after this offering in connection with acquisitions, provided that the recipients of those shares agree to be bound by the lock-up provisions for the duration of the 180 days. In addition, these agreements do not apply to any grants under existing employee benefit plans. See "Shares Eligible for Future Sale" for a discussion of transfer restrictions.

Prior to this offering, there has been no public market for the shares. The initial public offering price will be negotiated among Asbury and the representatives. Among the factors to be considered

in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be Asbury's historical performance, estimates of Asbury's business potential and earnings prospects of Asbury, an assessment of Asbury's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

Asbury's common stock will be listed on the New York Stock Exchange under the symbol "ABG". In order to meet one of the requirements for listing the common stock on the New York Stock Exchange, the underwriters have undertaken to sell lots of 100 or more shares to a minimum of 2,000 beneficial holders.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from Asbury or the selling stockholder in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the overallotment option. "Naked" short sales are any sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of the underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that

otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

A prospectus in electronic format may be made available on the websites maintained by one or more of the representatives and may also be made available on websites maintained by other underwriters participating in the offering. The representatives may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

Asbury estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $[ ], $[ ] of which is attributable to the estimated expenses of the selling stockholders which Asbury has agreed to satisfy.

Asbury and the selling stockholders have agreed to indemnify the underwriters identified in the table above against specific liabilities, including liabilities under the Securities Act.

VALIDITY OF SHARES

The validity of the shares of our common stock offered hereby will be passed upon for us by Cravath, Swaine & Moore, New York, New York, and for the underwriters by Sullivan & Cromwell, New York, New York.

EXPERTS

Our financial statements included in this prospectus and elsewhere in the registration statement to the extent and for the periods indicated in their report have been audited by Arthur Andersen LLP and Dixon Odom, P.L.L.C., each of which are independent public accountants, as indicated in their respective reports with respect thereto, and are included in the prospectus in reliance upon the authority of these firms as experts in giving these reports.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to this offering of our common stock. This prospectus does not contain all the information contained in the registration statement and the exhibits and schedules to the registration statement. For further information with respect to us and our common stock, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. Statements contained in this prospectus as to the contents of any contract or other document filed as an exhibit to this prospectus are qualified in all respects, to the extent such documents are required to be described in this prospectus, by reference to the actual text of the exhibit. You may read and copy any document we file at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at HTTP://WWW.SEC.GOV.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Securities and Exchange Act and will file periodic reports and other information, including proxy statements, with the SEC. These periodic reports and other information will be available for inspection and copying at the SEC's public reference room and the web site of the SEC referred to above

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Asbury Automotive Group L.L.C.:

We have audited the accompanying consolidated balance sheets of Asbury Automotive Group L.L.C. and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, members' equity and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asbury Automotive Group L.L.C. and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Stamford, Connecticut
March 23, 2001 (except with respect to
matters discussed in Note 17, as to which
the date is September 18, 2001)

ASBURY AUTOMOTIVE GROUP L.L.C.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

DECEMBER 31, ----------------------- JUNE 30, 1999 2000 2001 ---------- ---------- ----------- (UNAUDITED) ASSETS CURRENT ASSETS: Cash and cash equivalents (including contracts-in-transit of $52,620, $76,554, and $81,584)... $97,442 $123,795 $147,941 Current portion of restricted marketable securities.. 1,245 1,304 1,370 Accounts receivable (net of allowance of $2,284, $2,396 and

$2,012)................................ 65,455
76,168 89,858
Inventories...
434,234 554,141 508,331 Prepaid and other current
assets..................... 17,684 21,535 18,591 ---
------- ---------- ---------- Total current
assets.............................. 616,060
776,943 766,091 PROPERTY AND EQUIPMENT,
net........................... 141,786 215,149
235,561 GOODWILL,
net...
226,321 364,164 364,002 RESTRICTED MARKETABLE
SECURITIES...................... 9,280 7,798 7,340
OTHER
ASSETS..
41,159 40,146 51,187 ---------- ---------- ---------
- Total
assets......................................
$1,034,606 $1,404,200 $1,424,181 ==========
========== ========== LIABILITIES AND MEMBERS'
EQUITY CURRENT LIABILITIES: Floor plan notes
payable........................... $385,263
$499,332 $484,384 Short-term
debt.................................... 16,612
16,290 10,000 Current maturities of long-term
debt................. 10,841 19,495 15,842 Accounts
payable.................................... 29,733
36,823 39,995 Accrued
liabilities................................ 54,927
53,634 57,149 ---------- ---------- ---------- Total
current liabilities.........................
497,376 625,574 607,370 LONG-TERM
DEBT...
296,807 435,879 470,196 OTHER
LIABILITIES....................................
9,227 20,865 19,187 COMMITMENTS AND CONTINGENCIES
MINORITY
INTEREST.....................................
33,083 -- -- MEMBERS' EQUITY: Contributed
capital.................................. 195,039
303,245 303,245 Retained
earnings.................................... 3,074
18,637 24,183 ---------- ---------- ---------- Total
members' equity................................
198,113 321,882 327,428 ---------- ---------- ------
---- Total liabilities and members'
equity.................. $1,034,606 $1,404,200
$1,424,181 ========== ========== ==========

See Notes to Consolidated Financial Statements.

ASBURY AUTOMOTIVE GROUP L.L.C.
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS)

FOR THE SIX MONTHS ENDED FOR
THE YEARS ENDED DECEMBER 31,
JUNE 30, ---------------------
------------- ---------------
------------- 1998 1999 2000
2000 2001 ---------- ----------
---------- ------------ ------
------- (UNAUDITED) REVENUES:
New
vehicle....................
$687,850 $1,820,393 $2,439,729
$1,212,693 $1,223,809 Used
vehicle...................
221,828 787,029 1,064,102
531,102 571,482 Parts, service
and collision
repair.......................
156,037 341,506 434,478 207,250
239,396 Finance and insurance,
net...... 19,149 63,206 89,481
42,823 49,739 ---------- ------
---- ---------- ---------- ----
------ Total

revenues................
1,084,864 3,012,134 4,027,790
1,993,868 2,084,426 ----------
---------- ---------- ---------
- ---------- COST OF SALES: New
vehicle.....................
635,798 1,678,256 2,246,903
1,118,213 1,126,015 Used
vehicle....................
201,068 719,638 970,752 481,062
521,141 Parts, service and
collision
repair........................
92,549 173,072 212,596 101,397
115,177 ---------- ---------- -
--------- ---------- ----------
Total cost of sales...........
929,415 2,570,966 3,430,251
1,700,672 1,762,333 ----------
---------- ---------- ---------
- ---------- GROSS
PROFIT......................
155,449 441,168 597,539 293,196
322,093 OPERATING EXPENSES:
Selling, general and
administrative................
127,336 343,443 451,405 217,128
246,286 Depreciation and
amortization... 6,303 16,161
24,249 10,614 14,769 ----------
---------- ---------- ---------
- ---------- Income from
operations........ 21,810
81,564 121,885 65,454 61,038 --
-------- ---------- ----------
---------- ---------- OTHER
INCOME (EXPENSE): Floor plan
interest expense..... (7,730)
(22,982) (36,968) (17,172)
(17,557) Other interest
expense.......... (7,104)
(24,703) (42,009) (18,075)
(23,446) Interest
income................. 1,108
3,021 5,846 2,717 1,787 Equity
investment losses, net... --
(616) (6,066) (6,027) (1,000)
Gain (loss) on sale of
assets... 9,307 2,365 (1,533) -
- 10 Other
income.................... 727
550 1,023 444 849 ---------- --
-------- ---------- ----------
---------- Total other expense,
net...... (3,692) (42,365)
(79,707) (38,113) (39,357) ----
------ ---------- ---------- --
-------- ---------- Income
before income taxes, minority
interest and extraordinary
loss............ 18,118 39,199
42,178 27,341 21,681 INCOME TAX
EXPENSE................ --
1,779 3,511 2,169 2,746
MINORITY INTEREST IN SUBSIDIARY
EARNINGS........................
14,303 20,520 9,740 9,526 502 -
--------- ---------- ----------
---------- ---------- Income
before extraordinary
loss..........................
3,815 16,900 28,927 15,646
18,433 EXTRAORDINARY LOSS ON
EARLY EXTINGUISHMENT OF
DEBT.......... (734) (752) -- -
- (1,433) ---------- ----------
---------- ---------- ---------
- Net
income...................
$3,081 $16,148 $28,927 $15,646
$17,000 ========== ==========

========== ==========
========== PRO FORMA TAX
ADJUSTMENT (net of effect on
minority interest).... 10,394
6,036 ---------- ---------- Tax
affected pro forma net
income.....................
$18,533 $10,964 ==========
========== PRO FORMA EARNINGS
PER COMMON SHARE:
Basic.........................
$[ ] $[ ] ========== ==========
Diluted.......................
$[ ] $[ ] ========== ==========
Weighted average shares
outstanding:
Basic.........................
[ ] [ ]
Diluted.......................
[ ] [ ]

See Notes to Consolidated Financial Statements.

ASBURY AUTOMOTIVE GROUP L.L.C.
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
(IN THOUSANDS)

RETAINED CONTRIBUTED EARNINGS CAPITAL (DEFICIT) TOTAL --
--------- --------- --------- BALANCE AS OF DECEMBER 31,
1997........................... $36,552 $405 $36,957
Contributions...
120,387 -- 120,387
Distributions...
-- (6,686) (6,686) Net
income... --
3,081 3,081 Issuance of interests to minority members of
subsidiaries before predecessor cost
adjustment.................... 57,495 -- 57,495
Predecessor cost
adjustment............................ (90,705) --
(90,705) Effect of minority members' share of subsidiary
income, net of
distributions................................. 6,851 -
- 6,851 -------- -------- -------- BALANCE AS OF
DECEMBER 31, 1998.......................... 130,580
(3,200) 127,380
Contributions...
38,100 -- 38,100
Distributions...
-- (9,874) (9,874) Net
income... --
16,148 16,148 Reclassification of minority member
deficits............ 26,359 -- 26,359 -------- --------
-------- BALANCE AS OF DECEMBER 31,
1999........................... 195,039 3,074 198,113
Contributions...
20,650 -- 20,650 Contribution of equity interest by
minority members...... 87,556 -- 87,556
Distributions...
-- (13,364) (13,364) Net
income... --
28,927 28,927 -------- -------- -------- BALANCE AS OF
DECEMBER 31, 2000.......................... 303,245
18,637 321,882 Distributions
(unaudited).............................. -- (8,954)
(8,954) Equity surrendered in purchase price settlement
(unaudited)..
-- (2,500) (2,500) Net income
(unaudited)................................ -- 17,000
17,000 -------- -------- -------- BALANCE AS OF JUNE 30,
2001 (unaudited).................. $303,245 $24,183
$327,428 ======== ======== ========

See Notes to Consolidated Financial Statements.

ASBURY AUTOMOTIVE GROUP L.L.C.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	FOR THE YEARS ENDED DECEMBER 31,			FOR THE SIX MONTHS ENDED JUNE 30,	
	1998	1999	2000	2000	2001
					(UNAUDITED)
CASH FLOW FROM OPERATING ACTIVITIES:					
Net income	$3,081	$16,148	$28,927	$15,646	$17,000
Adjustments to reconcile net income to net cash provided by operating activities--					
Depreciation and amortization	6,303	16,161	24,249	10,614	14,769
(Gain) loss on sale of assets	(9,307)	(2,365)	1,533	--	(10)
Minority interest in subsidiary earnings	14,303	20,520	9,740	9,526	502
Extraordinary loss on early extinguishment of debt	734	752	--	--	1,433
Loss on equity investments, net	--	616	6,066	6,027	1,000
Other non-cash charges	1,155	753	505	212	1,910
Change in operating assets and liabilities, net of effects from acquisitions and divestiture of assets--					
Accounts receivable, net	(17,174)	5,007	2,367	(44)	(13,673)
Inventories	(30,561)	(50,611)	(22,911)	3,418	55,330
Floor plan notes payable	31,190	36,402	38,200	(4,930)	(19,525)
Accounts payable and accrued liabilities	6,024	(1,032)	(8,335)	(8,855)	6,474
Other	3,743	6,785	2,303	(5,639)	(1,240)
Net cash provided by operating activities	9,491	49,136	82,644	25,975	63,970
CASH FLOW FROM INVESTING ACTIVITIES:					
Capital expenditures	(11,356)	(22,327)	(36,062)	(9,447)	(27,148)
Proceeds from the sale of assets	38,350	15,803	6,054	2,173	921
Acquisitions (net of cash and cash equivalents acquired of $33,427, $27,448, $17,079 and $15,120 in 1998, 1999, 2000 and for the six months ended June 30, 2000, respectively)	(260,063)	(92,149)	(179,538)	(164,938)	(8,139)
Equity investments	--	(7,500)	--	--	(1,200)
Proceeds from restricted marketable securities	--	1,253	1,423	702	392
Purchases of restricted marketable securities	(11,778)	--	--	--	--
Net receipt (issuance) of finance contracts	990	(6,250)	(480)	27	(2,593)
Other investing activities	(135)	(183)	--	--	--
Net cash used in investing activities	(243,992)	(111,353)	(208,603)	(171,483)	(37,767)
CASH FLOW FROM FINANCING ACTIVITIES:					
Distributions to members	(6,686)	(9,874)	(13,364)	(4,451)	(8,954)
Contributions from members	120,387	38,100	20,650	20,650	--
Repayments of debt	(32,344)	(34,565)	(14,597)	(9,941)	(335,755)
Proceeds from borrowings	201,062	112,930	159,411	138,443	355,182
Payment of debt issuance costs	--	--	--	--	(12,530)
Net of cash contributions from (distributions to) minority members of subsidiaries	(2,247)	(8,622)	212	(207)	--
Net cash provided by (used in) financing activities	280,172	97,969	152,312	144,494	(2,057)
Net increase (decrease) in cash and cash equivalents	45,671	35,752	26,353	(1,014)	24,146

CASH AND CASH

EQUIVALENTS, beginning of period............. 16,019 61,690 97,442 97,442 123,795 --------- --------- --------- -------- --------- CASH AND CASH EQUIVALENTS, end of period.................... $61,690 $97,442 $123,795 $96,428 $147,941 ========= ========= ========= ======== ========= SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for-- Interest.. $12,911 $42,758 $77,322 $34,487 $38,900 ========= ========= ========= ======== ========= Income taxes.. $2,761 $1,364 $3,302 $2,097 $2,068 ========= ========= ========= ======== =========

See Note 3 for supplemental non-cash investing activities.
See Notes to Consolidated Financial Statements.

ASBURY AUTOMOTIVE GROUP L.L.C.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2000, 1999 AND 1998 AND JUNE 30, 2001 AND 2000
(INFORMATION AT JUNE 30, 2001 AND FOR THE SIX MONTHS ENDED
JUNE 30, 2001 AND 2000 IS UNAUDITED)
(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS

Asbury Automotive Group L.L.C. ("Asbury" or the "Company") is a national automotive retailer, operating 85 new and used car dealerships (including 121 franchises) and 23 collision repair centers in 12 metropolitan areas of the Southeastern, Midwestern, Southwestern and Northwestern United States as of June 30, 2001. Asbury sells new and used vehicles, light trucks and replacement parts, provides vehicle maintenance, warranty, paint and repair services and arranges vehicle finance, insurance and service contracts for its automotive customers. Asbury offers, collectively, 34 domestic and foreign brands of new vehicles. In addition, one dealership sells four brands of commercial motor trucks.

The Company was formed in June 1996 and is controlled by Ripplewood Holdings, L.L.C.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements reflect the consolidated accounts of Asbury and its wholly-owned subsidiaries. The equity method of accounting is used for investments in which the Company has significant influence. Generally, this represents common stock ownership or partnership equity of at least 20% but not more than 50%. All intercompany transactions have been eliminated in consolidation.

REVENUE RECOGNITION

Revenue from the sale of new and used vehicles is recognized upon delivery, passage of title, signing of the sales contract and approval of financing. Revenue from the sale of parts and services is recognized upon delivery of parts to the customer or when vehicle service work is performed. Sales discounts and service coupons are accounted for as a reduction to the sales price at the point of sale. Manufacturer incentives and rebates, including holdbacks, are not recognized until earned in accordance with the respective manufacturers incentive programs.

The Company receives commissions from the sale of credit life and disability insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers through various institutions and receives commissions equal to the difference between the loan rates charged to customers over predetermined financing rates set by the financing institution.

The Company may be charged back ("chargebacks") for financing fees, insurance or vehicle service contract commissions in the event of early termination of the contracts by customers. The revenues from financing fees and commissions are recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established based on historical operating results and the termination provisions of the applicable contracts. Finance, insurance and vehicle service contract revenues, net of estimated chargebacks, are included in finance and insurance revenue in the accompanying consolidated statements of

income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include contracts-in-transit and highly liquid investments that have an original maturity of three months or less at the date of purchase. Contracts-in-transit represent

receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

Inventories are stated at the lower of cost or market. The Company uses the "last-in, first-out" method ("LIFO") to account for approximately 65%, 64%, and 61% of its inventories, the specific identification method to account for 31%, 33% and 34% of its inventories, and the "first-in, first-out" method ("FIFO") to account for 4%, 3% and 5% of its inventories at December 31, 1999 and 2000 and June 30, 2001, respectively. If the FIFO method had been used to determine cost for inventories valued using the LIFO method, net income would have been increased (decreased) by $(221), $2,139 and $2,097 for the years ended December 31, 1998, 1999 and 2000 and $1,050 and $669 for the six-month periods ended June 30, 2000 and 2001, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives. Leasehold improvements are capitalized and amortized over the lesser of the life of the lease or the useful life of the related asset. The range of estimated useful lives is as follows (in years)--

Buildings and leasehold improvements	5-35
Machinery and equipment	3-10
Furniture and fixtures	3-10
Company vehicles	3-5

Expenditures for major additions or improvements, which extend the useful lives of assets, are capitalized. Minor replacements, maintenance and repairs, which do not improve or extend the lives of such assets, are charged to operations as incurred.

GOODWILL AND LONG-LIVED ASSETS

Goodwill represents the excess of purchase price over the fair value of the net tangible and other intangible assets acquired at the date of acquisition. Goodwill is amortized on a straight-line basis over 40 years. Amortization expense charged to operations totaled $1,523, $4,960 and $8,330, for the years ended December 31, 1998, 1999 and 2000, respectively, and $2,274 and $5,042 for the six-month periods ended June 30, 2000 and 2001, respectively. Accumulated amortization totaled $6,770, $15,041 and $20,070 as of December 31, 1999 and 2000, and June 30, 2001, respectively. Other intangible assets, included in other assets on the accompanying balance sheet, relate mostly to value assigned to non-compete agreements and favorable lease rights and are amortized on a straight-line basis over the life of the agreements ranging from 3-15 years.

IMPAIRMENT OF GOODWILL AND LONG-LIVED ASSETS

The recoverability of the Company's long-lived assets, including related goodwill, other intangibles, and enterprise level goodwill is assessed by comparing the carrying amounts of such assets to the estimated undiscounted cash flows relating to those assets. The Company would conclude that an asset was impaired if the sum of such expected future cash flows is less than the carrying amount of the related asset. If the Company was to determine that an asset was impaired,

the impairment loss would be the amount by which the carrying amount of the related asset exceeds its fair value. Events that would trigger an impairment assessment of long-lived assets or goodwill include but are not limited to: a significant decrease in the market value of an asset or the Company, a significant change in the Company's business or in the extent or manner in which an asset is used, a significant adverse change in legal factors or in the business climate that could affect the value of the Company or an asset or, a history of operating on cash flow losses or a forecast that demonstrates losses of the Company or an asset. The Company does not believe its long-lived assets are impaired at June 30, 2001.

EQUITY-BASED COMPENSATION

The Company accounts for equity-based compensation issued to employees in accordance with Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." The Company, as permitted by Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock--Based Compensation," has chosen to account for equity options at their intrinsic value. Accordingly, no compensation expense has been recorded for its option plan.

TAX STATUS

The Company consists primarily of limited liability companies and partnerships (with the Company as the parent), which are treated as one partnership for tax purposes. Under this structure, such companies and partnerships are not subject to income taxes but instead the members of the Company are taxed on their respective distributive shares of the Company's taxable income. Therefore, no provision for federal or state income taxes has been included in the financial statements for the limited liability companies and partnerships.

The Company has nine subsidiaries which for income tax purposes are C corporations under the provisions of the U. S. Internal Revenue Code and, accordingly, follow the liability method of accounting for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Under this method, deferred income taxes are recorded based upon differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that are assumed to be in effect when the underlying assets are realized and liabilities are settled. A valuation allowance reduces deferred tax assets when it is more likely than not that some or all of the deferred tax assets will not be realized.

ADVERTISING

The Company expenses production and other costs of advertising as incurred net of earned credits and other discounts. Advertising expense totaled $9,367, $29,622 and $42,233 for the years ended December 31, 1998, 1999 and 2000, and $19,306 and $21,215 and for the six-month periods ended June 30, 2000 and 2001, respectively. For the years ended December 31, 1999 and 2000, approximately $4,000 and $5,200 and for the six months ended June 30, 2000 and 2001, approximately $2,630 and $2,061, respectively, was paid to two separate entities in which two members of the Company had substantial interests.

USE OF ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and

reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates.

STATEMENTS OF CASH FLOWS

The net change in floor plan financing of inventories, which is a customary financing technique in the industry, is reflected as an operating activity in the accompanying consolidated statements of cash flows.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of restricted marketable securities, floor plan notes payable and long-term debt. The carrying amounts of its financial instruments approximate their fair values at December 31, 1999 and 2000 and June 30, 2001 due to their relatively short duration and variable interest rates.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash deposits. The Company maintains cash balances in financial institutions with strong credit ratings. At times, amounts invested with financial institutions may be in excess of FDIC insurance limits.

Concentrations of credit risk with respect to contracts-in-transit and accounts receivable are limited primarily to automakers and financial institutions. Credit risk arising from receivables from commercial customers is minimal due to the large number of customers comprising the Company's customer base.

COMPREHENSIVE INCOME

The Company follows the provisions of SFAS No. 130 "Reporting Comprehensive Income." Based on the definitions contained therein, the Company has no components of other comprehensive income for the periods presented.

SEGMENT REPORTING

The Company follows the provisions of SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." Based upon definitions contained in SFAS No. 131, the Company has determined that it operates in one segment and has no international operations.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all

derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a foreign currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. SFAS No. 137 amended the effective date to all fiscal quarters of fiscal years beginning after June 15, 2000. SFAS No. 138, issued in June 2000, addressed a limited number of issues that were causing implementation difficulties for numerous entities applying SFAS No. 133. The Company has determined that the adoption of SFAS No.133 will not have a material impact on its results of operations, financial position, liquidity or cash flows.

On June 30, 2001, the Financial Accounting Standards Board ("FASB") finalized and issued Statements of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS 141") and No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142").

SFAS 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method, eliminating the pooling of interests method.

SFAS 142, upon effectiveness, eliminates goodwill amortization over its estimated useful life. However, goodwill will be subject to at least an annual assessment for impairment by applying a fair-value based test. Additionally, acquired intangible assets should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented, or exchanged, regardless of the acquirer's intent to do so. Intangible assets with definitive lives will need to be amortized over their useful lives.

The provisions of SFAS 142 apply immediately to all acquisitions completed at June 30, 2001. Goodwill and intangible assets with indefinite lives existing at June 30, 2001 will continue to be amortized until December 31, 2001. Effective January 1, 2002 such amortization will cease, as companies are required to adopt the new rules on such date. By the end of the first quarter of calendar year 2002, companies must begin to perform an impairment analysis of intangible assets. Furthermore, companies must complete the first step of the goodwill transition impairment test by June 30, 2002. Any impairment noted must be recorded at the date of effectiveness restating first quarter results, if necessary. Impairment charges, if any, that result from the application of the above tests would be recorded as the cumulative effect of a change in accounting principle in the first quarter of the year ending December 31, 2002.

The Company will not be able to determine the ultimate impact of SFAS 141 and SFAS 142 on its consolidated financial statements until such time as it applies their provisions.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition." SAB No.101 was effective for years beginning after December 31, 1999, and provides clarification related to recognizing revenue in certain circumstances. Adoption of SAB No.101 did not have a material impact on the Company's revenue recognition policies.

INTERIM FINANCIAL STATEMENTS

The accompanying unaudited financial statements for the six-month periods ended June 30, 2000 and 2001 have been prepared on substantially the same basis as the audited financial statements, and include all adjustments, consisting only of normal recurring adjustments, which management believes are necessary for a fair presentation of the financial information set forth therein.

3. ACQUISITIONS

OVERVIEW

The Company has consummated eight major platform acquisitions ("platforms"), which were effected through its subsidiaries in which the sellers received, in addition to cash consideration, an interest in the platform subsidiary established to effect the related acquisition. Minority ownership interests related to such transactions ranged from 20% to 49%. Such acquisitions were accounted for using the purchase method of accounting; however, as also discussed below, certain of these acquisitions were effected through leveraged buyout transactions. A leverage buy-out is a transaction where in excess of 50% of the purchase price has been financed. According to EITF 88-16 transactions meeting the criteria of a leveraged buy-out where the previous control group receives a greater than 20% interest in the acquired company, the net assets associated with the previous control group should be stated at historical cost. In such cases, the historical book value (carryover basis) was used to measure the portion of assets acquired and liabilities assumed attributed to such minority members of the subsidiaries. In connection with the Minority Member Transaction, as discussed below, the minority interests in the subsidiaries were

acquired using the purchase method of accounting. As such, on April 30, 2000 the impact of carryover basis accounting associated with the interests transferred into Asbury Automotive Oregon L.L.C., ("Asbury Oregon"), have been eliminated.

The Company has consummated additional acquisitions through its subsidiaries and certain of these acquisitions resulted in the issuance of minority interests.

The operations of the acquired dealerships are included in the consolidated statements of income commencing on the date acquired.

MINORITY MEMBER TRANSACTION

On April 30, 2000, Asbury, the then parent company, and the minority members of Asbury's subsidiaries reached an agreement whereby their respective equity interests were transferred into escrow pending the approval of the vehicle manufacturers. On August 30, 2000 the vehicle manufacturers approved the transaction and the respective equity interests were released from escrow and were transferred into Asbury Oregon in exchange for equity interests in Asbury Oregon (the "Minority Member Transaction"). The exchange of the minority members' interests was accounted for using the purchase method of accounting whereby the values of the related minority interests transferred into Asbury Oregon were recorded at their estimated fair values, approximately $93,710. The accompanying consolidated balance sheets include the allocations of the purchase price to tangible and intangible net assets transferred. This allocation resulted in recording approximately $23,679 of goodwill. Following the Minority Member Transaction, the then parent company, Asbury, changed its name to Asbury Automotive Holdings L.L.C. ("Asbury Holdings")

and Asbury Oregon changed its name to Asbury Automotive Group L.L.C. Subsequent to the Minority Member Transaction, Asbury Holdings owns approximately 59% of the member interest of the Company with the remaining member interest being held by the former minority members of the Company's subsidiaries.

1998

During 1998, the Company acquired five platforms (consisting of 37 dealerships) and an equity interest in an individual dealership for an aggregate purchase price of $294,077, including the proceeds from $193,900 in borrowings ($20,700 of which was retained in the businesses) and the issuance of minority interests to certain of the previous controlling shareholders.

The accompanying financial statements include the results of operations of acquisitions acquired in 1998 from the date of acquisition. The following unaudited pro forma financial data reflects the 1998 acquisitions as if they occurred on January 1, 1998 (unaudited).

Revenues..	$2,462,717
Income before income taxes and minority interest............	23,059

1999

During 1999, the Company acquired one platform (consisting of 6 dealerships), and 9 other dealerships as well as the remaining interest of a dealership partially purchased in 1998 for an aggregate purchase price of $119,597, including the proceeds from $73,784 in borrowings and the issuance of minority interests to certain of the previous controlling shareholders.

The accompanying financial statements include the results of operations of acquisitions acquired in 1998 and 1999 subsequent to the date of the respective acquisitions. The following unaudited pro forma financial data reflects the 1998 and 1999 acquisitions as if they occurred on January 1, 1998 and 1999, respectively.

1998 1999 ---------- ---------- (UNAUDITED)
Revenues...

	$3,180,092	$3,455,256
Income before income taxes and minority interest...	23,122	44,208

2000

During 2000, the Company acquired 18 dealerships for an aggregate purchase price of $197,648, including the proceeds from $140,820 in borrowings and the issuance of member equity interests to certain of the previous controlling shareholders.

The accompanying financial statements include the results of operations of acquisitions acquired in 1999 and 2000 subsequent to the date of the respective acquisitions. The following

unaudited pro forma financial data reflects the 1999 and 2000 acquisitions and the effect of the Minority Member Transaction as if they occurred on January 1, 1999 and 2000, respectively.

	1999	2000
	(UNAUDITED)	
Revenues...	$4,274,277	$4,293,554
Income before income taxes and minority interest...	52,287	44,810

The unaudited pro forma selected financial data does not purport to represent what the Company's results of operations would have actually been had the transactions in fact occurred as of an earlier date or project the results for any future period. Pro forma adjustments included in the amounts above relate primarily to: (a) pro forma amortization expense; (b) adjustments to compensation expense and management fees to the post acquisition contracted amounts and; (c) increases in interest expense resulting from the net cash borrowings used to complete the related acquisitions.

The foregoing acquisitions were all accounted for under the purchase method of accounting. Except as discussed below, the historical book values of the assets and liabilities were recorded at their fair value as of the acquisition dates. Certain of these acquisitions were affected through leveraged buyout transactions. Prior to the Minority Member Transaction, the accompanying consolidated financial statements reflected the use of carryover basis (i.e., the historical values of the acquired company prior to the acquisition) in order to measure the portion of assets acquired and liabilities assumed attributed to certain minority members of the subsidiaries.

In certain of these transactions, just prior to the leveraged buyout of the related controlling interest, the net book value attributable to the minority interests was increased to reflect its fair value. This amount along with the historical carrying amount of the net assets acquired was the basis for determining the amount of carryover basis used to record the leveraged buyout of the acquisition.

The following table summarizes the Company's acquisitions:

	ACQUISITIONS CONSUMMATED IN:		
	1998	1999	2000
Cash paid for businesses acquired..........................	$294,077	$119,597	$197,648
Notes payable issued (included in purchase price)...........	10,188	--	--
Issuance of minority equity interest, including $57,495 reflected as contributed capital in 1998.................	75,540	27,190	13,050
Less: Predecessor cost adjustment..........................	(90,705)	(18,828)	(9,582)
Goodwill...	(125,933)	(87,754)	(129,557)
Estimated fair value of net tangible and other intangible assets acquired..	$163,167	$40,205	$71,559

The allocation of purchase price to assets acquired and liabilities assumed has been based on preliminary estimates of fair value and may be revised as additional information concerning valuation of such assets and liabilities becomes available. As a result of the Minority Member Transaction, $82,783 of predecessor cost adjustment has been eliminated as part of the purchase accounting applied.

MINORITY INTERESTS

The use of carryover basis accounting for those acquisitions effected through leveraged buyout transactions combined with the impact of distributing to the sellers a portion of the borrowings used to consummate such acquisitions resulted in minority shareholder deficits in those subsidiaries. In 1998, such deficits were recorded as a reduction of members' equity. In 1999, the Company determined that the minority portion of those shareholder deficits were realizable. Accordingly, these amounts were reclassified to, and offset against, other minority interest amounts. All minority interests were eliminated as a result of the Minority Member Transaction.

4. INVESTMENTS IN PARTIALLY OWNED EQUITY AFFILIATES

In the fourth quarter of 1999, the Company made a $7,500 investment in Greenlight.com ("Greenlight"), a startup Internet company engaged in the retail sale of new vehicles. The investment was accounted for under the equity method whereby the Company recorded pre-tax losses of $764 and $6,938 in 1999 and 2000, respectively, related to its investment in and expenses paid on the behalf of Greenlight. As of December 31, 2000, the Company's investment was fully written-off through equity investment losses. In 2001, the Company invested an additional $1,200 into Greenlight. Following the Company's additional investment, Greenlight was merged into CarsDirect.com ("CarsDirect") a company also engaged in the retail sale of new vehicles over the Internet. The Company's investment in CarsDirect totaled approximately 3% of CarsDirect's total equity after the merger. The Company accounts for its investment in CarsDirect using the cost method.

5. DIVESTITURES

During 1998, the Company completed the sale of certain dealership assets for net cash proceeds of $38,135. The $9,307 gain on the sale of such assets, reflected in the accompanying consolidated statements of income, is attributed to the use of carryover basis in valuing the minority interest in the related assets. In addition, the Company sold $215 of fixed assets for book value in 1998.

During 1999, the Company completed the sale of certain real estate assets for net cash proceeds of $13,016. The difference of $3,459 between the recorded book value as of the date of the sale and the net cash proceeds is attributed to the use of carryover basis in valuing the minority interest in the related assets. Of that difference, $1,067 relates to the sale of an asset back to one of the Company's minority members within the purchase price allocation period and was therefore accounted for as an adjustment to the related purchase price. In addition, the Company sold other fixed assets for cash proceeds of $2,787, recognizing a $27 loss.

During 2000, the Company sold three dealerships and certain fixed assets for net cash proceeds of $6,054 and recorded a net loss on sale of these assets of $1,533. The loss was comprised of $1,650 of losses from the sale of dealerships which was offset by $117 of gains from the sale of fixed assets.

The above mentioned gains in both 1998 and 1999, which resulted from the use of carryover basis to value the minority interest in the related assets, are also reflected in minority interest in subsidiary income on the respective consolidated statements of income.

6. INVENTORIES AND RELATED FLOOR PLAN NOTES PAYABLE

Inventories consist of the following:

	DECEMBER 31, 1999	DECEMBER 31, 2000	JUNE 30, 2001
			(UNAUDITED)
New vehicles	$340,857	$444,688	$399,265
Used vehicles	65,849	74,529	75,100
Parts and accessories	29,974	38,281	37,992
LIFO reserve	(2,446)	(3,357)	(4,026)
Total inventories	$434,234	$554,141	$508,331

The inventory balance is reduced by manufacturers' purchase discounts; such reduction is not reflected in related floor plan liability.

Floor plan notes payable reflect amounts payable for purchases of specific vehicle inventories and are due to various floor plan lenders bearing interest at variable rates based on LIBOR or prime. For the years ended December 31, 1999 and 2000 and the six months ended June 30, 2001, the weighted average interest rates on floor plan notes payable outstanding was 8.3%, 8.7% and 7.4%, respectively. Floor plan arrangements permit borrowings based upon new and used vehicle inventory levels. Vehicle payments on notes are due when the related vehicles are sold. The notes are collateralized by substantially all vehicle inventories of the respective subsidiary and are subject to certain financial and other covenants.

7. NOTES RECEIVABLE--FINANCE CONTRACTS

Notes receivable for finance contracts, included in prepaid and other current assets and other assets on the accompanying consolidated balance sheets, have initial terms ranging from 12 to 54 months bearing interest at rates ranging from 11.0% to 29.9% and are collateralized by the related vehicles. Notes receivable--finance contracts consists of the following:

	DECEMBER 31, 1999	DECEMBER 31, 2000	JUNE 30, 2001
			(UNAUDITED)
Gross contract amounts due	$35,381	$35,108	$37,677
Less--Allowance for credit losses	(5,745)	(4,760)	(4,735)
	29,636	30,348	32,942
Current maturities, net	(11,512)	(15,235)	(11,833)
Notes receivable, net of current portion	$18,124	$15,113	$21,109

Contractual maturities of gross notes receivable--finance contracts at December 31, 2000 are as follows:

2001	$16,407
2002	10,547
2003	5,265
2004	2,889
	$35,108

8. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

	DECEMBER 31, 1999	DECEMBER 31, 2000	JUNE 30, 2001 (UNAUDITED)
Land	$38,886	$60,031	$64,206
Buildings and leasehold improvements	72,709	121,809	137,791
Machinery and equipment	18,639	27,966	29,578
Furniture and fixtures	15,428	19,641	21,992
Company vehicles	13,134	16,158	20,619
Total	158,796	245,605	274,186
Less--Accumulated depreciation	(17,010)	(30,456)	(38,625)
Property and equipment, net	$141,786	$215,149	$235,561

9. SHORT-TERM DEBT

One of the Company's subsidiaries has $25,000 available through certain revolving credit facilities, of which $16,612, $13,667 and $10,000 was outstanding at December 31, 1999 and 2000 and June 30, 2001, respectively. The credit facilities are secured by the notes receivable of the respective subsidiary. Such amounts are payable on demand, and accrue interest at variable rates (the weighted average interest rates were 8.3% and 10.0% for the years ended December 31, 1999 and 2000, and 8.8% for the six-month period ended June 30, 2001). In addition, another one of the Company's subsidiaries had $2,623 outstanding on a revolving credit facility as of December 31, 2000, representing the full amount available under the facility. Such amount was repaid in January 2001.

The credit facilities mentioned above are subject to certain financial and other covenants.

10. LONG-TERM DEBT

Long-term debt consists of the following at:

	DECEMBER 31, 1999	DECEMBER 31, 2000	JUNE 30, 2001 (UNAUDITED)
Term notes payable to banks (including the Acquisition Line of the Credit Facility, both as defined below) bearing interest at fixed and variable rates (the weighted average interest rates were 8.9% and 10.1% for the years-ended December 31, 1999 and 2000 and 10.9% for the six-month period ending June 30, 2001), maturing at various dates from 2002 to 2007, secured by the assets of the related subsidiary companies	$217,624	$318,582	$345,191
Mortgage notes payable to banks bearing interest at fixed and variable rates (the weighted			

average interest rates were 8.6% and 9.3% for years-ended December 31, 1999 and 2000 and 8.7% for the six-month period ended June 30, 2001), maturing at various dates from 2001 to 2007. These obligations are secured by property, plant and equipment of the related subsidiary companies which had an approximate net book value of $136,400 at December 31, 2000.. 68,727 114,646 118,033 Non-interest bearing note payable to former shareholders of one of the Company's subsidiaries, net of unamortized discount of $2,226, $1,886, and $1,350 as of December 31, 1999 and 2000 and June 30, 2001, respectively, determined at an effective interest rate of 6.4%, payable in semiannual installments of approximately $913, due January 2006, secured by marketable securities........... 9,676 8,453 7,814 Notes payable to financing institutions secured by rental/loaner vehicles bearing interest at variable rates (the weighted average interest rates were 8.4% and 8.7% for the years-ended December 31, 1999 and 2000 and 9.0% for the six-month period ended June 30, 2001), maturing at various dates from 2001 to 2004...................... 6,132 7,269 8,911 Capital lease obligations................................ 3,220 4,058 3,048 Other notes payable...................................... 2,269 2,366 3,041 -------- -------- -------- 307,648 455,374 486,038 Less--current portion.................................... (10,841) (19,495) (15,842) -------- -------- -------- Long-term portion.. $296,807 $435,879 $470,196 ======== ======== ========

The aggregate maturities of long-term debt at December 31, 2000, are as follows:

2001	$ 19,495
2002	35,703
2003	57,465
2004	102,558
2005	116,025
Thereafter	124,128
	$455,374

Prior to the January 17, 2001 Credit Facility (as noted below), the Company had variable rate notes, primarily based on LIBOR which were subject to normal lending terms and contained covenants which limited the Company's ability to incur additional debt and transfer cash outside the related subsidiary (such restrictions include transferring funds upstream to the Company). In addition, the various debt agreements required the related subsidiary to maintain certain financial ratios.

On January 17, 2001, the Company entered into a 3 year financing agreement (the "Credit Facility") with Ford Motor Credit Company, General Motors Acceptance Corporation and Chrysler Financial Company, L.L.C. with total availability of $1,300,000. The facility provides for $550,000 in acquisition financing and working capital (the "Acquisition Line") and $750,000 in floor plan financing (the "Floor Plan Line"). At the date of closing, the Company utilized $330,599 of the Acquisition Line to repay existing term notes and pay certain fees and expenses of the closing. In addition, the Company refinanced substantially all of its existing floor plan debt under the Floor Plan Line. The borrowings under the Credit Facility bear interest at variable rates based on LIBOR or prime.

At December 31, 1999 and 2000 and June 30, 2001, the Company held investments in restricted marketable securities (U.S. Treasury Strips), which serve as collateral for a non-interest-bearing note payable due to former shareholders of one of the Company's subsidiaries. These marketable securities are classified as held to maturity and accordingly stated at cost which approximates fair market value and mature in 2006. The principal on the non-interest-bearing note is repaid from the proceeds of the maturity of such securities.

During 1998, the Company entered into swap agreements with a bank in an aggregate initial notional principal amount of $31,000 in order to fix a portion of its interest expense and reduce its exposure to floating interest rates. These swaps required the subsidiary to pay fixed rates ranging from 4.7% to 5.2% and receive LIBOR. In December 2000, the Company terminated its swap agreement resulting in a gain of $375 which was deferred and recorded to income in the first quarter of 2001 when the related debt was extinguished.

Deferred financing fees aggregated approximately $2,215, $1,711 and $10,620 as of December 31, 1999, December 31, 2000 and June 30, 2001, net of accumulated amortization of $564, $1,068 and $1,910, respectively, and are included in other assets.

11. INCOME TAXES

For those subsidiaries subject to income tax, provisions have been made for deferred taxes based on differences between financial statement and tax basis of assets and liabilities using currently enacted tax rates and regulations. Deferred taxes include $2,414, $325 and $325 included

in current assets, and $4,073, $4,091 and $4,378 included in non-current liabilities, primarily related to investments in partnerships as of December 31, 1999 and 2000 and June 30, 2001, respectively.

The pro forma provision for income taxes reflects the income tax expense that would have been reported if the Company had been a C corporation. The components of unaudited pro forma income taxes for the year ended December 31, 2000 and the three months ended June 30, 2001 are as follows:

	DECEMBER 31, 2000	JUNE 30, 2001
Pro forma income taxes:		
Current--		
Federal	$15,211	$7,324
State	2,173	1,046
Less: minority portion	(4,263)	--
Total current	13,121	8,370
Deferred:		
Federal	908	360
State	130	52
Less: minority portion	(254)	--
Total deferred	784	412
Total pro forma income taxes	$13,905	$8,782

The following tabulation reconciles the expected corporate federal income tax expense for the year ended December 31, 2000 and the six months ended June 30, 2001 to the Company's unaudited pro forma income tax expense as of these dates:

	DECEMBER 31, 2000	JUNE 30, 2001
Expected pro forma income tax expense	35.0%	35.0%
State income tax, net of federal tax		

effect.......... 5.0 5.0 Non-deductible goodwill and other intangibles........ 2.9 3.2 Other, net.. 0.8 0.2 ---- ---- 43.7% 43.4% ==== ====

12. RELATED-PARTY TRANSACTIONS

In connection with its acquisitions, the Company paid $6,170 and $1,000 during 1998 and 1999, respectively, to certain of its members for transaction related services.

In addition to the advertising expenses (Note 2) and operating leases (Note 13), the Company paid $180, $180 and $105 for the years ended December 31, 1998, 1999 and 2000, and $90 and $7 for the six months ended June 30, 2000 and 2001, to an entity owned by one of its members for the use of a plane. Such amounts are included in selling, general and administrative expense on the accompanying consolidated income statements.

In January 2001 the Company sold $378 of inventory to one of its members.

13. OPERATING LEASES

The Company leases various facilities and equipment under long-term operating lease agreements, including leases with its members or entities controlled by the Company's members. In instances where we have entered leases in which the rent escalates over time we have straight-lined the rent expense over the life of the lease. Rent expense amounted to $7,820, $16,943 and $22,616 for the three years ended December 31, 1998, 1999 and 2000, and $11,019 and $12,206 for the six-month periods ended June 30, 2000 and 2001, respectively. Of these amounts, $5,805, $10,405, $14,103, $7,017 and $7,192, respectively, were paid to entities controlled by its members.

Future minimum payments under long-term, non-cancelable operating leases as of December 31, 2000, are as follows:

	RELATED PARTIES	THIRD PARTIES	TOTAL
2001	$ 13,124	$ 9,684	$ 22,808
2002	13,082	9,293	22,375
2003	12,813	9,110	21,923
2004	11,865	8,348	20,213
2005	11,195	7,869	19,064
Thereafter	49,316	33,524	82,840
Total	$111,395	$77,828	$189,223

14. COMMITMENTS AND CONTINGENCIES

Substantially all of the Company's facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Company expect such compliance to have, any material effect upon the capital expenditures, net earnings, financial condition, liquidity or competitive position of the Company. Management believes that its current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements.

The Company is involved in legal proceedings and claims, which arise in the ordinary course of its business and with respect to certain of these claims, the

sellers have indemnified the Company. In the opinion of management of the Company, the amount of ultimate liability with respect to these actions will not materially affect the financial condition, liquidity or the results of operations of the Company.

The dealerships operated by the Company hold franchise agreements with a number of vehicle manufacturers. In accordance with the individual franchise agreements, each dealership is subject to certain rights and restrictions typical of the industry. The ability of the manufacturers to influence the operations of the dealerships or the loss of a franchise agreement could have a negative impact on the Company's operating results.

The Company has guaranteed two loans made by a bank to two management employees of the Company's subsidiaries which total $2,000.

At December 31, 1999 and 2000, and June 30, 2001, a subsidiary of the Company guaranteed $500, $1,100, and $2,848, respectively, in consumer installment loans. These loans were issued by finance companies pursuant to vehicle sales by the Company. Under the guaranty, upon repossession of the vehicle collateralizing the loan by the finance company, the Company is liable for all or a part of the underlying loan balance. Accrued liabilities include management's estimate of future losses related to this guaranty.

15. EQUITY BASED ARRANGEMENTS

In 1999, the Company adopted an equity option plan for certain management employees (the "Option Plan") that provides for the grant of equity interests not to exceed $2,000. The grants are stated at a dollar amount based on the Company's entity value. The Option Plan also requires that the exercise price of the grant be equal to the fair market value (as defined) of the grant on the grant date. Equity interests in the Company purchased by employees pursuant to the Option Plan are callable by the Company under certain circumstances at their fair value (as defined) and vest over a period of three years. The following tables summarize information about option activity and amounts:

	MEMBERSHIP INTEREST PERCENTAGE
Options outstanding December 31, 1998	--
Granted	.029%
Options outstanding December 31, 1999	.029
Granted	.004
Cancelled	(.029)
Options outstanding December 31, 2000	.004%

As of December 31, 2000, the weighted average remaining contractual life was 9.07 years. The number of options exercisable as of December 31, 2000, was .001%.

Had the fair value method of accounting been applied to the Company's stock option plan, the pro forma impact on the Company's net income would have been as follows for the years ended December 31, 1999 and 2000:

	1999	2000
Net income as reported	$16,148	$28,927
Pro forma net income	16,086	28,752

The fair value of options granted, which is amortized to expense over the option vesting period in determining the pro forma impact, is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	1999	2000
Expected life of option	5 years	5 years
Risk-free interest		

rate.................................. 6.14% 6.47% Expected volatility...................................... 55% 55% Expected dividend yield.................................. 0% 0%

In the first quarter of 2001, the Company's Board of Directors authorized the Option Plan to grant an additional $800 of equity interests.

The Company has an arrangement whereby, under certain circumstances, certain senior executives will participate in the increase in the value of the Company. The executives would be

eligible to receive a portion of the remaining distributable cash generated from a sale or liquidation of the Company or a Board declared distribution in excess of the capital contributed to the Company plus a compounded 8% rate of return. No circumstances have occurred which would cause such participation nor does the Company presently believe any remaining distributable cash is available for such executives and, accordingly, no compensation expense has been recorded for the three years ended 1998, 1999 or 2000 or for the six-month period ended June 30, 2001.

16. RETIREMENT PLANS

The Company and several of the subsidiaries have existing 401(k) salary deferral/savings plans for the benefit of substantially all such employees. Employees electing to participate in the plans may contribute up to 15% of their annual compensation limited to the maximum amount that can be deducted for income tax purposes each year. Vesting varies at each respective subsidiary. Certain subsidiaries match a portion of the employee's contributions dependent upon reaching certain operating goals. Expenses related to subsidiary matching totaled $506, $873 and $1,920 for the years ended December 31, 1998, 1999 and 2000, respectively, and aggregated approximately $571 and $1,298 for the six-month periods ended June 30, 2000 and 2001, respectively. In 2001, the Company consolidated substantially all of its existing 401(k) salary deferral/savings plans into one plan.

17. SUBSEQUENT EVENT

Subsequent to December 31, 2000, the Company acquired 5 dealerships (9 franchises) for an aggregate purchase price of $45,248. The acquisitions were funded through the proceeds of borrowings on the acquisition line of the Company's credit facility and the issuance of an equity interest in the Company to one of the sellers.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Asbury Automotive Group L.L.C.:

We have audited the accompanying combined balance sheet of the Business Acquired by Asbury Automotive Group L.L.C. (Hutchinson Automotive Group) as of December 31, 1999, and the related combined statements of income, shareholders' equity and cash flows for the period from January 1, 2000 through June 30, 2000, and for each of the two years in the period ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Business Acquired by Asbury Automotive Group L.L.C. as of December 31, 1999, and the results of its operations and its cash flows for the period from January 1, 2000, through June 30, 2000 and for each of the two years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Stamford, Connecticut
June 15, 2001

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE GROUP L.L.C.
(HUTCHINSON AUTOMOTIVE GROUP)
COMBINED BALANCE SHEET
(IN THOUSANDS)

	AS OF DECEMBER 31, 1999
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (including contracts-in-transit of $3,770)	$11,373
Accounts receivable	3,852
Inventories	28,120
Prepaid and other current assets	595
Total current assets	43,940
PROPERTY AND EQUIPMENT, net	14,945
GOODWILL, net	4,010
OTHER ASSETS	10
Total assets	$62,905
LIABILITIES AND SHAREHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Floor plan notes payable	$22,675
Current maturities of long-term debt	75
Accounts payable	1,505
Accrued liabilities	3,673
Total current liabilities	27,928
OTHER LIABILITIES	318
COMMITMENTS AND CONTINGENCIES	
SHAREHOLDERS' EQUITY:	
Common stock and additional paid-in-capital	24,601
Retained earnings	10,058
Total shareholders' equity	34,659
Total liabilities and shareholders' equity	$62,905

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE GROUP L.L.C.
(HUTCHINSON AUTOMOTIVE GROUP)
COMBINED STATEMENTS OF INCOME
(IN THOUSANDS)

	FOR THE YEARS ENDED DECEMBER 31, 1998	FOR THE YEARS ENDED DECEMBER 31, 1999	FOR THE PERIOD JANUARY 1, 2000 THROUGH JUNE 30, 2000
REVENUE:			
New vehicles	$162,411	$197,556	$58,061
Used vehicles	90,455	112,109	35,903
Parts, service and collision repair	22,457	25,744	8,285
Finance and insurance, net	5,165	7,123	1,713
Total revenue			

280,488 342,532 103,962 COST OF SALES: New
vehicles...
146,335 179,016 52,784 Used
vehicles...
81,352 100,648 31,875 Parts, service and
collision repair.................... 13,078 14,486
4,703 -------- -------- ------- Total cost of
sales............................... 240,765
294,150 89,362 -------- -------- ------- GROSS
PROFIT...
39,723 48,382 14,600 OPERATING EXPENSES: Selling,
general and administrative..................
27,895 31,696 10,705 Depreciation and
amortization......................... 888 1,018
260 -------- -------- ------- Income from
operations............................ 10,940
15,668 3,635 -------- -------- ------- OTHER
INCOME (EXPENSE): Floor plan interest
expense.......................... (1,622)
(1,675) (635) Other income,
net.................................... 336 225
58 -------- -------- ------- Total other expense,
net.......................... (1,286) (1,450)
(577) -------- -------- ------- Net
income.......................................
$9,654 $14,218 $3,058 ======== ======== =======

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE GROUP L.L.C.

(HUTCHINSON AUTOMOTIVE GROUP)

COMBINED STATEMENTS OF SHAREHOLDERS' EQUITY

(IN THOUSANDS)

COMMON STOCK RETAINED AND ADDITIONAL EARNINGS PAID-IN-
CAPITAL (DEFICIT) TOTAL --------------- --------- ----
---- BALANCE AS OF DECEMBER 31,
1997......................... $13,251 $6,877 $20,128
Contributions...
11,350 -- 11,350
Distributions...
-- (6,894) (6,894) Net
income... --
9,654 9,654 ------- -------- -------- BALANCE AS OF
DECEMBER 31, 1998......................... 24,601
9,637 34,238
Distributions...
-- (13,797) (13,797) Net
income... --
14,218 14,218 ------- -------- -------- BALANCE AS OF
DECEMBER 31, 1999......................... 24,601
10,058 34,659
Distributions...
-- (36,068) (36,068) Net
income... --
3,058 3,058 ------- -------- -------- BALANCE AS OF
JUNE 30, 2000............................. $24,601
$(22,952) $1,649 ======= ======== ========

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE GROUP L.L.C.
(HUTCHINSON AUTOMOTIVE GROUP)
COMBINED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

FOR THE YEARS FOR THE PERIOD ENDED DECEMBER 31,
JANUARY 1, 2000 --------------------- THROUGH JUNE
30, 1998 1999 2000 --------- --------- -------------
--- CASH FLOW FROM OPERATING ACTIVITIES: Net
income..
$9,654 $14,218 $3,058 Adjustments to reconcile net

income to net cash provided by operating activities-
- Depreciation and amortization....................
888 1,018 260 Change in operating assets and
liabilities, net of effects from acquisitions and
divestiture of assets-- Accounts
receivable.............................. (241) (711)
376
Inventories.......................................
251 (1,727) 1,444 Floor plan notes
payable......................... (3,002) 6,941 220
Accounts payable and accrued liabilities.........
1,251 463 (357)
Other... 55
(158) (424) -------- -------- -------- Net cash
provided by operating activities.... 8,856 20,044
4,577 -------- -------- -------- CASH FLOW FROM
INVESTING ACTIVITIES: Capital
expenditures................................ (307)
(949) (48) Proceeds from the sale of
assets..................... 16 7 3 Cash and cash
equivalents associated with the sale to
Asbury...
-- -- (3,822)
Acquisitions.......................................
(11,350) -- -- -------- -------- -------- Net cash
used in investing activities........ (11,641) (942)
(3,867) -------- -------- -------- CASH FLOW FROM
FINANCING ACTIVITIES:
Distributions......................................
(6,894) (13,797) (11,225)
Contributions......................................
11,350 -- -- Repayments of
debt.................................. (134) (676)
-- Proceeds from
borrowings............................ 500 -- -- --
------ -------- -------- Net cash provided by (used
in) financing
activities................................ 4,822
(14,473) (11,225) -------- -------- -------- Net
increase (decrease) in cash and cash
equivalents................................ 2,037
4,629 (10,515) CASH AND CASH EQUIVALENTS, beginning
of period......... 4,707 6,744 11,373 -------- -----
--- -------- CASH AND CASH EQUIVALENTS, end of
period.............. $6,744 $11,373 $858 ========
======== ======== SUPPLEMENTAL DISCLOSURE OF CASH
FLOW INFORMATION: Cash paid for
interest.............................. $1,593
$1,665 $605 ======== ======== ======== Non-cash
distributions (net assets of the business sold to
Asbury on April 14, 2000).................. $ -- $ -
- $24,843 ======== ======== ========

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE GROUP L.L.C.
(HUTCHINSON AUTOMOTIVE GROUP)

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS

Asbury Automotive Jacksonville L.P. ("Asbury Jacksonville") acquired the operations of Buddy Hutchinson Cars, Inc. ("Toyota") and Buddy Hutchinson Chevrolet, Inc. ("Chevrolet") on April 14, 2000 and the operations of Buddy Hutchinson Imports, Inc. ("Imports") on July 1, 2000 for $57,266 including the issuance of a $5,000 equity interest in Asbury Jacksonville to the majority shareholder of the selling entities. Asbury Automotive Arkansas L.L.C. ("Asbury Arkansas") acquired the operations of Regency Toyota Inc. ("Regency"), Mark Escude Nissan, Inc. ("Nissan"), Mark Escude Nissan North, Inc. ("Nissan North"), Mark Escude Motors, Inc. ("Mitsubishi") and Mark Escude Daewoo, Inc. ("Daewoo") on April 14, 2000 for $32,976 including the issuance of a $2,500 equity interest in Asbury Arkansas to the dealer operator of those entities. The companies mentioned above will from hereafter be referred to as the "Company" or "Hutchinson Automotive Group." Asbury Jacksonville and Asbury Arkansas are subsidiaries of Asbury Automotive Group L.L.C. ("Asbury").

The Company is engaged in the sale of new and used vehicles, light trucks and replacement parts, provides vehicle maintenance, warranty, paint and repair services and arranges vehicle finance, insurance and service contracts for its automotive customers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements reflect the combined accounts of Toyota, Regency, Nissan, Nissan North and Mitsubishi for the years ended December 31, 1998 and 1999, and for the period from January 1, 2000 through April 13, 2000, the accounts of Chevrolet for the period from April 6, 1998 through December 31, 1998, the year ended December 31, 1999, and for the period from January 1, 2000 through April 13, 2000, the accounts of Daewoo for the period from August 1, 1999 through December 31, 1999, and for the period from January 1, 2000 through April 13, 2000, and the accounts of Imports for the years ended December 31, 1998 and 1999, and for the period from January 1, 2000 through June 30, 2000.

All intercompany transactions have been eliminated during the period of common ownership.

REVENUE RECOGNITION

Revenue from the sale of new and used vehicles is recognized upon delivery, passage of title and signing of the sales contract. Revenue from the sale of parts and services is recognized upon delivery of parts to the customer or when vehicle service work is performed.

The Company receives commissions from the sale of credit life and disability insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers through various institutions and receives commissions equal to the difference between the loan rates charged to customers over predetermined financing rates set by the financing institution.

The Company may be charged back ("chargebacks") for financing fees, insurance or vehicle service contract commissions in the event of early termination of the contracts by customers. The revenue from financing fees and commissions is recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established based on historical operating results and the termination provisions of the applicable contracts. Finance, insurance and vehicle service contract

revenue, net of estimated chargebacks, is included in finance and insurance revenue in the accompanying combined statements of income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include contracts-in-transit and highly liquid investments that have an original maturity of three months or less at the date of purchase. Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

Inventories are stated at the lower of cost or market. The Company uses the "last-in, first-out" method ("LIFO") to account for the new vehicle inventories of all its dealerships except for the Daewoo and the parts inventories of Regency and Nissan South, the specific identification method to account for the used vehicle inventories of all its dealerships, and the "first-in, first-out" method ("FIFO") to account for the new vehicle inventory of Daewoo and the parts inventories of all its dealerships, except for Regency and Nissan South. Had the FIFO method been used to determine the cost of inventories valued using the LIFO method, net income would have increased (decreased) by ($131), ($62) and $299 for the years ended December 31, 1998 and 1999 and for the period from January 1, 2000 through June 30, 2000, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated using the

straight-line method over their estimated useful lives. Leasehold improvements are capitalized and amortized over the lesser of the life of the lease or the useful life of the related asset. The range of estimated useful lives is as follows (in years)--

Buildings and leasehold improvements	5-35
Machinery and equipment	5-7
Furniture and fixtures	5-7
Company vehicles	3-5

Expenditures for major additions or improvements, which extend the useful lives of assets, are capitalized. Minor replacements, maintenance and repairs, which do not improve or extend the lives of such assets, are charged to operations as incurred.

GOODWILL

Goodwill represents the excess of purchase price over the fair value of the net assets acquired at date of acquisition. Goodwill is amortized on a straight-line basis over 40 years. Amortization expense charged to operations totaled $83, $106 and $53 for the years ended December 31, 1998 and 1999, and for the period from January 1, 2000 through June 30, 2000, respectively. Accumulated amortization totaled $240 as of December 31, 1999.

IMPAIRMENT OF LONG-LIVED ASSETS

The recoverability of the Company's long-lived assets, including goodwill and other intangibles, is assessed by comparing the carrying amounts of such assets to the estimated undiscounted cash

flows relating to those assets. The Company does not believe its long-lived assets are impaired at December 31, 1999.

TAX STATUS

The Company's shareholders have elected to be taxed as S corporations as defined by the Internal Revenue Code. The shareholders of the Company are taxed on their share of the Company's taxable income. Therefore, no provision for federal or state income taxes has been included in the financial statements.

ADVERTISING

The Company expenses production and other costs of advertising as incurred. Advertising expense for the years ended December 31, 1998 and 1999, and for the period from January 1, 2000 through June 30, 2000, totaled $5,405, $5,499 and $1,668, respectively.

USE OF ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates.

STATEMENTS OF CASH FLOWS

The net change in floor plan financing of inventories, which is a customary financing technique in the industry, is reflected as an operating activity in the accompanying combined statements of cash flows.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of floor plan notes payable and long-term debt. The carrying amounts of its financial instruments approximate their fair values at December 31, 1999 due to their relatively short duration and variable interest rates.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash deposits. The Company maintains cash balances in financial institutions with strong credit ratings. At times, amounts invested with financial institutions may be in excess of FDIC insurance limits.

Concentrations of credit risk with respect to contracts-in-transit and accounts receivable are limited primarily to automakers and financial institutions. Credit risk arising from receivables from commercial customers is minimal due to the large number of customers comprising the Company's customer base.

SEGMENT REPORTING

The Company follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 131, "Disclosures about Segments of an Enterprise and Related Information". Based upon

definitions contained in SFAS No. 131, the Company has determined that it operates in one segment and has no international operations.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a foreign currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. SFAS No. 137 amended the effective date to all fiscal quarters of fiscal years beginning after June 15, 2000. SFAS No. 138, issued in June 2000, addressed a limited number of issues that were causing implementation difficulties for numerous entities applying SFAS No. 133. The Company has determined that the adoption of SFAS No.133 will not have a material impact on its results of operations, financial position, liquidity or cash flows.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition". SAB No. 101 was effective for years beginning after December 31, 1999, and provides clarification related to recognizing revenue in certain circumstances. Adoption of SAB No. 101 did not have a material impact on the Company's revenue recognition policies.

3. ACQUISITIONS

On April 6, 1998, the Company acquired Chevrolet's operations and the related land and building for $11,100 in cash and the assumption of floor plan liability. The allocation of purchase price, including $5,100 allocated to the real estate, resulted in $3,750 of goodwill.

SUPPLEMENTAL PRO FORMA INFORMATION

The accompanying financial statements include the results of operations of Chevrolet, acquired in 1998 subsequent to the date of the acquisition. The following unaudited pro forma financial data reflects the 1998 acquisition as if it occurred on January 1, 1998. The unaudited pro forma selected financial data does not purport to represent what the Company's results of operations would have actually been had the transaction in fact occurred as of an earlier date or project the results for any future period.

Revenues	$291,551
Net income	9,877

Pro forma adjustments included in the amounts above relate primarily to: (a) pro forma goodwill amortization expense amortized over an estimated useful life of 40 years; and

(b) adjustments to compensation expense and management fees to the post acquisition contracted amounts.

4. INVENTORIES AND RELATED FLOOR PLAN NOTES PAYABLE

Inventories consist of the following as of December 31, 1999:

New vehicles	$23,839
Used vehicles	5,428
Parts and accessories	1,487
LIFO reserve	(2,634)
Total inventories	$28,120

The inventory balance is reduced by manufacturer's purchase discounts, such reduction is not reflected in related floor plan liability.

Floor plan notes payable reflect amounts payable for purchases of specific vehicle inventories and are due to various floor plan lenders bearing interest at variable rates based on prime. During 1999, the weighted average interest on floor plan notes payable outstanding was 8.25%. Floor plan arrangements permit borrowings based upon new and used vehicle inventory levels. Vehicle payments on notes are due when the related vehicles are sold. The notes are collateralized by substantially all vehicle inventories of the Company and are subject to certain financial and other covenants.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following at December 31, 1999:

Land	$3,127
Buildings and leasehold improvements	12,625
Machinery and equipment	1,263
Furniture and fixtures	1,917
Company vehicles	172
Total	19,104
Less--Accumulated depreciation	(4,159)
Property and equipment, net	$14,945

6. LONG-TERM DEBT

Long-term debt consists of the following as of December 31, 1999:

Mortgage note payable to a bank bearing interest based on prime (the weighted average interest rate was 7.80% for the year ended December 31, 1999) maturing August 13, 2000. The note is secured by the real estate property of Nissan North which had an approximate et book value of $927 at December 31, 1999	$75
Less--current portion	(75)
Long-term portion	$--

7. RELATED-PARTY TRANSACTIONS

At December 31, 1998, the Company had a note payable to the majority shareholder for $500 which was included in accrued liabilities. Such amount was repaid in 1999.

8. OPERATING LEASES

The Company leases various facilities and equipment under long-term operating lease agreements. Rent expense for the years ended December 31, 1998 and 1999 and for the period from January 1, 2000 through June 30, 2000, totaled to $184, $174 and $57, respectively.

Future minimum payments under long-term, non-cancelable operating leases as of December 31, 1999, are as follows:

2000	$94
2001	82
2002	81
2003	77
2004	77
Thereafter	1,045
Total	$1,456

9. COMMITMENTS AND CONTINGENCIES

Substantially all of the Company's facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Company expect such compliance to have, any material effect upon the capital expenditures, net earnings, financial condition, liquidity or competitive position of the Company. Management believes that its current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements.

The Company is involved in legal proceedings and claims, which arise in the ordinary course of its business and with respect to certain of these claims, the Company has indemnified Asbury. In the opinion of management of the Company, the amount of ultimate liability with respect to these actions will not materially affect the financial position or the results of operations of the Company.

10. RETIREMENT PLAN

The Company maintains a 401(k) salary deferral/savings plan for the benefit of all of its employees over the age of 21 who have completed one year of service. Employees electing to participate in the plan may contribute a percentage of annual compensation limited to the maximum amount that can be deducted for income tax purposes each year. Participants vest in their employer matching contributions over a seven-year period. The Company matches 25% of the first 4% of the employee's salary contributed. Expenses related to Company matching totaled $53, $56 and $17 for the years ended December 31, 1998 and 1999, and for the period from January 1, 2000 through June 30, 2000,

respectively.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Asbury Automotive Group L.L.C.:

We have audited the accompanying combined statements of income, shareholders' equity and cash flows of the Business Acquired by Asbury Automotive Oregon L.L.C. (Thomason Auto Group) for the period from January 1, 1999, through December 9, 1999, and for the year ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of the Business Acquired by Asbury Automotive Oregon L.L.C. for the period from January 1, 1999 through December 9, 1999, and for the year ended December 31, 1998, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP
New York, New York
April 26, 2001

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE OREGON L.L.C.

(THOMASON AUTO GROUP)

COMBINED STATEMENTS OF INCOME
(IN THOUSANDS)

FOR THE PERIOD FROM JANUARY 1, 1999 FOR THE YEAR
ENDED THROUGH DECEMBER 31,1998 DECEMBER 9, 1999 --
---------------- ------------------ REVENUES: New
vehicles..
$303,520 $86,120 Used
vehicles...
159,242 60,084 Parts, service and collision
repair................... 26,507 8,610 Finance
and insurance, net............................
15,715 4,142 -------- -------- Total
revenues.....................................
504,984 158,956 COST OF SALES: New
vehicles..
285,140 80,892 Used
vehicles...
135,369 54,930 Parts, service and collision
repair................... 16,787 4,362 -------- -
------- Total cost of
sales................................. 437,296
140,184 GROSS
PROFIT..
67,688 18,772 OPERATING EXPENSES: Selling, general
and administrative................... 60,266
15,471 Depreciation and
amortization......................... 1,097 371 -
------- -------- Income from
operations.............................. 6,325
2,930 -------- -------- OTHER INCOME (EXPENSE):
Floor plan interest
expense........................... (5,271) (800)
Other interest
expense................................ (494)
(83) Loss on sale of
assets................................. -- (25)
Other income,

net...................................... 39 204 -
------- -------- Total other expense,
net............................. (5,726) (704) ---
----- -------- Income before income
taxes.......................... 599 2,226 INCOME
TAX EXPENSE.......................................
267 -- -------- -------- Net
income..
$332 $2,226 ======== ========

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE OREGON L.L.C.
(THOMASON AUTO GROUP)
COMBINED STATEMENTS OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)

COMMON STOCK RETAINED AND ADDITIONAL EARNINGS PAID-
IN CAPITAL (DEFICIT) TOTAL -------------- ---------
-------- BALANCE AS OF DECEMBER 31,
1997....................... $1,767 $5,020 $6,787
Distributions.....................................
-- (10,260) (10,260) Net
income... --
332 332 ------ -------- -------- BALANCE AS OF
DECEMBER 31, 1998....................... 1,767
(4,908) (3,141) ------ -------- --------
Contributions.....................................
-- 1,375 1,375 Net
income... --
2,226 2,226 ------ -------- -------- BALANCE AS OF
DECEMBER 9, 1999........................ $1,767
($1,307) $460 ====== ======== ========

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE OREGON L.L.C.
(THOMASON AUTO GROUP)
COMBINED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

FOR THE PERIOD FROM JANUARY 1, FOR THE YEAR 1999 THROUGH
ENDED DECEMBER 9, DECEMBER 31, 1998 1999 ----------------
- --------------- CASH FLOW FROM OPERATING ACTIVITIES:
Net
income...
$332 $2,226 Adjustments to reconcile net income to net
cash provided by operating activities-- Depreciation and
amortization........................ 1,097 371 Loss on
sale of assets............................... -- 25
Change in operating assets and liabilities, net of
effects from divestiture of assets-- Accounts receivable,
net............................ 1,501 192 Due from
related parties............................ (3,570) --
Inventories.......................................
(2,038) 3,022 Floor plan notes
payable............................ 1,305 754 Accounts
payable and accrued liabilities............. 7,769
(3,339)
Other..
(335) (505) ------- ------- Net cash provided by
operating activities............. 6,061 2,746 ------- ---
---- CASH FLOW FROM INVESTING ACTIVITIES: Capital
expenditures...................................
(3,234) (158) Proceeds from the sale of
assets......................... 1,404 -- Cash and cash
equivalents associated with the business acquired by
Asbury.................................... (5,818) --
Net issuance of finance
contracts........................ (398) -- ------- -----
-- Net cash used in investing activities................
(8,046) (158) ------- ------- CASH FLOW FROM FINANCING
ACTIVITIES: Distributions to
shareholders............................ (1,626) --
Contributions...

-- 1,375 Repayments of debt.. (1,580) (291) Proceeds from borrowings................................. 537 -- ------- ------- Net cash provided by (used in) financing activities... (2,669) 1,084 ------- ------- Net increase (decrease) in cash and cash equivalents.. (4,654) 3,672 CASH AND CASH EQUIVALENTS, beginning of period............. 7,937 3,283 ------- ------- CASH AND CASH EQUIVALENTS, end of period................... $3,283 $6,955 ======= ======= SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for-- Interest.. $5,781 $883 ======= ======= Income taxes... $197 $ -- ======= ======= Non-cash distributions (net assets of the business sold to Asbury on December 4, 1998)............................. $8,634 $ -- ======= =======

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE OREGON L.L.C.
(THOMASON AUTO GROUP)

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS

Asbury Automotive Oregon L.L.C. ("Asbury") acquired its dealership operations through the December 4, 1998 acquisition of Thomason Auto Group, Inc. ("TAG"), Dee Thomason Ford, Inc. ("Ford"), Thomason Imports, Inc. ("Imports"), Thomason Nissan ("Nissan"), Thomason Auto Credit Northwest, Inc. ("TACN") and Thomason on Canyon, L.L.C. ("Canyon") and the December 10, 1999, acquisition of Thomason Toyota, Inc. ("Toyota"). The combined accounts of the companies mentioned above will from hereafter be referred to collectively as the "Company" or "Thomason Auto Group".

On December 4, 1998, the operations of TAG, Ford, Imports, Nissan, TACN and Canyon were acquired by Asbury for $49,075 in cash and the issuance of a minority interest to the majority shareholder the Company. On December 10, 1999, Asbury acquired the operations of Toyota for $18,875 in cash and the issuance of a minority interest to the same shareholder.

The purchase agreements dated December 4, 1998, and December 10, 1999, between the shareholders of the Company and Asbury included an adjustment to the purchase price based on the tangible net worth of the respective assets of the Company on the related closing dates as well as indemnities for certain pre-closing contingencies which included certain employment practices. On April 26, 2001, the shareholders of the Company agreed to pay Asbury $2,800 in cash and forfeited a portion of their interest in Asbury valued at $2,500 as final settlement of the purchase agreement.

The accompanying combined statement of income for the year ended December 31, 1998, includes $1,500 of selling, general and administrative expense related to certain selling practices. Such amount was paid in 1999. The majority shareholder of the Company contributed $1,375 in 1999 to cover such costs.

The Company is engaged in the sale of new and used vehicles, light trucks and replacement parts, provides vehicle maintenance, warranty, paint and repair services and arranges vehicle finance, insurance and service contracts for its automotive customers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements include the results of TAG, Ford, Imports, Nissan, TACN and Canyon for the period from January 1, 1998 through December 3, 1998, and the results of Toyota for the year ended December 31, 1998 and for the period from January 1, 1999 through December 9, 1999.

All intercompany transactions have been eliminated during the period of common ownership.

REVENUE RECOGNITION

Revenue from the sale of new and used vehicles is recognized upon delivery, passage of title and signing of the sales contract. Revenue from the sale of parts and services is recognized upon delivery of parts to the customer or when vehicle service work is performed.

The Company receives commissions from the sale of credit life and disability insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers

through various institutions and receives commissions equal to the difference between the loan rates charged to customers over predetermined financing rates set by the financing institution.

The Company may be charged back ("chargebacks") for financing fees, insurance or vehicle service contract commissions in the event of early termination of the contracts by customers. The revenue from financing fees and commissions is recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established based on historical operating results and the termination provisions of the applicable contracts. Finance, insurance and vehicle service contract revenue, net of estimated chargebacks, is included in finance and insurance revenue in the accompanying combined statements of income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include contracts-in-transit and highly liquid investments that have an original maturity of three months or less at the date of purchase. Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

Inventories are stated at the lower of cost or market. The Company uses the "last-in, first-out" method ("LIFO") to account for all new vehicle inventories, the specific identification method to account for used vehicle inventories, and the "first-in, first-out" method ("FIFO") to account for parts inventories. Had the FIFO method been used to cost inventories valued using the LIFO method, net income would have increased by $452 and $66 for the year ended December 31, 1998 and for the period from January 1, 1999 through December 9, 1999, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives. Leasehold improvements are capitalized and amortized over the lesser of the life of the lease or the useful life of the related asset.

Expenditures for major additions or improvements, which extend the useful lives of assets, are capitalized. Minor replacements, maintenance and repairs, which do not improve or extend the lives of such assets, are charged to operations as incurred.

TAX STATUS

The shareholders of the Company's subsidiaries, with the exception of TACN, have elected to be treated as S corporations. The shareholders of the S corporations are taxed on their share of those companies' taxable income. Therefore, no provision for federal or state income taxes has been included in the financial statements for the S corporations.

TACN is a C corporation under the provisions of the U.S. Internal Revenue Code and, accordingly, follows the liability method of accounting for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes." Under this method, deferred income taxes are recorded based upon differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the underlying assets are realized and liabilities are

settled. A valuation allowance reduces deferred tax assets when it is more likely than not that some or all of the deferred tax assets will not be realized.

ADVERTISING

The Company expenses production and other costs of advertising as incurred. Advertising expense for the year ended December 31, 1998 and for the period from January 1, 1999 through December 9, 1999, totaled $5,304 and $2,483, respectively, of which $3,155 and $989, respectively, was paid to an entity in which the majority shareholder had a substantial interest.

USE OF ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates.

STATEMENTS OF CASH FLOWS

The net change in floor plan financing of inventories, which is a customary financing technique in the industry, is reflected as an operating activity in the accompanying combined statements of cash flows.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash deposits. The Company maintains cash balances in financial institutions with strong credit ratings. At times, amounts invested with financial institutions may be in excess of FDIC insurance limits.

Concentrations of credit risk with respect to contracts-in-transit and accounts receivable are limited primarily to automakers and financial institutions. Credit risk arising from receivables from commercial customers is minimal due to the large number of customers comprising the Company's customer base.

SEGMENT REPORTING

The Company follows the provisions of SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". Based upon definitions contained in SFAS No. 131, the Company has determined that it operates in one segment and has no international operations.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment,

(b) a hedge of the exposure to variable cash flows of a forecasted transaction or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a

foreign currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. SFAS No. 137 amended the effective date to all fiscal quarters of fiscal years beginning after June 15, 2000. SFAS No. 138, issued in June 2000, addressed a limited number of issues that were causing implementation difficulties for numerous entities applying SFAS No. 133. The Company has determined that the adoption of SFAS No.133 will not have a material impact on its results of operations, financial position, liquidity or cash flows.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition". SAB No. 101 was effective for years beginning after December 31, 1999, and provides clarification related to recognizing revenue in certain circumstances. Adoption of SAB No. 101 did not have a material impact on the Company's revenue recognition policies.

3. INTEREST EXPENSE

Floor plan notes payable reflect amounts payable for purchases of specific vehicle inventories and are due to various floor plan lenders bearing interest at variable rates based on prime. For the year ended December 31, 1998, the weighted average interest rate on floor plan notes payable outstanding was 6.87%. Floor plan arrangements permit borrowings based upon new and used vehicle inventory levels. Vehicle payments on notes are due when the related vehicles are sold. The notes are collateralized by substantially all vehicle inventories of the Company and are subject to certain financial and other covenants.

The Company's notes payable are due to financing institutions and are secured by rental vehicles bearing interest at variable rates (the weighted average interest rate was 8.5% for the year ended December 31, 1998) and mature at various dates all in 1999.

4. OPERATING LEASES

The Company leases various facilities and equipment under long-term operating lease agreements, including leases with its majority shareholder or entities controlled by its majority shareholder. Rent expense for the year ended December 31, 1998, and for the period from January 1, 1999 through December 9, 1999, totaled $2,683 and $1,078, respectively. Of these amounts, $1,506 and $887, respectively, were paid to entities controlled by its shareholders.

Future minimum payments under long-term, non-cancelable operating leases as of December 31, 1998, are as follows:

	RELATED PARTIES	THIRD PARTIES	TOTAL
1999	$876	$186	$1,062
2000	840	187	1,027
2001	840	160	1,000
2002	840	146	986
2003	840	113	953
Thereafter	15,540	445	15,985
Total	$19,776	$1,237	$21,013

5. INCOME TAXES

A schedule of TACN's provision for income tax purposes for the period from January 1, 1998 though December 3, 1998 is as follows:

Current:	
Federal	$196

State	41
	237
Deferred:	
Federal	25
State	5
	30
Total	$267

Deferred income tax provision results from temporary differences in the recognition of income and expense for financial statement reporting and tax purposes. These temporary differences relate to different revenue recognition policies for financial statement reporting as compared to tax reporting and are not material.

A reconciliation of the TACN's actual provision for income taxes with the provision computed at federal statutory rates for the period from January 1, 1998 through December 3, 1998, is as follows:

Statutory rate	34.0%
State income taxes	6.6
Other	0.9
Effective income tax rate	41.5%

6. COMMITMENTS AND CONTINGENCIES

Substantially all of the Company's facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Company expect such compliance to have, any material effect upon the capital expenditures, net earnings, financial condition, liquidity or competitive position of the

Company. Management believes that its current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements.

The Company is involved in legal proceedings and claims, which arise in the ordinary course of its business and with respect to certain of these claims, the Company has indemnified Asbury. In the opinion of management of the Company, the amount of ultimate liability with respect to these actions will not materially affect the financial position or the results of operations of the Company.

Prior to the sale of the business, the Company was in the practice of guaranteeing consumer installment loans on a limited recourse basis. Substantially all of these loans were issued to one finance company pursuant to vehicle sales by the Company. Under the guarantee, upon repossession of the vehicle collateralizing the loans by the finance company, the Company was liable for all or part of the loan balance. As of December 31, 1998, $27,250 of these loans were guaranteed collectively by Asbury and the Company, $5,700 of which was guaranteed by the Company with the remainder guaranteed by Asbury. The accompanying combined financial statements include a provision for repossession losses of $6,359 and $619 and are included in selling, general and administrative expenses, for the year ended December 31, 1998, and the period from January 1, 1999 through December 9, 1999, respectively.

In December 1999, prior to the sale of Toyota to Asbury, the Company and Asbury collectively agreed to transfer all remaining recourse liability back to the finance company initially issuing the paper. The transaction resulted in a $223 gain in the period from January 1, 1999, through December 9, 1999.

7. RETIREMENT PLANS

The Company maintains a 401(k) salary deferral/savings plan for the benefit of all its employees upon reaching one year of service with the Company.

Employees electing to participate in the plan may contribute up to 15% of their annual compensation limited to the maximum amount that can be deducted for income tax purposes each year. Participants vest upon the completion of seven years of service. The Company matches a portion of the employee's contributions dependent upon reaching certain operating goals. Expenses related to Company matching totaled $101 and $25 for the year ended December 31, 1998, and for the period from January 1, 1999 through December 9, 1999, respectively.

8. RELATED-PARTY TRANSACTIONS

The Company had $829 and $15,162 of vehicle sales to Asbury and $408 and $5,516 of vehicle purchases from Asbury for the period from December 4, 1999 through December 31, 1998, and the period from January 1, 1999 through December 9, 1999, respectively.

The Company paid management fees of $596 during the period from January 1, 1999 through December 9, 1999, to Asbury.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Asbury Automotive Group L.L.C.:

We have audited the accompanying combined statements of income, shareholders' equity and cash flows of the Business Acquired by Asbury Automotive Arkansas L.L.C. referred to as "the McLarty Combined Entities" (see Note 1) for the period from January 1, 1999 through November 17, 1999, and for the year ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of the McLarty Combined Entities for the period from January 1, 1999 through November 17, 1999, and for the year ended December 31, 1998 in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Little Rock, Arkansas
July 18, 2001

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE ARKANSAS L.L.C.
(MCLARTY COMBINED ENTITIES)

COMBINED STATEMENTS OF INCOME

(IN THOUSANDS)

	FOR THE YEAR ENDED DECEMBER 31, 1998	FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH NOVEMBER 17, 1999
REVENUE:		
New vehicle	$218,017	$78,076
Used vehicle	101,614	32,368
Parts, service and collision repair	28,514	6,663
Finance and insurance, net	5,687	1,968
Total revenue	353,832	119,075
COST OF SALES:		
New vehicle	205,873	71,924
Used vehicle	91,226	30,028
Parts, service and collision repair	17,026	3,739

----- Total cost of
sales.............................. 314,125
105,691 -------- -------- GROSS
PROFIT..
39,707 13,384 OPERATING EXPENSES: Selling, general
and administrative.................. 29,493 10,072
Depreciation and
amortization........................ 530 110 -----
--- -------- Income from
operations.......................... 9,684 3,202
-------- -------- OTHER INCOME (EXPENSE): Floor
plan interest expense.........................
(2,630) (1,030) Other interest
expense.............................. (1,629)
(13) Other income,
net................................... 791 152 --
------ -------- Total other
expense............................. (3,468)
(891) -------- -------- NET
INCOME..
$6,216 $2,311 ======== ========

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE ARKANSAS L.L.C.
(MCLARTY COMBINED ENTITIES)

COMBINED STATEMENTS OF SHAREHOLDERS' EQUITY

(IN THOUSANDS)

COMMON STOCK AND ADDITIONAL RETAINED PAID-IN CAPITAL
EARNINGS TOTAL --------------- -------- -------- BALANCE
AS OF DECEMBER 31, 1997............................
$4,477 $3,750 $8,227 Net
income... --
6,216 6,216
Distributions...
-- (6,293) (6,293) ------ ------- ------- BALANCE AS OF
DECEMBER 31, 1998........................... 4,477
3,673 8,150 Net
income... --
2,311 2,311
Distributions...
-- (2,224) (2,224)
Contributions...
1,989 -- 1,989 ------ ------- ------- BALANCE AS OF
NOVEMBER 17, 1999........................... $6,466
$3,760 $10,226 ====== ======= =======

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE ARKANSAS L.L.C.
(MCLARTY COMBINED ENTITIES)

COMBINED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

FOR THE FOR THE PERIOD FROM YEAR ENDED JANUARY 1, 1999
DECEMBER 31, THROUGH NOVEMBER 17, 1998 1999 ------------
-------------------- CASH FLOW FROM OPERATING
ACTIVITIES: Net
income...
$6,216 $2,311 Adjustments to reconcile net income to net
cash provided by operating activities- Depreciation and
amortization....................... 530 110 Gain on
sale of assets............................. -- (63)
Change in operating assets and liabilities, net of
effects from acquisitions and divestiture of assets-
Accounts receivable, net........................ 635
(734) Inventories...................................
(6,495) 3,723 Prepaid expenses and other current
assets........ (70) (8) Other
assets..................................... 7 308 Floor

plan notes payable......................... 4,323 14,099
Accounts payable and accrued liabilities.........
(1,018) 1,156 Other long-term
liabilities..................... (136) (237) ------- --
------ Net cash provided by operating activities......
3,992 20,665 CASH FLOW FROM INVESTING ACTIVITIES:
Capital
expenditures................................... (817)
(266) Proceeds from the sale of
assets........................ 40 80 Cash and cash
equivalents contributed to Asbury Arkansas under
Exchange Agreement.............................. --
(7,023)
Other...
(32) 588 ------- -------- Net cash used in investing
activities.......... (809) (6,621) CASH FLOW FROM
FINANCING ACTIVITIES:
Distributions...
(6,603) (2,224)
Contributions...
-- 1,989 Repayment of
debt....................................... (480)
(1,174) Proceeds from
debt...................................... 241 -- Net
advances from (repayments to) related parties........
3,022 (17,791) ------- -------- Net cash used in
financing activities.......... (3,820) (19,200) -------
-------- Net decrease in cash and cash equivalents......
(637) (5,156) CASH AND CASH EQUIVALENTS, beginning of
period............. 5,802 5,165 ------- -------- CASH
AND CASH EQUIVALENTS, end of period..................
$5,165 $9 ======= ======== SUPPLEMENTAL INFORMATION:
Cash paid for
interest.................................. $4,270
$1,008 ======= ========

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE ARKANSAS L.L.C.
(MCLARTY COMBINED ENTITIES)

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

The McLarty Combined Entities (the "Company") represents the combined dealership operations of North Point Ford, Inc., North Point Mazda, Inc., Premier Autoplaza, Inc., Hope Auto Company, McLarty Auto Mall, Inc. (collectively referred to as the "First Dealerships"), and Prestige, Inc. ("Prestige").

On February 23, 1999, pursuant to an exchange agreement (the "Exchange Agreement") among Asbury Arkansas L.L.C. ("Asbury Arkansas"), the Company and Asbury Automotive Group, L.L.C. ("AAG"), the operations of the First Dealerships were transferred to Asbury Arkansas in exchange for cash and a 49% interest in Asbury Arkansas. Concurrently, AAG contributed $13,995 in cash in exchange for a 51% interest in Asbury Arkansas. On November 18, 1999, the operations of Prestige were transferred to Asbury Arkansas in consummation of the Exchange Agreement.

The accompanying 1999 combined statements of income, shareholders' equity and cash flows reflect the activities of the First Dealerships from January 1, 1999 through February 22, 1999, which represents the date of closing of the exchange transactions involving the First Dealerships, and the activities of Prestige from January 1, 1999 through November 17, 1999.

The Company operates six automobile dealerships in the central and southwestern regions of the State of Arkansas. The dealerships are engaged in the sale of new and used motor vehicles and related products and services, including vehicle service and parts, finance and insurance products and other after-market products.

The business combination described above was accounted for under the purchase method of accounting on the financial statements of Asbury Arkansas. The accompanying financial statements do not include the effect of any adjustments resulting from the ultimate allocation of the purchase price by

Asbury Arkansas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF COMBINATION

The financial statements for each of these entities are presented on a combined basis as they have substantially common ownership. All significant intercompany transactions and balances have been eliminated in combination.

REVENUE RECOGNITION

Revenue from the sale of new and used vehicles is recognized upon delivery, passage of title and signing of the sales contract. Revenue from the sale of parts and services is recognized upon delivery of parts to the customer or when vehicle service work is performed.

The Company receives commissions from the sale of credit life and disability insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers through various institutions and receives commissions equal to the difference between the loan rates charged to customers over predetermined financing rates set by the financing institution.

The Company may be charged back ("chargebacks") for financing fees, insurance or vehicle service contract commissions in the event of early termination of the contracts by customers. The revenue from financing fees and commissions is recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established based on historical operating results and the

termination provisions of the applicable contracts. Finance, insurance and vehicle service contract revenue, net of estimated chargebacks, is included in finance and insurance revenue in the accompanying combined statements of income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include contracts in-transit and highly liquid investments that have an original maturity of three months or less at date of purchase. Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

The majority of the Company's inventories are accounted for using the "first-in, first-out" method ("FIFO") and are valued using the lower of cost or market. The Company's parts inventories are stated at replacement cost in accordance with industry practice. The Company valued certain inventories using the "last-in, first-out" method ("LIFO"). Approximately 18.6% of the Company's inventories were valued at LIFO at December 31, 1998. If the FIFO method had been used to determine the cost of inventories, net income would have been lower by $149 for the year ended December 31, 1998 and greater by $56 for the period from January 1, 1999 through November 17, 1999.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation and amortization are provided utilizing the straight-line method over the estimated useful lives of the assets.

GOODWILL

Goodwill represents the excess of purchase price over the face value of the net tangible and other intangible assets acquired at the date of acquisition net of accumulated amortization. Goodwill is amortized on a straight-line basis over 40 years.

FINANCE RECEIVABLES AND ADVANCES

The Company has an arrangement with a finance company, whereby the finance company extends credit to certain of the Company's customers in connection with vehicle sales. Under the arrangement, the Company originates installment

contracts, which are assigned to the finance company without recourse, along with security interests in the related vehicles. The finance company advances the Company a portion of the payments due under the contracts, groups the contracts into pools and services the contracts. The finance company retains a servicing fee equal to 20% of contractual payments due on a pool-by-pool basis. In the event of customer default, the Company has no obligation to repay any advanced amounts or other fees to the finance company.

TAX STATUS

The entities comprising the Company are Subchapter S Corporations, as defined in the Internal Revenue Code of 1986, and thus the taxable income or losses of the Company are included in the individual tax returns of the stockholders for federal and state income tax purposes. Therefore, no provisions for taxes have been included in the accompanying combined financial statements.

ADVERTISING

The Company expenses production and other costs of advertising as incurred or when such advertising initially takes place. The Company's combined statements of income include advertising expense of $3,711 and $1,444 for the year ended December 31, 1998 and the period from January 1, 1999 through November 17, 1999, respectively.

USE OF ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates.

STATEMENTS OF CASH FLOWS

The net change in floor plan financing of inventories, which is a customary financing technique in the industry, is reflected as an operating activity in the statements of cash flows.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash deposits. The Company maintains cash balances in financial institutions with strong credit ratings. At times, amounts invested with financial institutions may be in excess of FDIC insurance limits.

Concentrations of credit risk with respect to contracts-in-transit and accounts receivable are limited primarily to automakers and financial institutions. Credit risk arising from receivables from commercial customers is minimal due to the large number of customers comprising the Company's customer base.

SEGMENT REPORTING

The Company follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 131, "Disclosures about Segments of an Enterprise and Related Information". Based upon definitions contained in SFAS No. 131, the Company has determined that it operates in one segment and has no international operations.

MAJOR SUPPLIERS AND DEALERSHIP AGREEMENTS

The Company enters into agreements with the automakers that supply new vehicles and parts to its dealerships. The Company's overall sales could be impacted by the automakers' ability or unwillingness to supply the dealerships with a supply of new vehicles. Dealership agreements generally limit location of dealerships and retain automaker approval rights over changes in dealership management and ownership. Each automaker is entitled to terminate the dealership agreement if the dealership is in material breach of its terms.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative

instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a foreign currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. SFAS No. 137 amended the effective date of SFAS No. 133 to all fiscal quarters of fiscal years beginning after June 15, 2000. SFAS No. 138, issued in June 2000, addressed a limited number of issues that were causing implementation difficulties for numerous entities applying SFAS No. 133. The Company has determined that the adoption of SFAS No. 133 will not have a material impact on its results of operations, financial position, liquidity or cash flows.

3. INTEREST EXPENSE

Floor plan notes payable reflect amounts payable for purchase of specific vehicle inventories and are due to various floor plan lenders bearing interest at variable rates based on prime. The interest rates related to floor plan notes payable ranged from 7.75% to 8.75%. Floor plan arrangements permit borrowings based upon new and used vehicle inventory levels. Vehicle payments on notes are due when the related vehicles are sold. The notes are collateralized by substantially all vehicle inventories of the Company and are subject to certain financial and other covenants.

Long-term debt consists of various notes payable to banks and corporations, bearing interest at both fixed and variable rates and secured by certain of the Company's assets. Interest rates ranged from 7.75% to 8.75%.

4. COMMITMENTS AND CONTINGENCIES

The Company leases various facilities and equipment under non-cancelable operating lease agreements, including leases with related parties. Rent expense for each of the periods presented in the accompanying combined statements of income is shown below:

	FOR THE YEAR ENDED DECEMBER 31,1998	FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH NOVEMBER 17, 1999
Related parties......................	$1,302	$529
Third parties........................	678	127
Total............................	$1,980	$656

Substantially all of the Company's facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Company expect such compliance to have, any material effect upon the capital expenditures, net earnings, financial condition, liquidity or competitive position of the Company. Management believes that its current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements.

The Company is involved in legal proceedings and claims, which arise in the ordinary course of its business. In the opinion of management of the Company, the amount of ultimate liability with respect to these actions will not materially affect the financial position or the results of operations of the Company.

5. RELATED-PARTY TRANSACTIONS

The Company had amounts payable to related parties that consisted primarily of advances made to the Company by certain shareholders and officers. These balances accrued interest at rates corresponding to interest rates charged by certain floor plan institutions (8.75% at December 31, 1998). During 1998, the Company paid interest on amounts owed to these stockholders and officers totaling $1,521.

The Company paid management fees to an entity that is owned by certain Company shareholders totaling approximately $310 during the year ended December 31, 1998 and approximately $52 during the period from January 1, 1999 through November 17, 1999.

The entities included in the Company had various levels of ownership interest in the Sunlight Mesa Insurance Company ("Mesa"), which aggregate to 100%. Mesa operates as a reinsurer of credit life, accident and health insurance and has no direct policies in force. As Mesa's results of operations and financial position were not material, they have not been combined into the accompanying financial statements. Instead, the Company has recorded their interest in Mesa using the cost method of accounting for investments. Commission income recorded by the Company on insurance contracts related to policies reinsured with Mesa was approximately $260 during 1998. The Company's investment in Mesa was not contributed to Asbury Arkansas as a part of the business combination discussed in Note 1.

6. RETIREMENT PLANS

The Company maintains 401(k) plans (the "Plans") at each of the dealerships, which cover substantially all employees. The Company makes matching contributions to the Plans of up to 2% of participating employees' salaries. The Company's combined statements of income include contributions of $81 and $16 for the year ended December 31, 1998 and the period from January 1, 1999 through November 17, 1999, respectively.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Asbury Automotive Group L.L.C.:

We have audited the accompanying combined statements of income, shareholders' equity and cash flows of the Business Acquired by Asbury Automotive North Carolina L.L.C. (Crown Automotive Group) for the period from January 1, 1999 through April 6, 1999, and for the year ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of the Business Acquired by Asbury Automotive North Carolina L.L.C. for the period from January 1, 1999 through April 6, 1999, and for the year ended December 31, 1998, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

New York, New York

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
(CROWN AUTOMOTIVE GROUP)

COMBINED STATEMENTS OF INCOME

(IN THOUSANDS)

	FOR THE YEAR ENDED DECEMBER 31, 1998	FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH APRIL 6, 1999
REVENUE:		
New vehicle	$170,808	$14,424
Used vehicle	129,447	13,148
Parts, service and collision repair	44,614	4,815
Finance and insurance, net	9,626	555
Total revenue	354,495	32,942
COST OF SALES:		
New vehicle	157,675	13,413
Used vehicle	125,053	12,341
Parts, service and collision repair	22,536	2,556
Total cost of sales	305,264	28,310
GROSS PROFIT	49,231	4,632
OPERATING EXPENSES:		
Selling, general and administrative	42,010	3,579
Depreciation and amortization	374	18
Income from operations	6,847	1,035
OTHER INCOME (EXPENSE):		
Floor plan interest expense	(1,848)	(93)
Other interest expense	--	(48)
Other income, net	871	687
Net income	$5,870	$1,581

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
(CROWN AUTOMOTIVE GROUP)

COMBINED STATEMENTS OF SHAREHOLDERS' EQUITY

(IN THOUSANDS)

	COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS (DEFICIT)	TOTAL
BALANCE AS OF DECEMBER 31, 1997	$10,573	$6,460	$17,033
Contributions	489	--	489
Distributions	(7,638)	(13,043)	(20,681)
Net income	--	5,870	5,870
BALANCE AS OF DECEMBER 31, 1998	3,424	(713)	2,711
Distributions	--	(340)	(340)
Net income	--	1,581	1,581
BALANCE AS OF APRIL 6, 1999	$3,424	$528	$3,952

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.

(CROWN AUTOMOTIVE GROUP)

COMBINED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

	FOR THE YEAR ENDED DECEMBER 31, 1998	FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH APRIL 6, 1999
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	$5,870	$1,581
Adjustments to reconcile net income to net cash provided by operating activities--		
Depreciation and amortization	374	18
Change in operating assets and liabilities, net of effects from acquisitions and divestiture of assets--		
Accounts receivable, net	(493)	(1,450)
Inventories	(665)	(743)
Prepaid and other	(759)	3
Floor plan notes payable	1,722	(428)
Accounts payable and accrued liabilities	2,910	2,074
Net cash provided by operating activities	8,959	1,055
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditures	(1,240)	(15)
Net issuance of notes receivable	5,388	--
Cash and cash equivalents associated with the sale to Asbury	(8,394)	--
Net cash used in investing activities	(4,246)	(15)
CASH FLOW FROM FINANCING ACTIVITIES:		
Contributions	489	--
Repayments of notes payable	(5,071)	--
Distributions	(12,008)	(340)
Net cash used in financing activities	(16,590)	(340)
Net increase (decrease) in cash and cash equivalents	(11,877)	700
CASH AND CASH EQUIVALENTS, beginning of period	13,942	2,065
CASH AND CASH EQUIVALENTS, end of period	$2,065	$2,765
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$1,847	$76
Non-cash distributions (net assets of the business sold to Asbury on December 11, 1998)	$8,673	$ --

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
(CROWN AUTOMOTIVE GROUP)

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Asbury Automotive North Carolina L.L.C. ("Asbury") acquired its dealership operations through the December 11, 1998, acquisition of the non-Honda/Acura operations of CAC Automotive, Inc. ("CAC"), CAR Automotive, Inc. ("CAR"), CFC Finance, Inc. ("CFC"), and CAM Automotive, Inc. ("CAM") and the April 7, 1999, acquisition of the Honda/Acura dealerships of the above-mentioned entities. The combined accounts of the entities mentioned above will from hereafter be referred to collectively as "the Company" or "Crown Automotive Group." These combined statements do not include the real estate entities in which the Company conducts its dealership operations. As a result, rent expense is included in the

accompanying combined statements of income as discussed in Note 3.

On December 11, 1998, the non-Honda/Acura operations of CAC, CAR, CFC, CAM and the real estate assets of Asbury North Carolina Real Estate Holdings L.L.C. were acquired by Asbury for $80,828 in cash and the issuance of a 49% equity interest to certain of the former shareholders of the Company.

On April 7, 1999, the Honda/Acura dealerships operations were acquired by Asbury for $10,073 in cash and the issuance of a 49% equity interest to the same shareholders.

The Company is engaged in the sale of new and used vehicles, light trucks and replacement parts, provides vehicle maintenance, warranty, paint and repair services and arranges vehicle finance, insurance and service contracts for its automotive customers located in Greensboro, Chapel Hill and Raleigh, North Carolina, and Richmond, Virginia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying combined financial statements reflect the combined accounts of the non-Honda/Acura operations of CAC, CAR, CFC and CAM for the period from January 1, 1998 through December 10, 1998 and the combined accounts of the Honda/Acura operations for the year ended December 31, 1998 and for the period from January 1, 1999 through April 6, 1999.

All significant intercompany transactions have been eliminated during the period of common ownership.

REVENUE RECOGNITION

Revenue from the sale of new and used vehicles is recognized upon delivery, passage of title and signing of the sales contract. Revenue from the sale of parts and services is recognized upon delivery of parts to the customer or when vehicle service work is performed.

The Company receives commissions from the sale of credit life and disability insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers through various institutions and receives commissions equal to the difference between the loan rates charged to customers over predetermined financing rates set by the financing institution.

The Company may be charged back ("chargebacks") for financing fees, insurance or vehicle service contract commissions in the event of early termination of the contracts by customers. The revenue from financing fees and commissions is recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established based on historical operating results and the

termination provisions of the applicable contracts. Finance, insurance and vehicle service contract revenue, net of estimated chargebacks, is included in finance and insurance revenue in the accompanying combined statements of income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include contracts in-transit and highly liquid investments that have an original maturity of three months or less at date of purchase. Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

New and used vehicle inventories are valued at the lower of cost or market utilizing the "last-in, first-out" (LIFO) method. Parts inventories are valued at the lower of cost or market utilizing the "first-in, first-out" (FIFO) method. If the FIFO method had been used to determine cost for inventories valued using the LIFO method, net income would have increased by $2,153 and $10 for the year ended December 31, 1998 and for the period from January 1, 1999 through April 6, 1999 respectively.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation and amortization are provided for utilizing the straight-line method over the estimated useful life of the asset.

TAX STATUS

The Company's shareholders have elected to be taxed as S corporations as defined by the Internal Revenue Code. The shareholders of the Company are taxed on their share of the Company's taxable income. Therefore, no provision for federal or state income taxes has been included in the financial statements.

ADVERTISING

The Company expenses production and other costs of advertising as incurred or when such advertising initially takes place. Advertising costs aggregated approximately $2,467 and $250 for the year ended December 31, 1998, and for the period from January 1, 1999, through April 6, 1999, respectively.

USE OF ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates.

STATEMENTS OF CASH FLOWS

The net change in floor plan financing of inventories, which is a customary financing technique in the industry, is reflected as an operating activity in the accompanying combined statements of cash flows.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash deposits. The Company maintains cash balances in financial institutions with strong credit ratings. At times, amounts invested with financial institutions may be in excess of FDIC insurance limits.

Concentrations of credit risk with respect to contracts-in-transit and accounts receivable are limited primarily to automakers and financial institutions. Credit risk arising from receivables from commercial customers is minimal due to the large number of customers comprising the Company's customer base.

SEGMENT REPORTING

The Company follows the provisions of Statements of Financial Accounting Standards ("SFAS") No. 131, "Disclosures about Segments of an Enterprise and Related Information". Based upon definitions contained in SFAS No. 131, the Company has determined that it operates in one segment and has no international operations.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a foreign currency-denominated forecasted transaction. The accounting for changes in the

fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. SFAS No. 137 amended the effective date to all fiscal quarters of fiscal years beginning after June 15, 2000. SFAS No. 138, issued in June 2000, addressed a limited number of issues that were causing implementation difficulties for numerous entities applying SFAS No. 133. The Company has determined that the adoption of SFAS No. 133 will not have a material impact on its results of operations, financial position, liquidity or cash flows.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition." SAB No.101 was effective for years beginning after December 31, 1999, and provides clarification related to recognizing revenue in certain circumstances. Adoption of SAB No.101 did not have a material impact on the Company's revenue recognition policies.

3. RELATED-PARTY TRANSACTIONS

Asbury acquired the real estate used in the dealership operations of the entities included in these financial statements in the December 10, 1998 acquisition. Prior to the acquisition, the real estate was owned by the majority shareholder of the Company or owned through entities in which the majority shareholder of the Company held a controlling interest. Rent expense included in the accompanying statements of income paid to those real estate entities totaled $4,750 and $497 for the year ended December 31, 1998 and for the period from January 1, 1999 through April 6, 1999, respectively. The related real estate had a fair market value of $56,200 at the date of acquisition by Asbury.

4. OPERATING LEASES

The Company held various lease agreements for land expiring through 2005.

In addition to the related party real estate leases mentioned above, the Company is party to various equipment operating leases with remaining terms in excess of one year. Expense related to these leases approximated $455 and $45 for the year ended December 31, 1998 and for the period from January 1, 1999 through April 6, 1999, respectively.

The leases, which contain rental escalation clauses based on the consumer price index, require the following minimum payments as of December 31, 1998:

	RELATED PARTY	THIRD PARTIES
1999	$3,827	$110
2000	3,903	110
2001	3,982	110
2002	4,061	110
2003	4,143	110
Thereafter	8,535	64
	$28,451	$614

5. COMMITMENTS AND CONTINGENCIES

Substantially all of the Company's facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Company expect such compliance to have, any material effect upon the capital expenditures, net earnings, financial condition, liquidity or competitive position of the Company. Management believes that its current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements.

The Company is involved in legal proceedings and claims, which arise in the ordinary course of its business and with respect to certain of these claims, the Company has indemnified Asbury. In the opinion of management of the Company, the amount of ultimate liability with respect to these actions will not materially

affect the financial condition, liquidity or the results of operations of the Company.

Included in other income, net is $683 of income from the settlement of a class action lawsuit with a certain vehicle manufacturer.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
(CROWN AUTOMOTIVE GROUP)

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

(DOLLARS IN THOUSANDS)

6. RETIREMENT PLAN

The Company participates in a retirement program administered by the National Automobile Dealers and Associates Retirement Plan (the "Plan"). The Plan is a multi-employer defined contribution 401(k) plan. Each regular full-time employee who is at least 21 years of age, but not over 56, and who has been continuously employed by the Company for one year or more is eligible to participate in the Plan. The Plan requires that the Company match the employees' voluntary contributions to the extent of 2% of the compensation of participants. Contributions to the Plan made by the Company amounted to approximately $115 and $26 for the year ended December 31, 1998, and for the period from January 1, 1999 through April 6, 1999, respectively.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To Coggin Automotive Corp and Affiliates:

We have audited the accompanying combined statements of income, shareholders' equity and cash flows of Coggin Automotive Corp and Affiliates for the period from January 1, 1998 through October 30, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations of Coggin Automotive Corp and Affiliates, and their cash flows for the period from January 1, 1998 through October 30, 1998 in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Jacksonville, Florida
January 29, 1999

COGGIN AUTOMOTIVE CORP AND AFFILIATES
COMBINED STATEMENT OF INCOME
(IN THOUSANDS)

	FOR THE PERIOD FROM JANUARY 1, 1998 THROUGH OCTOBER 30, 1998
REVENUE:	
New vehicle...	$115,542
Used vehicle..	67,299
Parts, services and collision repair......................	22,725
Finance and insurance, net.............................	5,803
Total revenue...	211,369
COST OF SALES:	
New vehicle...	104,632
Used vehicle..	60,164
Parts, services and collision	

repair...................... 10,347 -------- Total cost of sales.................................... 175,143 -------- GROSS PROFIT.. 36,226 OPERATING EXPENSES: Selling, general and administrative....................... 26,577 Depreciation and amortization............................ 1,035 -------- Income from operations................................. 8,614 OTHER INCOME (EXPENSE): Floor plan interest expense.............................. (1,289) Interest expense.. (686) Interest income... 252 Gain on sale of assets.................................. 1,909 Other... 513 -------- INCOME BEFORE PROVISION FOR INCOME TAXES.................... 9,313 PROVISION FOR INCOME TAXES................................. 1,686 -------- NET INCOME.. $7,627 ========

See Notes to Combined Financial Statements.

COGGIN AUTOMOTIVE CORP AND AFFILIATES

COMBINED STATEMENT OF SHAREHOLDERS' EQUITY

(IN THOUSANDS)

COMMON STOCK AND ADDITIONAL RETAINED PAID-IN CAPITAL EARNINGS TOTAL --------------- -------- -------- BALANCE AS OF DECEMBER 31, 1997.......................... $14,397 $5,308 $19,705 Net income... -- 7,627 7,627 Distributions... (24,172) (253) (24,425) Contributions... 10,287 -- 10,287 -------- ------- -------- BALANCE AS OF OCTOBER 30, 1998.......................... $512 $12,682 $13,194 ======== ======= ========

See Notes to Combined Financial Statements.

COGGIN AUTOMOTIVE CORP AND AFFILIATES

COMBINED STATEMENT OF CASH FLOWS

(IN THOUSANDS)

FOR THE PERIOD FROM JANUARY 1, 1998 THROUGH OCTOBER 30, 1998 ------------------ CASH FLOWS FROM OPERATING ACTIVITIES: Net income... $7,627 Adjustments to reconcile net income to net cash provided by operating activities: Depreciation and amortization......................... 1,035 Gain on sale of assets................................. (1,909) Other noncash.. 556 Changes in operating assets and liabilities: Accounts receivable................................ 740 Inventories... (910) Floor plan notes payable.......................... 6,314 Accounts payable and accrued expenses................ 3,284 Other... (425) -------- Net cash provided by operating activities......... 16,312 -------- CASH FLOWS FROM INVESTING ACTIVITIES: Capital expenditures................................... (3,037) Net proceeds from sale of

assets.......................... 100 Sale of notes receivable--finance contracts............... 2,238 Net issuance of finance contracts.......................... 1,152 -------- Net cash provided by investing activities......... 453 -------- CASH FLOWS FROM FINANCING ACTIVITIES: Principal payments on notes payable....................... $(6,495) Partner contributions..................................... 10,287 Partner distributions..................................... (22,060) -------- Net cash used in financing activities............. (18,268) -------- Net decrease in cash and cash equivalents......... (1,503) CASH AND CASH EQUIVALENTS, beginning of period............. 16,436 -------- CASH AND CASH EQUIVALENTS, end of period.................... $ 14,933 ======== SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for: Interest.. $2,000 ======== Income taxes.. $90 ======== Distribution of notes receivable........................... $2,365 ========

See Notes to Combined Financial Statements.

COGGIN AUTOMOTIVE CORP AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

The combined financial statements of Coggin Automotive Corp and Affiliates (the "Company") include the accounts of the following limited partnerships: CP-GMC Motors, Ltd., CH Motors, Ltd., CN Motors, Ltd., CFP Motors, Ltd., Avenue Motors, Ltd., d.b.a. Coggin Nissan of the Avenues and C&O Properties, Ltd. The combined financial statements also include CA Funding 1, Ltd., CLC Inc., Coggin Management Company, Inc., Bayway Financial Services, Inc., ANL Associates, Inc., CA Funding 2, Ltd., CA Funding, Inc., CF Motor Corp., and COPROP Corporation.

The combined financial statements of the Company also include investments in Landcom Co., Ltd.; Coggin Andrews Partnership, d.b.a. Coggin Andrews Honda; and CA Motors, Ltd., d.b.a. Coggin Acura. These investments are accounted for under the equity method, as the Company did not own a controlling partnership interest in these entities.

The combined financial statements of the Company include 100% of C&O Properties, Ltd., which was owned 37% by the majority stockholder of the Company. This 37% was not treated as a minority interest as the Company had effective control of C&O Properties, Ltd.

The Company is engaged in the sale and servicing of new automobiles and the retailing and wholesaling of replacement parts and used vehicles. The Company operates from locations in North, Central and South Florida.

On October 31, 1998, Asbury Automotive Jacksonville, L.P. ("Asbury Jacksonville"), a 51% owned subsidiary of Asbury Automotive Group L.L.C. ("AAG"), purchased substantially all of the operating assets and assumed certain liabilities of the Company. The total purchase price was approximately $40,761. Asbury Jacksonville issued a 49% equity interest in Asbury Jacksonville to the former shareholders of the Company (the "Minority Members"). In addition, Asbury Jacksonville granted the Minority Members a put option. This option gives the Minority Members the right to require Asbury Jacksonville to purchase all of the minority interest of the largest minority shareholder upon termination of employment or at any time requested by this shareholder after the third anniversary of the acquisition date and all the minority interest of the other Minority Members upon termination of employment and the passage of three years from the acquisition date.

All significant intercompany transactions and balances have been eliminated in combination.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

Revenue from the sale of new and used vehicles is recognized upon delivery, passage of title and signing of the sales contract. Revenue from the sale of parts and services is recognized upon delivery of parts to the customer or when vehicle service work is performed.

The Company receives commissions from the sale of credit life and disability insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers through various institutions and receives commissions equal to the difference between the loan rates charged to customers over predetermined financing rates set by the financing institution.

The Company may be charged back ("chargebacks") for financing fees, insurance or vehicle service contract commissions in the event of early termination of the contracts by customers. The revenue from financing fees and commissions is recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established based on historical operating results and the termination provisions of the applicable contracts. Finance, insurance and vehicle service contract

revenue, net of estimated chargebacks, is included in finance and insurance revenue in the accompanying combined statements of income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include contracts in-transit and highly liquid investments that have an original maturity of three months or less at date of purchase. Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

Inventories are stated at the lower of cost or market. The cost of new vehicles is determined on a "last-in, first-out" ("LIFO") method. The cost of used vehicles is determined using the specific identification method. The cost of parts, accessories, and other inventories is determined on a "first-in, first-out" ("FIFO") method. The effect of utilizing the LIFO method had an immaterial effect on the accompanying combined statement of income for the period from January 1, 1998 through October 30, 1998.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. Depreciation and amortization are calculated using the straight-line method over estimated useful lives of the related assets.

TAX STATUS

Except as discussed in Note 4, the Company's shareholders have elected to be taxed as partnerships and S corporations as defined by the Internal Revenue Code. The shareholders of the Company are taxed on their share of the Company's taxable income. Therefore, no provision or federal or state income taxes has been included in the financial statements for the partnerships and S corporations.

ADVERTISING

The Company expenses production and other costs of advertising as incurred or when such advertising initially takes place. Advertising costs totaled $3,056 for the period from January 1, 1998 through October 30, 1998.

USE OF ESTIMATES

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates.

STATEMENT OF CASH FLOWS

The net change in floor plan financing of inventories, which is a customary

financing technique in the industry, is reflected as an operating activity in the statement of cash flows.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash deposits. The Company maintains cash balances in financial institutions with strong credit ratings. At times, amounts invested with financial institutions may be in excess of FDIC insurance limits.

Concentrations of credit risk with respect to contracts-in-transit and accounts receivable are limited primarily to automakers and financial institutions. Credit risk arising from receivables from commercial customers is minimal due to the large number of customers comprising the Company's customer base. Bayway Financial Services, L.P. extends credit to its customers based on an evaluation of the customer's financial condition and credit history.

SEGMENT REPORTING

The Company follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 131, "Disclosures about Segments of an Enterprise and Related Information". Based upon definitions contained in SFAS No. 131, the Company has determined that it operates in one segment and has no international operations.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a foreign currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. The Company has determined that the adoption of SFAS No. 133 will not have a material impact on its results of operations, financial condition, liquidity or cash flows.

3. SALE OF ASSETS

On July 1, 1998, the Company sold its 1% general and 49% limited partnership interest in Coggin Acura for a promissory note of approximately $2,365. The Company recognized a gain of approximately $1,909, which was included in the accompanying combined statement of income for the period from January 1, 1998 through October 30, 1998.

4. INCOME TAXES

Corporations that elect S corporation status after December 31, 1986 may be subject to a corporate-level tax on the net unrealized built-in gain at the date of conversion that is realized during the ten-year period after conversion. Prior to December 31, 1997, the Company recorded a liability for the tax effect of the excess of the fair value of the investments in partnerships, primarily hotel investments, over the aggregate adjusted tax bases in the amount of $1,413.

The Company is currently under audit by the Internal Revenue Service ("IRS")

for the period from June 1, 1992 through December 31, 1993. As the result of a reorganization that occurred in June 1993, the assets of various C corporations were transferred to limited partnerships. Shortly thereafter, the C corporations were liquidated into their common parent corporation, and the parent corporation elected S corporation status. The IRS has asserted that the S corporation election triggered recapture of the LIFO reserve related to the inventory transferred to the limited partnerships. In connection with the acquisition by Asbury Jacksonville as of October 30, 1998, the Company recorded a tax liability of approximately $1,686 for the net recognized built-in gain, pursuant to Section 1374 of the Internal Revenue Code.

5. OPERATING LEASES

The Company leases certain land, facilities, and computer equipment under operating leases with various expiration dates through 2008. Rental expense under such agreements totaled $175 for the period from January 1, 1998 through October 30, 1998.

Minimum future lease payments under these operating leases are as follows:

1998	$214
1999	214
2000	214
2001	208
2002	217
Thereafter	768
	$1,835

6. COMMITMENTS AND CONTINGENCIES

Substantially all of the Company's facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Company expect such compliance to have, any material effect upon the capital expenditures, net earnings, financial condition, liquidity or competitive position of the Company. Management believes that its current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements.

The Company is involved in legal proceedings and claims, which arise in the ordinary course of its business. In the opinion of management of the Company, the amount of ultimate liability with respect to these actions will not materially affect the financial condition, liquidity or the results of operations of the Company.

The dealerships operated by the Company hold franchise agreements with a number of automotive manufacturers. In accordance with the individual franchise agreements, each dealership is subject to certain rights and restrictions typical of the industry. The ability of the manufacturers to influence the operations of the dealerships or the loss of a franchise agreement could have a negative impact on the Company's operating results.

As discussed in Note 1, Asbury Jacksonville granted the selling shareholders of the Company a put option that gives them the right to require Asbury Jacksonville to purchase their minority interests upon certain circumstances.

Asbury Jacksonville signed a letter of intent to acquire the remaining 50% interest for approximately $7,000 in a dealership which is 50%-owned by AAG and the shareholders of the Company.

7. RETIREMENT PLAN

The Company participates in a salary deferral 401(k) plan (the "Plan"), which is administered by the National Automobile Dealers Association. All full-time employees of the Company who are more than 21 years of age and have more than one year of service are eligible to participate in the Plan. The Company matches employee contributions up to 2% of an employee's annual compensation, with the matching portion vesting over a period of seven years.

The Company's expense under the Plan totaled $207 for the period from January 1, 1998 through October 30, 1998.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To J.I.W. Enterprises, Inc.:

We have audited the accompanying combined statements of income, shareholders' equity and cash flows of J.I.W. Enterprises, Inc. for the period from January 1, 1998 through September 17, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of J.I.W. Enterprises, Inc. for the period from January 1, 1998 through September 17, 1998 in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Roseland, New Jersey
April 14, 1999

J.I.W. ENTERPRISES, INC.

COMBINED STATEMENT OF INCOME

(IN THOUSANDS)

	FOR THE PERIOD FROM JANUARY 1, 1998 THROUGH SEPTEMBER 17, 1998
REVENUE:	
New vehicle	$107,655
Used vehicle	48,334
Parts, service and collision repair	25,202
Finance and insurance, net	2,978
Total revenue	184,169
COST OF SALES:	
New vehicle	100,296
Used vehicle	43,986
Parts, service and collision repair	15,771
Total cost of sales	160,053
GROSS PROFIT	24,116
OPERATING EXPENSES:	
Selling, general and administrative	18,384
Depreciation and amortization	402
Income from operations	5,330
OTHER INCOME (EXPENSES):	
Floor plan interest expense	(1,352)
Interest income	46
Net income	$4,024

J.I.W. ENTERPRISES, INC.
COMBINED STATEMENT OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)

	COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS (DEFICIT)	TOTAL EQUITY
BALANCE AS OF DECEMBER 31, 1997	$5,722	$371	$6,093
Distributions	--	(4,597)	(4,597)
Net income	--	4,024	4,024
BALANCE AS OF SEPTEMBER 17, 1998	$5,722	$(202)	$5,520

J.I.W. ENTERPRISES, INC.

COMBINED STATEMENT OF CASH FLOWS

(IN THOUSANDS)

	FOR THE PERIOD FROM JANUARY 1, 1998 THROUGH SEPTEMBER 17, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$4,024
Adjustments to reconcile net income to net cash provided by operating activities--	
Depreciation and amortization	402
Change in operating assets and liabilities--	
Accounts receivable, net	(1,994)
Inventories	4,238
Prepaid expenses	(193)
Other assets	204
Floor plan notes payable	(2,635)
Accounts payable and accrued expenses	973
Net cash provided by operating activities	5,019
CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital expenditures	(333)
Net cash used in investing activities	(333)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Distributions	(4,597)
Net advances from minority partner	795
Net cash used in financing activities	(3,802)
Net increase in cash and cash equivalents	884
CASH AND CASH EQUIVALENTS, beginning of period	5,085
CASH AND CASH EQUIVALENTS, end of period	$ 5,969
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid for interest	$1,357

J.J.W. ENTERPRISES, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

The financial statements reflect the combined operations of J.I.W.

Enterprises, Inc., Courtesy Toyota of Brandon, Inc., Gulf Auto Holdings, Inc. and Courtesy Imports of Tampa, Inc. (collectively the "Company"). The Company is engaged in the sale and servicing of new automobiles and the retailing and wholesaling of replacement parts and used vehicles. The Company operates from two locations in the greater Tampa, Florida metropolitan area.

The Company's dealership operations were sold to Asbury Automotive Tampa L.P. ("Asbury Tampa") on September 18, 1998 for $37,257, including transaction costs, and the issuance of a 49% interest in Asbury Tampa to the shareholders of the Company.

All significant intercompany transactions have been eliminated in combination.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

Revenue from the sale of new and used vehicles is recognized upon delivery, passage of title and signing of the sales contract. Revenue from the sale of parts and services is recognized upon delivery of parts to the customer or when vehicle service work is performed.

The Company receives commissions from the sale of credit life and disability insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers through various institutions and receives commissions equal to the difference between the loan rates charged to customers over predetermined financing rates set by the financing institution.

The Company may be charged back ("chargebacks") for financing fees, insurance or vehicle service contract commissions in the event of early termination of the contracts by customers. The revenue from financing fees and commissions is recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established based on historical operating results and the termination provisions of the applicable contracts. Finance, insurance and vehicle service contract revenue, net of estimated chargebacks, is included in finance and insurance revenue in the accompanying combined statement of income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include contracts in-transit and highly liquid investments that have an original maturity of three months or less at date of purchase. Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

Inventories are valued at the lower of cost or market utilizing the "last-in, first-out" (LIFO) method. If the "first-in, first-out" (FIFO) method had been used to determine the cost of inventories valued using the LIFO method, net income would have been increased by approximately $82 for the period from January 1, 1998 through September 17, 1998.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation and amortization are provided for utilizing the straight-line method over the estimated useful life of the asset.

TAX STATUS

The Company's shareholders have elected to be taxed as S corporations as defined by the Internal Revenue Code. The shareholders of the Company are taxed on their share of the Company's taxable income. Therefore, no provision for federal or state income taxes has been included in the financial statements.

ADVERTISING

The Company expenses the costs of advertising as incurred or when such advertising initially takes place. Advertising costs aggregated approximately $2,158 for the period from January 1, 1998 through September 17, 1998.

USE OF ESTIMATES

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the period presented. Actual results could differ from those estimates.

STATEMENT OF CASH FLOWS

The net change in floor plan financing of inventories, which is a customary financing technique in the industry, is reflected as an operating activity in the accompanying combined statement of cash flows.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash deposits. The Company maintains cash balances in financial institutions with strong credit ratings. At times, amounts invested with financial institutions may be in excess of FDIC insurance limits.

Concentrations of credit risk with respect to contracts-in-transit and accounts receivable are limited primarily to automakers and financial institutions. Credit risk arising from receivables from commercial customers is minimal due to the large number of customers comprising the Company's customer base. However, they are concentrated in the Company's market area in west central Florida.

SEGMENT REPORTING

The Company follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 131, "Disclosures about Segments of an Enterprise and Related Information". Based upon definitions contained in SFAS No. 131, the Company has determined that it operates in one segment and has no international operations.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a foreign currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. The Company has determined that the adoption of SFAS No. 133 will not have a material impact on its results of operations, financial condition, liquidity or cash flows.

3. INTEREST EXPENSE

Floor plan notes payable reflect amounts payable for purchase of specific vehicle inventories and are due to various floor plan lenders bearing interest at variable rates based on prime. In 1998, the interest rates related to floor plan notes payable were based on the London Interbank Offered Rate ("LIBOR") plus 130 basis points. Floor plan arrangements permit borrowings based upon new and used vehicle inventory levels. Vehicle payments on notes are due when the related vehicles are sold. The notes are collateralized by substantially all vehicle inventories of the Company and are subject to certain financial and other covenants.

4. OPERATING LEASES

The Company leases certain land and buildings from its majority shareholder.

Rental expense under these leases for the period from January 1, 1998 through September 17, 1998 was $1,156. Annual minimal non-cancelable lease payments under these leases amount to $1,510 through September 16, 2008.

5. COMMITMENTS AND CONTINGENCIES

Substantially all of the Company's facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Company expect such compliance to have, any material effect upon the capital expenditures, net earnings, financial condition, liquidity or competitive position of the Company. Management believes that its current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements.

The Company is involved in legal proceedings and claims, which arise in the ordinary course of its business and with respect to certain of these claims, the Company has indemnified Asbury. In the opinion of management of the Company, the amount of ultimate liability with respect to these actions will not materially affect the financial position, liquidity or the results of operations of the Company.

6. RETIREMENT PLAN

The Company maintains a 401(k) plan covering substantially all of its employees. Individuals, eighteen years of age and older, are eligible to participate in the plan upon attaining one year of service with the Company. The Company matches a portion of the employee's contributions dependent on reaching specified operating goals. Expenses related to the Company's matching contribution were $27 for the period from January 1, 1998 through September 17, 1998.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To David McDavid Auto Group:

We have audited the accompanying combined statements of income, shareholders' equity and cash flows of David McDavid Auto Group for the period from January 1, 1998 through April 30, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of David McDavid Auto Group for the period from January 1, 1998 through April 30, 1998 in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Roseland, New Jersey
March 19, 1999

DAVID MCDAVID AUTO GROUP
COMBINED STATEMENT OF INCOME
(IN THOUSANDS)

FOR THE PERIOD FROM JANUARY 1, 1998 THROUGH APRIL 30, 1998 ------------------- REVENUE: New vehicle... $78,558 Used

vehicle..
21,577 Parts, service and collision
repair...................... 18,951 Finance and
insurance, net............................... 3,750
-------- Total
revenue..
122,836 -------- COST OF SALES: New
vehicle..
74,616 Used
vehicle..
19,837 Parts, service and collision
repair...................... 11,292 -------- Total
cost of sales..................................
105,745 -------- GROSS
PROFIT...
17,091 OPERATING EXPENSES: Selling, general and
administrative...................... 14,253
Depreciation and
amortization............................ 257 -------
- Income from
operations................................ 2,581
OTHER EXPENSE: Floor plan interest
expense............................. (1,286) Other
interest expense..................................
(107) -------- Net
income...
$1,188 ========

See Notes to Combined Financial Statements.

DAVID MCDAVID AUTO GROUP

COMBINED STATEMENT OF SHAREHOLDERS' EQUITY

(IN THOUSANDS)

COMMON STOCK AND ADDITIONAL PAID-IN RETAINED CAPITAL
EARNINGS TOTAL EQUITY ----------------- -------- --
---------- BALANCE AS OF DECEMBER 31,
1997....................... $2,040 $12,355 $14,395
Distributions.......................................
-- (1,560) (1,560) Net
income.. --
1,188 1,188 ------ ------- ------- BALANCE AS OF
APRIL 30, 1998.......................... $2,040
$11,983 $14,023 ====== ======= =======

See Notes to Combined Financial Statements.

DAVID MCDAVID AUTO GROUP
COMBINED STATEMENT OF CASH FLOWS
(IN THOUSANDS)

FOR THE PERIOD FROM JANUARY 1, 1998 THROUGH APRIL 30,
1998 --------------- CASH FLOWS FROM OPERATING
ACTIVITIES: Net
income..
$1,188 Adjustments to reconcile net income to net cash
used in operating activities- Depreciation and
amortization......................... 257 Changes in
operating assets and liabilities- Accounts
receivable.................................. (898)
Inventories..
(708) Prepaid expense and other
assets....................... (441) Floor plan
payable.................................. (1,998)
Accounts payable and accrued liabilities...............
(1,177) ------- Net cash used in operating
activities................ (3,777) ------- CASH FLOWS
FROM INVESTING ACTIVITIES: Capital
expenditures................................... (45) -
------ Net cash used in investing
activities................ (45) ------- CASH FLOWS FROM
FINANCING ACTIVITIES: Payments on capital lease
obligation..................... (46) Repayment of long-

term borrowings........................ (315) Proceeds from long-term debt.............................. 10,552 Distributions... (1,560) ------- Net cash provided by financing activities............. 8,631 ------- Net increase in cash and cash equivalents............. 4,809 CASH AND CASH EQUIVALENTS, beginning of period............. 14,665 ------- CASH AND CASH EQUIVALENTS, end of period.................... $19,474 ======= SUPPLEMENTAL INFORMATION OF CASH FLOW INFORMATION-- Cash paid for interest.................................... $1,027 =======

See Notes to Combined Financial Statements.

DAVID MCDAVID AUTO GROUP

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

The financial statements reflect the combined operations of the following entities: David McDavid Pontiac, Inc., David McDavid Luxury Imports, Inc., David McDavid Nissan, Inc., D.Q. Automobiles, Inc., Autovest, Inc., Texas Auto Outfitters, Inc., David McDavid Wireless Communications, Inc., McAdvertising, Inc., and Papa Grande Mgmt. Co., (collectively the "Company"). The Company is engaged in the sale and servicing of new automobiles and the retailing and wholesaling of replacement parts and used vehicles throughout the Dallas, Houston and Austin, Texas metropolitan areas.

The Company was sold to Asbury Automotive Texas L.L.C. ("Asbury Texas") on April 30, 1998 for $90,331 (including transaction costs) and the issuance of a 25.8% interest in Asbury Texas to the shareholders of the Company.

All significant intercompany transactions have been eliminated in combination.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

Revenue from the sale of new and used vehicles is recognized upon delivery, passage of title and signing of the sales contract. Revenue from the sale of parts and services is recognized upon delivery of parts to the customer or when vehicle service work is performed.

The Company receives commissions from the sale of credit life and disability insurance and vehicle service contracts to customers. In addition, the Company arranges financing for customers through various institutions and receives commissions equal to the difference between the loan rates charged to customers over predetermined financing rates set by the financing institution.

The Company may be charged back ("chargebacks") for financing fees, insurance or vehicle service contract commissions in the event of early termination of the contracts by customers. The revenue from financing fees and commissions is recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established based on historical operating results and the termination provisions of the applicable contracts. Finance, insurance and vehicle service contract revenue, net of estimated chargebacks, is included in finance and insurance revenue in the accompanying combined statement of income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include contracts in-transit and highly liquid investments that have an original maturity of three months or less at date of purchase. Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

Inventories are valued at the lower of cost or market utilizing the "first-in, first-out" (FIFO) method.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is provided for utilizing the straight-line method over the estimated useful life of the asset.

TAX STATUS

Except for Autovest, Inc., the Company's shareholders have elected to be taxed as S corporations as defined by the Internal Revenue Code. The shareholders of the Company are taxed on their share of the Company's taxable income. Therefore, no provision for federal or state income taxes has been included in the financial statements. Autovest, Inc. is a C corporation; federal income taxes related to this entity are not material to the combined results of operations.

ADVERTISING

The Company expenses the costs of advertising as incurred or when such advertising initially takes place. Advertising costs totaled $1,097 for the period from January 1, 1998 through April 30, 1998.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

STATEMENT OF CASH FLOWS

The net change in floor plan financing of inventories, which is a customary financing technique in the industry, is reflected as an operating activity in the accompanying combined statement of cash flows.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of floor plan notes payable and long-term debt. The carrying amounts of its financial instruments approximate their fair values due to their relatively short duration and variable interest rates.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash deposits. The Company maintains cash balances in financial institutions with strong credit ratings. At times, amounts invested with financial institutions may be in excess of FDIC insurance limits.

Concentrations of credit risk with respect to contracts-in-transit and accounts receivable are limited primarily to automakers and financial institutions. Credit risk arising from receivables from commercial customers is minimal due to the large number of customers comprising the Company's customer base.

SEGMENT REPORTING

The Company follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 131, "Disclosures about Segments of an Enterprise and Related Information". Based upon definitions contained in SFAS No. 131, the Company has determined that it operates in one segment and has no international operations.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a foreign currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. The Company has determined that the adoption of SFAS No. 133 will not have a material impact on its results of operations, financial condition, liquidity or cash flows.

3. INTEREST EXPENSE

Floor plan notes payable reflect amounts payable for purchase of specific vehicle inventories and are due to various floor plan lenders bearing interest at variable rates based on prime. In 1998, the interest rates related to floor plan notes payable were based on the London Interbank Offered Rate ("LIBOR") plus 2.25%. Floor plan arrangements permit borrowings based upon new and used vehicle inventory levels. Vehicle payments on notes are due when the related vehicles are sold. The notes are collateralized by substantially all vehicle inventories of the Company and are subject to certain financial and other covenants.

Long-term debt outstanding during 1998 consists of various notes payable to banks and corporations, bearing interest at both fixed and variable rates and secured by certain of the Company's assets. Interest rates were based on LIBOR plus 2.50% or the prime rate, ranging from 7.5% to 10.0%.

4. RELATED-PARTY TRANSACTIONS

The Company leases certain land and buildings from its majority shareholder. Annual minimum non-cancelable lease payments under these leases amount to approximately $4,808 through May 1, 2013. Rent expense for the period from January 1, 1998 through April 30, 1998 was $1,608.

From January 1, 1998 through April 30, 1998, approximately $645 of commission income was derived from the sale of credit life and disability insurance policies and warranty contracts from insurance companies which are owned by the majority shareholder. In addition, from January 1, 1998 through April 30, 1998, commission income of approximately $520 was derived from a finance company in which the Company has a small ownership interest. Included in finance and insurance, net is approximately $378 of investment earnings from such finance company.

5. COMMITMENTS AND CONTINGENCIES

Substantially all of the Company's facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Company expect such compliance to have, any material effect upon the capital expenditures, net earnings, financial condition, liquidity or competitive position of the

Company. Management believes that its current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements.

The Company has guaranteed 30% of loans made by a bank in an aggregate amount of $2 million, the proceeds of which were used by two management employees who had no ownership interest in the Company to acquire a 3.6% interest in Asbury Texas.

The Company has been named in a class action lawsuit alleging that more than 600 automobile dealerships, including the Company, have improperly charged consumers a vehicle inventory tax in addition to the purchase price of the vehicle. The Texas Automotive Dealers Association has assumed defense of the case. There is no allegation as to the amount of damages and no determination

has been made as to the potential liability. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position, liquidity or results of operations of the Company.

The Company is involved in legal proceedings and claims, which arise in the ordinary course of its business and with respect to certain of these claims the Company has indemnified Asbury Texas. In the opinion of management of the Company, the amount of ultimate liability with respect to these actions will not materially affect the financial position, liquidity or the results of operations of the Company.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so.

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Through and including [ ], 2001 (the 25th day after the date of this prospectus) all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

[ ] Shares

ASBURY AUTOMOTIVE GROUP, INC.

Common Stock

[LOGO]

GOLDMAN, SACHS & CO.
MERRILL LYNCH & CO.
SALOMON SMITH BARNEY INC.

Representatives of the Underwriters

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the expenses (other than underwriting compensation expected to be incurred) in connection with this offering. All such amounts (except the SEC registration fee and the NASD filing fee) are estimated.

SEC registration fee	$ 37,500
NYSE listing fee	125,000
NASD filing fee	15,500
Blue Sky fees and expenses	15,000
Printing and engraving costs	100,000
Legal fees and expenses	500,000
Accounting fees and expenses	1,000,000
Transfer Agent and Registrar fees and expenses	25,000
Miscellaneous	32,000
Total	$1,850,000

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware provides that we may indemnify our directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, finds and amounts paid in settlement in connection with various actions, suits or proceedings, whether civil, criminal, administrative or investigative other than an action by or in the right of the corporation, a derivative action if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that we may only extend indemnification to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such actions, and the statute requires that we obtain court approval before we may satisfy any such indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's by-laws, disinterested director vote, stockholder vote, agreement or otherwise.

Our certificate of incorporation provides that each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director or officer of us or is or was serving at our request as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such proceeding is the alleged action of such person in an

official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, will be indemnified and held harmless by us to the fullest extent authorized by the General Corporation Law of the State of Delaware, as the same exists or

may hereafter be amended against all expense, liability and loss reasonably incurred or suffered by such person in connection therewith (including attorneys' fees, judgments, fines, amounts paid or to be paid in settlement and excise taxes or penalties). Our certificate of incorporation also provides that we will pay the expenses incurred in defending any such proceeding in advance of its final disposition, subject to the provisions of the General Corporation Law of the State of Delaware. Such rights are not exclusive of any other right which any person may have or thereafter acquire under any statute, provision of the certificate, by-law agreement, vote of stockholders or disinterested directors or otherwise. No repeal or modification of such provision will in any way diminish or adversely affect the rights of any director, officer, employee or agent of us thereunder in respect of any occurrence or matter arising prior to any such repeal or modification. Our certificate of incorporation also specifically authorizes us to maintain insurance and to grant similar indemnification rights to our employees or agents.

The General Corporation Law of the State of Delaware permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to the corporation or its stockholders;

- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

- payments of unlawful dividends or unlawful stock repurchases or redemptions; or

- any transaction from which the director derived an improper personal benefit.

Our certificate of incorporation provides that none of our directors will be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except, if required by the General Corporation Law of the State of Delaware as amended from time to time, for liability:

- for any breach of the director's duty of loyalty to us or our stockholders;

- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

- under Section 174 of the General Corporation Law of the State of Delaware, which concerns unlawful payments of dividends, stock purchases or redemptions; or

- for any transaction from which the director derived an improper personal benefit. Neither the amendment nor repeal of such provision will eliminate or reduce the effect of such provision in respect of any matter occurring, or any cause of action, suit or claim that, but for such provision, would accrue or arise prior to such amendment or repeal.

Reference is made to Article X of the Articles of Incorporation of Asbury concerning indemnification and limitation of liability of directors, officers, employees and agents.

At present there is no pending litigation or proceeding involving a director or officer of Asbury as to which indemnification is being sought nor is Asbury aware of any threatened litigation that may result in claims for indemnification by Asbury by any officer or director.

Asbury has also purchased and maintains insurance policies covering the directors and officers identified in the prospectus which forms a part of this registration statement with respect to certain liabilities, including liabilities arising under the Securities Act or otherwise.

Section Eight of the Underwriting Agreement, to be filed as Exhibit 1.1, provides that the Underwriters named therein will indemnify us and hold us harmless and each of our directors, officers or controlling persons from and against certain liabilities, including liabilities under the

Securities Act. Section Eight of the Underwriting Agreement also provides that such Underwriters will contribute to certain liabilities of such persons under the Securities Act.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

The following sets forth information, as of the date hereof, regarding all sales of unregistered securities of the Registrant during the past three years. All such shares were issued in reliance upon an exemption or exemptions from registration under the Securities Act by reason of Section 4(2) of the Securities Act or Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving a public offering or transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701. In connection with the transactions for which an exemption is claimed pursuant to Section 4(2) of the Securities Act, the securities were sold to a limited number of persons, such persons were provided access to all relevant information regarding the Registrant and represented to the Registrant that they were either "sophisticated" investors or were represented by persons with knowledge and experience in financial and business matters who were capable of evaluating the merits and risks of the prospective investment, and such persons represented to the Registrant that the shares were purchased for investment purposes only and with no view toward distribution. In connection with the issuances of securities for which an exemption is claimed pursuant to Rule 701, the securities have been offered and issued by the Registrant to executive officers and employees and consultants for compensating purposes pursuant to written plans or arrangements.

From January 1, 1999, to July 11, 2001, we issued to 27 of our employees, pursuant to our 1999 Option Plan, options to purchase membership interests which represent the right to purchase an aggregate of [ ] shares of our common stock, based upon the presently expected exchange ratio of shares for membership interests. The following table sets forth the date of each issuance, the number of optionee's granted options on that date and the number of shares eligible to be purchased based on the foregoing assumptions:

DATE OF ISSUANCE	NUMBER OF OPTIONEES	NUMBER OF SHARES
January 1, 1999	1	
April 1, 1999	1	
April 26, 1999	1	
August 2, 1999	1	
September 27, 1999	1	
November 1, 1999	1	
December 1, 1999	1	
April 1, 2000	1	
April 3, 2000	2	
May 22, 2000	1	
June 5, 2000	1	
June 12, 2000	2	
November 27, 2000	1	
January 8, 2001	1	
March 26, 2001	1	
May 25, 2001	1	
July 11, 2001	9	

On February 1, 2000, in connection with his employment agreement, we issued a carried interest to Brian E. Kendrick of up to 1.15%. A carried interest provides the holder with a contractual right to receive a percentage of our earnings, either in cash or in our common stock, after such time as a preferred

return of approximately $424 million is achieved and distributed to those holding ownership interests, as directed by the board of directors. Prior to this offering no distributions had been made to Mr. Kendrick.

On February 1, 2000, in connection with a reorganization, which we refer to as the "Minority Membership Transaction", Asbury Automotive Oregon L.L.C. issued membership interests to Asbury Automotive Holdings L.L.C. and platform dealers and managers in exchange for their respective membership or partnership interests in their platform groups. Those already holding membership interests in Asbury Automotive Oregon retained those interests. To determine the number of Asbury Automotive Oregon membership interests that each party would be entitled to in the Minority Membership Transaction, the platforms were valued using the market multiple approach. Concurrently with the Minority Membership Transaction, Asbury Automotive Oregon changed its name to Asbury Automotive Group L.L.C. and the former Asbury Automotive Group L.L.C. changed its name to Asbury Automotive Holdings L.L.C.

On September 1, 2000, Asbury Automotive Arkansas L.L.C. acquired Mark Escude Nissan, Inc., Mark Escude Nissan North, Inc., Mark Escude Motors, Inc., Mark Escude Daewoo, Inc. and Regency Toyota, Inc. for a purchase price that included issuing membership interests to Mark Escude Nissan, Inc. equal to .6581% of all membership interests then outstanding.

On September 1, 2000, Asbury Automotive Jacksonville, L.P. acquired Buddy Hutchinson Cars, Inc., Buddy Hutchinson Imports, Inc., Buddy Hutchinson Chevrolet, Inc., MFH Realty, Inc., B&N Realty, Inc., MFH Improvements, Inc., BH of Jacksonville, Inc., Hutchinson Realty, Inc. and Hutchinson Corporation for a purchase price that included issuing membership interests to Buddy Hutchinson Chevrolet, Inc. equal to 1.3161% of all membership interests then outstanding.

On September 1, 2000, Asbury Automotive North Carolina L.L.C. acquired Purvis Brothers Ford for a purchase price that included issuing membership interests to Childs & Associates Inc. equal to .4935% of all membership interests then outstanding.

On September 1, 2000, in connection with a capital contribution of $75,000, Jeff King received membership interests equal to .0197% of all membership interests then outstanding.

On April 30, 2001, in connection with an incentive program, we issued a carried interest to Thomas F. Gilman of .40%. Prior to this offering no distributions have been made to Mr. Gilman.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

EXHIBIT NUMBER DESCRIPTION - ------ ------ ----- 1.1 Form of Underwriting Agreement 3.1 Form of Certificate of Incorporation of Asbury Automotive Group, Inc. 3.3 Form of By-laws of Asbury Automotive Group, Inc. 5.1 Form of Opinion of Cravath, Swaine & Moore* 10.1 1999 Option Plan* 10.2 Form of 2001 Stock Option Plan 10.3 Form of Employee

Stock Purchase Plan 10.4 Third Amended and Restated Limited Liability Company Agreement of Asbury Automotive Group L.L.C.* 10.5 Employment Agreement of Thomas R. Gibson 10.6 Amended and Restated Employment Agreement of Thomas F. McLarty* 10.7 Severance Pay Agreement of Phillip R. Johnson* 10.10 Credit Agreement, dated as of January 17, 2001, between Asbury Automotive Group L.L.C. and Ford Motor Credit Company, Chrysler Financial Company, L.L.C., and General Motors Acceptance Corporation.+*

EXHIBIT NUMBER DESCRIPTION
------- --- --------
10.11 Form of Stockholders Agreement between Asbury Automotive Holdings and Stockholders named therein* 10.12 Chrysler Dodge Dealer Agreement 10.13 Ford Dealer Agreement 10.14 General Motors Dealer Agreement

10.15 Honda Dealer Agreement 10.16 Mercedes Dealer Agreement 10.17 Nissan Dealer Agreement 10.18 Toyota Dealer Agreement 10.19 Employment Agreement of C.V. Nalley 10.20 Employment Agreement of David McDavid, Sr. 10.21 Employment Agreement of Luther Coggin 21.1 List of subsidiaries of the registrant 23.1 Consent of Arthur Andersen LLP 23.2 Consent of Arthur Andersen LLP 23.3 Consent of Arthur Andersen LLP 23.4 Consent of Arthur Andersen LLP 23.5 Consent of Arthur Andersen LLP 23.6 Consent of Arthur Andersen LLP 23.7 Consent of Arthur Andersen LLP 23.8 Consent of Arthur Andersen LLP 23.9 Consent of Dixon Odom, P.L.L.C. 23.10 Consent of Cravath, Swaine & Moore (contained in Exhibit 5) 24.1 Power of Attorney*

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*   Previously filed.

+   Confidential treatment has been requested with respect to certain portions of this document and has been filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedules

The financial statement schedules are omitted because they are inapplicable or the requested information is shown in the consolidated financial statements of Asbury Automotive Group or related notes thereto.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes as follows:

(1) The undersigned will provide to the Underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(2) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance on Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(3) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14 or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, the State of New York, on the 12th day of October, 2001.

ASBURY AUTOMOTIVE GROUP L.L.C.**

By: /s/ THOMAS R. GIBSON______________
Name: Thomas R. Gibson
Title: Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

SIGNATURE	TITLE	DATE
*	Chairman	

and Chief
October
12, 2001 -

--
Executive
Officer
Thomas R.
Gibson *
Vice
President
and Chief
October
12, 2001 -

--
Financial
Officer
Thomas F.
Gilman *
Controller
October
12, 2001 -

-- Michael
C. Paul *
Director
October
12, 2001 -

-- Timothy
C. Collins
* Director
October
12, 2001 -

-- Ian K.
Snow *
Director
October
12, 2001 -

-- John M.
Roth

SIGNATURE
TITLE
DATE ---
------ -
---- ---
- *
Director
October
12, 2001

--- C.V. Nalley * By: /s/ THOMAS F. GILMAN --

Thomas F. Gilman Attorney-in-Fact for each of the persons indicated

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** Asbury Automotive Group L.L.C., a Delaware limited liability company, which on or prior to the effective date of this registration statement will be converted into a Delaware corporation, named Asbury Automotive Group, Inc. through the contribution by its members of all of their ownership interests in the limited liability company to Asbury Automotive Group, Inc. Thus, Asbury Automotive Group L.L.C. will become a wholly-owned subsidiary of Asbury Automotive Group, Inc.

EXHIBIT 1.1

FORM OF UNDERWRITING AGREEMENT

ASBURY AUTOMOTIVE GROUP, INC.

COMMON STOCK (PAR VALUE $0.01)

[ ], 2001

Goldman, Sachs & Co.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Salomon Smith Barney Inc.
As representatives of the several Underwriters
named in Schedule I hereto
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Ladies and Gentlemen:

Asbury Automotive Group, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in SCHEDULE I hereto (the "Underwriters") an aggregate of [ ] shares and, at the election of the Underwriters, up to [ ] additional shares of Common Stock, par value $.01 per share ("Stock") of the Company and the stockholders of the Company named in SCHEDULE II hereto (the "Selling Stockholders") propose, subject to the terms and conditions stated herein, to sell to the Underwriters an aggregate of [ ] shares and, at the election of the Underwriters, up to [ ] additional shares of Stock. The aggregate of [ ] shares to be sold by the Company and the Selling Stockholders is herein called "Firm Shares" and the aggregate of [ ] additional shares to be sold by the Company [and the Selling Stockholders] is herein called the "Optional Shares". The Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof are herein collectively called the "Shares".

1. (a) The Company represents and warrants to, and agrees with, each of the Underwriters that:

(i) A registration statement on Form S-1 (File No. 333-65998) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto, to you for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant

to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the

"Prospectus");

(ii) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein or by a Selling Stockholder expressly for use in the preparation of the answers therein to Item 7 of Form S-1;

(iii) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein or by a Selling Stockholder expressly for use in the preparation of the answers therein to Item 7 of Form S-1;

(iv) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any change in the capital stock, short-term debt or long-term debt of the Company or any of its subsidiaries or any material adverse

change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectus;

(v) The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries, subject, as to enforcement, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights, and to general equity principles;

(vi) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; each subsidiary of the Company that is a corporation has been duly incorporated and is validly existing as a corporation in good

standing under the laws of its jurisdiction of incorporation; and each subsidiary of the Company that is a limited liability company has been duly formed and is validly existing as a limited liability company in good standing under the laws of its jurisdiction of formation;

(vii) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description of the Stock contained in the Prospectus under the caption "Description of Capital Stock"; and all of the issued shares of capital stock or membership interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and (except for directors' qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(viii) The unissued Shares to be issued and sold by the Company to the Underwriters hereunder have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform to the description of the Stock contained in the Prospectus;

(ix) The issue and sale of the Shares to be sold by the Company and the compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, Franchise Agreement (as defined herein), framework franchise agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its

subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Act of the Shares and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(x) Neither the Company nor any of those of its subsidiaries that are corporations are in violation of their respective Certificates of Incorporation or By-laws, none of those of the Company's subsidiaries that are limited liability companies are in violation of their respective Certificates of Formation or Limited Liability Company Agreements, and neither the Company nor any of its subsidiaries are in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which they are parties or by which they or any of their properties may be bound;

(xi) The statements set forth in the Prospectus under the caption "Description of Capital Stock", insofar as they purport to constitute a summary of the terms of the Stock and under the caption "Underwriting", insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair;

(xii) Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(xiii)The Company is not and, after giving effect to the

offering and sale of the Shares, will not be an "investment company", as such term is defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(xiv) Arthur Andersen LLP, which has certified certain financial statements of the Company and its subsidiaries, and Dixon Odom, P.L.L.C., which has certified certain financial statements of [of Nalley Chevrolet, Inc. and affiliated entities] are each independent public accountants as required by the Act and the rules and regulations of the Commission thereunder;

(xv) The Company and its subsidiaries have obtained all environmental permits, licenses and other authorizations required by federal, state and local law in order to conduct their businesses as described in the Prospectus, except where failure to do so would not have a material adverse effect on the current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries

(a "Material Adverse Effect"); the Company and its subsidiaries are conducting their businesses in compliance with such permits, licenses and authorizations and with applicable environmental laws, except where the failure to be in compliance would not, individually or in the aggregate, have a Material Adverse Effect; and neither the Company nor any of its subsidiaries are in violation of any Federal or state law or regulation relating to the storage, handling, disposal, release or transportation of hazardous or toxic materials, which violation would subject the Company or any subsidiary to any liability or disability, except where such violations would not, individually or in the aggregate, have a Material Adverse Effect;

(xvi) The Company and its subsidiaries have all licenses, franchises, permits, authorizations, approvals and orders and other concessions of and from all governmental or regulatory authorities that are necessary to own or lease their properties and conduct their businesses as described in the Prospectus, except for such licenses, franchises, permits authorizations, approvals and orders the failure to obtain which would not, individually or in the aggregate, have a Material Adverse Effect;

(xvii) The Company and each of its subsidiaries are conducting business in compliance with all applicable statutes, rules, regulations, standards, guides and orders administered or issued by any governmental or regulatory authority in the jurisdictions in which it is conducting business, except where the failure to be so in compliance would not, individually or in the aggregate, have a Material Adverse Effect;

(xviii) The Company or a wholly-owned direct or indirect subsidiary has entered into a franchise agreement with each of the manufacturers listed on Schedule III hereto (collectively, the "Franchise Agreements", and each a "Franchise Agreement"), each of which has been duly authorized, executed and delivered by the Company or such subsidiary, is in full force and effect and constitutes the valid and binding agreement between the parties thereto, enforceable in accordance with its terms, subject to applicable Federal and state franchise laws; the Franchise Agreements permit the Company or a subsidiary or subsidiaries to operate a vehicle sales franchise at the locations indicated on Schedule III; the Company and its subsidiaries are in compliance with all material terms and conditions of the Franchise Agreements, and, to the best knowledge of the Company, there has not occurred any material default under any of the Franchise Agreements or any event that with the giving of notice or the lapse of time would constitute a default thereunder; and

(xix) Except as disclosed in the Prospectus, no holders of any securities of the Company have any rights to require the Company to register any securities of the Company under the Act.

(b) Each of the Selling Stockholders severally represents and warrants to, and agrees with, each of the Underwriters and the Company that:

(i) All consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Stockholder of this Agreement and the Power of Attorney and the Custody Agreement hereinafter referred to, and for the sale and delivery of the Shares to be sold by such Selling Stockholder hereunder, have been obtained; and such Selling Stockholder has full right, power and authority to enter into this Agreement, the Power-of-Attorney and the Custody Agreement and to sell,

assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder;

(ii) The sale of the Shares to be sold by such Selling Stockholder hereunder and the compliance by such Selling Stockholder with all of the provisions of this Agreement, the Power of Attorney and the Custody Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any statute, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, nor will such action result in any violation of the provisions of [the Certificate of Incorporation or By-laws of such Selling Stockholder if such Selling Stockholder is a corporation] [,] [the Partnership Agreement of such Selling Stockholder if such Selling Stockholder is a partnership][,] [the Certificate of Formation or Limited Liability Company Agreement of such Selling Stockholder if such Selling Stockholder is a limited liability company] or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property of such Selling Stockholder;

(iii) Such Selling Stockholder has, and immediately prior to each Time of Delivery (as defined in Section 4 hereof) such Selling Stockholder will have, good and valid title to the Shares to be sold by such Selling Stockholder hereunder, free and clear of all liens, encumbrances, equities or claims; and, upon delivery of such Shares and payment therefor pursuant hereto, good and valid title to such Shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several Underwriters;

(iv) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus, not to offer, sell contract to sell or otherwise dispose of, except as provided hereunder, any securities of the Company that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement), without the prior written consent of Goldman, Sachs & Co.;

(v) Such Selling Stockholder has not taken and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(vi) To the extent that any statements or omissions made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto are made in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder expressly for use therein, such Preliminary Prospectus and the Registration Statement did, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus, when they become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(vii) In order to avoid backup withholding of U.S. Federal income tax on the cash received in connection with the transactions herein contemplated, such Selling Stockholder will deliver to you prior to or at the First Time of Delivery (as hereinafter

defined) a properly completed and executed United States Internal Revenue Service Form W-9 (or other applicable form or statement specified by applicable regulations of the United States Department of the Treasury in lieu thereof);

(viii) Certificates in negotiable form representing all of the Shares to be sold by such Selling Stockholder hereunder have been placed in custody under a Custody Agreement, in the form heretofore furnished to you (the "Custody Agreement"), duly executed and delivered by such Selling Stockholder to [ ], as custodian (the "Custodian"), and such Selling Stockholder has duly executed and delivered a Power of Attorney, in the form heretofore furnished to you (the "Power of Attorney"), appointing the persons indicated in SCHEDULE II hereto, and each of them, as such Selling Stockholder's attorneys-in-fact (the "Attorneys-in-Fact") with authority to execute and deliver this Agreement on behalf of such Selling Stockholder, to determine the purchase price to be paid by the Underwriters to the Selling Stockholders as provided in Section 2 hereof, to authorize the delivery of the Shares to be sold by such Selling Stockholder hereunder and otherwise to act on behalf of such Selling Stockholder in connection with the transactions contemplated by this Agreement and the Custody Agreement; and

(ix) The Shares represented by the certificates held in custody for such Selling Stockholder under the Custody Agreement are subject to the interests of the Underwriters hereunder; the arrangements made by such Selling Stockholder for such custody, and the appointment by such Selling Stockholder of the Attorneys-in-Fact by the Power of Attorney, are to that extent irrevocable; the obligations of the Selling Stockholders hereunder shall not be terminated by operation of law, whether by the death or incapacity of any individual Selling Stockholder or, in the case of an estate or trust, by the death or incapacity of any executor or trustee or the termination of such estate or trust, or in the case of a partnership or corporation, by the dissolution of such partnership or corporation, or by the occurrence of any other event; if any individual Selling Stockholder or any such executor or trustee should die or become incapacitated, or if any such estate or trust should be terminated, or if any such partnership or corporation should be dissolved, or if any other such event should occur, before the delivery of the Shares hereunder, certificates representing the Shares shall be delivered by or on behalf of the Selling Stockholders in accordance with the terms and conditions of this Agreement and of the Custody Agreements; and actions taken by the Attorneys-in-Fact pursuant to the Powers of Attorney shall be as valid as if such death, incapacity, termination, dissolution or other event had not occurred, regardless of whether or not the Custodian, the Attorneys-in-Fact, or any of them, shall have received notice of such death, incapacity, termination, dissolution or other event.

2. Subject to the terms and conditions herein set forth, (a) the Company and each of the Selling Stockholders agree, severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company and each of the Selling Stockholders, at a purchase price per share of $[ ], the number of Firm Shares (to be adjusted by you so as to eliminate fractional shares) determined by multiplying the aggregate number of Shares to be sold by the Company and each of the Selling Stockholders as set forth opposite their respective names in SCHEDULE II hereto by a fraction, the numerator of which is the aggregate number of Firm Shares to be purchased by such Underwriter as set forth opposite the name of such Underwriter in SCHEDULE I hereto and the denominator of which is the aggregate number of Firm Shares to be purchased by all of the Underwriters from the Company and all of the Selling Stockholders hereunder and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company and each of the Selling Stockholders agree, severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company and each of the Selling Stockholders, at the purchase price per share set forth in

clause (a) of this Section 2, that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in SCHEDULE I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company [and the Selling Stockholders], as and to the extent indicated in SCHEDULE II hereto, hereby grant, severally and not jointly, to the Underwriters the right to purchase at their election up to [ ] Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm

Shares. [Any such election to purchase Optional Shares shall be made in proportion to the maximum number of Optional Shares to be sold by the Company and each Selling Stockholder as set forth in SCHEDULE II hereto initially with respect to the Optional Shares to be sold by the Company and then among the Selling Stockholders in proportion to the maximum number of Optional Shares to be sold by each Selling Stockholder as set forth in SCHEDULE II hereto.] Any such election to purchase Optional Shares may be exercised only by written notice from you to the Company and, given within a period of 30 calendar days after the date of this Agreement and setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless you and the Company and the Attorney-in-Fact otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by you of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as Goldman, Sachs & Co. may request upon at least forty-eight hours' prior notice to the Company and the Selling Stockholders shall be delivered by or on behalf of the Company and the Selling Stockholders to Goldman, Sachs & Co., for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company and the Custodian on behalf of each of the Selling Stockholders, as their interests may appear, to Goldman, Sachs & Co. at least forty-eight hours in advance. The Company will cause the certificates representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of Goldman, Sachs & Co., 85 Broad Street, New York, New York 10004 (the "Designated Office"). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York time, on [   ], 2001 or such other time and date as Goldman, Sachs & Co., the Company and the Selling Stockholders may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by Goldman, Sachs & Co. in the written notice given by Goldman, Sachs & Co. of the Underwriters' election to purchase such Optional Shares, or such other time and date as Goldman, Sachs & Co., the Company and the Selling Stockholders may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery", such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery", and each such time and date for delivery is herein called a "Time of Delivery".

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross receipt for the Shares and any

additional documents requested by the Underwriters pursuant to Section 7(l), will be delivered at the offices of Sullivan & Cromwell, 125 Broad Street, New York, New York 10004 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location at [3:00] p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4 and Section 5, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or Prospectus which shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish you with copies thereof; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any

order preventing or suspending the use of any Preliminary Prospectus or prospectus, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus or suspending any such qualification, promptly to use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) Prior to 12:00 Noon, New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus in order to comply with the Act, to notify you and upon your request to prepare and furnish without charge to each Underwriter and to any dealer in securities as many written and electronic copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance, and in case any Underwriter is required to deliver a prospectus in connection with sales of any of the Shares at any time nine months or more after the time of issue

of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus, not to offer, sell, contract to sell or otherwise dispose of, except as provided hereunder, any securities of the Company that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities (other than (A) pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement or (B) in connection with acquisitions, provided that such securities shall not exceed in the aggregate 10% of the Common Shares to be outstanding immediately following the offering contemplated hereby and provided, further, that the recipients of such securities agree to be bound by this Section 5(e) for the duration of the 180 day period), without the prior written consent of Goldman, Sachs & Co.;

(f) To furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail;

(g) During a period of five years from the effective date of the Registration Statement, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission);

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Prospectus under the caption "Use of Proceeds";

(i) To use its best efforts to list, subject to notice of issuance, the Shares on the New York Stock Exchange (the "Exchange);

(j) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act; and

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by

10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act; and

6. The Company and each of the Selling Stockholders covenant and agree with one another and with the several Underwriters that (a) the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey (iv) all fees and expenses in connection with listing the Shares on the Exchange; (v) the filing fees incident to, and the fees and disbursements of counsel for the Underwriters in connection with, securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates; (vii) the cost and charges of any transfer agent or registrar, and (viii) all other costs and expenses incident to the performance of the obligations of the Company and the Selling Stockholders hereunder which are not otherwise specifically provided for in this Section; and (b) each Selling Stockholder will pay or cause to be paid all costs and expenses incident to the performance of such Selling Stockholder's obligations hereunder which are not otherwise specifically provided for in this Section, including (i) any fees and expenses of counsel for such Selling Stockholder; (ii) such Selling Stockholder's pro rata share of the fees and expenses of the Attorneys-in-Fact and the Custodian; and (iii) all expenses and taxes incident to the sale and delivery of the Shares to be sold by such Selling Stockholder to the Underwriters hereunder. It is understood, however, that the Company shall bear, and the Selling Stockholders shall not be required to pay or to reimburse the Company for, the cost of any other matters not directly relating to the sale and purchase of the Shares pursuant to this Agreement, and that, except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company and of the Selling Stockholders herein are, at and as of such Time of Delivery, true and correct, the condition that the Company and the Selling Stockholders shall have performed all of its and their obligations hereunder

theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Sullivan & Cromwell, counsel for the Underwriters, shall have furnished to you such written opinion or opinions, dated such Time of Delivery, with respect to the incorporation of the Company, the validity of the Shares, the Registration Statement, the Prospectus and such other related matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Cravath, Swaine & Moore, counsel for the Company, shall have furnished to you, in form and substance satisfactory to you, (i) their written opinion (a draft of such opinion is attached as ANNEX II(A(I) hereto), dated such Time of Delivery, to the effect that:

(A) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus;

(B) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company (including the Shares being delivered at such Time of Delivery) have been duly and validly authorized and issued and are fully paid and non-assessable; and the Shares conform to the description of the Stock contained in the Prospectus;

(C) This Agreement has been duly authorized, executed and delivered by the Company;

(D) The issue and sale of the Shares being delivered at such Time of Delivery to be sold by the Company and the compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company or any statute or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties;

(E) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Act of the Shares, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters; provided, that such opinion may be limited to the laws of the United States, the laws of the State of New York and the General Corporation Law and Limited Liability Company Act of the State of Delaware;

(F) The statements set forth in the Prospectus under the caption "Description of Capital Stock", insofar as they purport to constitute a summary of the terms of the Stock, insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair; and

(G) The Company is not an "investment company", as such term is defined in the Investment Company Act; and

(ii) their letter (a draft of such letter is attached as ANNEX II(A)(II) hereto), dated such Time of Delivery, to the effect that:

The Registration Statement and the Prospectus and any further amendments and supplements thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the rules and regulations thereunder; although they do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus, except for those referred to in the opinion in subsection (vi) of this Section 7(c), they have no reason to believe that, as of its effective date, the Registration Statement or any further amendment thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that, as of its date, the Prospectus or any further amendment or supplement thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or that, as of such Time of Delivery, either the Registration Statement or the Prospectus or any further amendment or supplement thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and they do not know of any amendment to the Registration Statement required to be filed or of any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be described in the Registration Statement or the Prospectus which are not filed or described as required.

(d) General counsel to the Company or other counsel of the Company satisfactory to you shall have furnished to you their written opinion (a draft of such opinion is attached as ANNEX II(B) hereto), dated such Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus;

(ii) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company (including the Shares being delivered at such Time of Delivery) have been duly and validly authorized and issued and are fully paid and non-assessable; and the Shares conform to the description of the Stock contained in the Prospectus;

(iii) The Company has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties

or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of failure to be so qualified in any such jurisdiction (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions and certificates);

(iv) Each subsidiary of the Company that is a corporation has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation; and all of the issued shares of capital stock of each such subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable, and (except for directors' qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions and certificates);

(v) Each subsidiary of the Company that is a limited liability company has been duly formed and is validly existing as a limited liability company in good standing under the laws of its jurisdiction of formation; and all of the issued membership interests of each such subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions and certificates);

(vi) The Company and its subsidiaries have good and marketable title in fee simple to all real property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries (in giving the opinion in this clause, such counsel may state that no examination of record titles for the purpose of such opinion has been made, and that they are relying upon a general review of the titles

of the Company and its subsidiaries, upon opinions of local counsel and abstracts, reports and policies of title companies rendered or issued at or subsequent to the time of acquisition of such property by the Company or its subsidiaries, upon opinions of counsel to the lessors of such property and, in respect of matters of fact, upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions, abstracts, reports, policies and certificates);

(vii) To the best of such counsel's knowledge and other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the current or future consolidated financial position stockholders' equity or results of operations of the Company and its subsidiaries; and, to the best of such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(viii) This Agreement has been duly authorized, executed and delivered by the Company;

(ix) The issue and sale of the Shares being delivered at such Time of Delivery to be sold by the Company and the compliance by the Company with all of the provisions of this Agreement and the consummation

of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company or any statute or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties;

(x) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Act of the Shares, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(xi) To the best of such counsel's knowledge, neither the Company nor any of those of its subsidiaries that are corporations are in violation of their respective Certificates of Incorporation or By-laws, none of the subsidiaries of the Company that are a limited liability companies is in violation of its respective Certificates of Formation or Limited Liability Company Agreements, and neither the Company nor any subsidiary is in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, or lease or agreement or other instrument to which it is a party or by which it or any of its properties may be bound;

(xii) The statements set forth in the Prospectus under the caption "Description of Capital Stock", insofar as they purport to constitute a summary of the

terms of the Stock, insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair;

(xiii) The Company is not an "investment company", as such term is defined in the Investment Company Act; and

(xiv) The Registration Statement and the Prospectus and any further amendments and supplements thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the rules and regulations thereunder; they have no reason to believe that, as of its effective date, the Registration Statement or any further amendment thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that, as of its date, the Prospectus or any further amendment or supplement thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or that, as of such Time of Delivery, either the Registration Statement or the Prospectus or any further amendment or supplement thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and they do not know of any amendment to the Registration Statement required to be filed or of any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be

described in the Registration Statement or the Prospectus which are not filed or described as required.

(e) The respective counsel for each of the Selling Stockholders, as indicated in SCHEDULE II hereto, each shall have furnished to you their written opinion with respect to each of the Selling Stockholders for whom they are acting as counsel (a draft of each such opinion is attached as ANNEX II(C) hereto), dated such Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) A Power-of-Attorney and a Custody Agreement have been duly executed and delivered by such Selling Stockholder and constitute valid and binding agreements of such Selling Stockholder in accordance with their terms;

(ii) This Agreement has been duly executed and delivered by or on behalf of such Selling Stockholder; and the sale of the Shares to be sold by such Selling Stockholder hereunder and the compliance by such Selling Stockholder with all of the provisions of this Agreement, the Power-of-Attorney and the Custody Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any terms or provisions of, or constitute a default under, any statute, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such

Selling Stockholder is subject, nor will such action result in any violation of the provisions of [the Certificate of Incorporation or By-laws of such Selling Stockholder if such Selling Stockholder is a corporation] [,] [the Partnership Agreement of such Selling Stockholder if such Selling Stockholder is a partnership] [,] [the Certificate of Formation or Limited Liability Company Agreement of such Selling Stockholder if such Selling Stockholder is a limited liability company] or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property of such Selling Stockholder;

(iii) No consent, approval, authorization or order of any court or governmental agency or body is required for the consummation of the transactions contemplated by this Agreement in connection with the Shares to be sold by such Selling Stockholder hereunder, except for those consents that have been duly obtained and are in full force and effect, such as have been obtained under the Act and such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of such Shares by the Underwriters;

(iv) Immediately prior to such Time of Delivery, such Selling Stockholder had good and valid title to the Shares to be sold at such Time of Delivery by such Selling Stockholder under this Agreement, free and clear of all liens, encumbrances, equities or claims, and full right, power and authority to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder; and

(v) Good and valid title to such Shares, free and clear of all liens, encumbrances, equities or claims, has been transferred to each of the several Underwriters; provided that the Underwriters have purchased such Shares without notice of an adverse clam thereto (within the meaning of the Uniform Commercial Code as in effect as of such Time of Delivery in the State of New York).

In rendering the opinion in paragraph (iv), such counsel may rely upon a certificate of such Selling Stockholder in respect of matters of fact as to ownership of, and liens, encumbrances, equities or claims on, the Shares sold by such Selling Stockholder, provided that such counsel shall state that they believe that both you and they are justified in relying upon such certificate;

(f) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Arthur Andersen LLP shall have furnished to you a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to you, to the effect set forth in ANNEX I hereto;

(g) (i) Neither the Company nor any of its subsidiaries shall have

sustained since the date of the latest audited financial statements included in the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus, and (ii) since the respective dates as of which information is given in the Prospectus there shall not have been any change in the capital stock, short-term debt or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering

or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(h) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities; or (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this clause (iv) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(i) The Shares at such Time of Delivery shall have been duly listed, subject to notice of issuance, on the Exchange;

(j) (A) The Company has obtained and delivered to the Underwriters executed copies of an agreement from each of Asbury Automotive Holdings L.L.C. and [LIST OF OFFICERS AND DIRECTORS], substantially to the effect that during the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus, such persons shall not offer, sell contract to sell or otherwise dispose of any Shares or securities of the Company that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement), without the prior written consent of Goldman, Sachs & Co.;

(k) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement; and

(l) The Company and the Selling Stockholders shall have furnished or caused to be furnished to you at such Time of Delivery certificates of officers of the Company and of the Selling Stockholders, respectively, satisfactory to you as to the accuracy of the representations and warranties of the Company and the Selling Stockholders, respectively, herein at and as of such Time of Delivery, as to the performance by the Company and the Selling Stockholders of all of their respective obligations hereunder to be performed at or prior to such Time of Delivery, and as to such other matters as you may reasonably request, and the Company shall have furnished or caused to be furnished certificates as to the matters set forth in subsections (a) and (f) of this Section.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration

Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements

therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein.

(b) [N.B.: THIS PROVISION WILL ALSO BE APPLICABLE TO CONTROL PERSONS OF THE SELLING STOCKHOLDERS, IF THE CONTROL PERSONS ARE NOT SELLING SHARES IN THEIR INDIVIDUAL CAPACITIES.] Each of the Selling Stockholders will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that such Selling Stockholder shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein; and provided further that no Selling Stockholder shall be liable under this Section 8(b) in an aggregate amount greater than the product of (x) the number of Shares purchased by the Underwriters from such Selling Stockholder under Section 2 hereof, TIMES (y) the initial public offering price per Share as set forth on the front cover of the Prospectus.

(c) Each Underwriter will indemnify and hold harmless the Company and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through Goldman, Sachs & Co. expressly for use therein; and will reimburse the Company and each Selling Stockholder for any legal or other expenses reasonably incurred by the Company or such Selling Stockholder in connection with investigating or defending any such action or claim as such expenses are incurred.

(d) Promptly after receipt by an indemnified party under subsection (a), (b) or (c) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified

party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in

connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(e) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a), (b) or (c) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (d) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholders on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, each of the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (e) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (e), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The

Underwriters' obligations in this subsection (e) to contribute are several in proportion to their respective underwriting obligations and not joint.

(f) The obligations of the Company and the Selling Stockholders under this Section 8 shall be in addition to any liability which the Company and the respective Selling Stockholders may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company [(including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company)] and to each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the

Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company and the Selling Stockholders shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company and the Selling Stockholders that you have so arranged for the purchase of such Shares, or the Company and the Selling Stockholders notify you that they have so arranged for the purchase of such Shares, you or the Company and the Selling Stockholders shall have the right to postpone Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all of the Shares to be purchased at such Time of Delivery, or if the Company and the Selling Stockholders shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company and the Selling Stockholders to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company or the Selling Stockholders, except for the

expenses to be borne by the Company and the Selling Stockholders and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Selling Stockholders and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any of the Selling Stockholders, or any officer or director or controlling person of the Company, or any controlling person of any Selling Stockholder, and shall survive delivery of and payment for the Shares.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, neither the Company nor the Selling Stockholders shall then be under any liability to any Underwriter except as provided in Sections 6 and 8 hereof; but, if for any other reason any Shares are not delivered by or on behalf of the Company and the Selling Stockholders as provided herein, the Company and each of the Selling Stockholders pro rata (based on the number of Shares to be sold by the Company and such Selling Stockholder hereunder) will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company and the Selling Stockholders shall then be under no further liability to any Underwriter in respect of the Shares not so

delivered except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by Goldman, Sachs & Co. on behalf of you as the representatives; and in all dealings with any Selling Stockholder hereunder, you and the Company shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of such Selling Stockholder made or given by any or all of the Attorneys-in-Fact for such Selling Stockholder.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the representatives in care of Goldman, Sachs & Co., 32 Old Slip, 21st Floor, New York, New York 10005, Attention: Registration Department; if to any Selling Stockholder shall be delivered or sent by mail, telex or facsimile transmission to counsel for such Selling Stockholder at its address set forth in SCHEDULE II hereto; and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Secretary; provided, however, that any notice to an Underwriter pursuant to Section 8(d) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire or telex constituting such Questionnaire, which address will be supplied to the Company or the Selling Stockholders by you on request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and the Selling Stockholders and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company and each person who controls the Company, any Selling Stockholder or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

16. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

17. The Company and the Selling Stockholders are authorized, subject to applicable law, to disclose any and all aspects of this potential transaction that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transaction, without the Underwriters imposing any limitation of any kind.

If the foregoing is in accordance with your understanding, please sign and return to us ten (10) counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters, the Company and each of the Selling Stockholders. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company and the Selling Stockholders for examination, upon request, but without warranty on your part as to the authority of the signers thereof.

Any person executing and delivering this Agreement as Attorney-in-Fact for a Selling Stockholder represents by so doing that he has been duly appointed as Attorney-in-Fact by such Selling Stockholder pursuant to a validly existing and binding Power-of-Attorney which authorizes such Attorney-in-Fact to take such action.

Very truly yours,

Asbury Automotive Group, Inc.

By:..
Name:
Title:

[Names of Selling Stockholders]

By:..
Name:
Title:
As Attorney-in-Fact acting on behalf of each of the Selling Stockholders named in Schedule II to this Agreement.

Accepted as of the date hereof
at New York, New York

Goldman, Sachs & Co.

By:..
Goldman, Sachs & Co.

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

By:...
Name:
Title:

Salomon Smith Barney Inc.

By:...
Name:
Title:

On behalf of each of the Underwriters

SCHEDULE I

Total Number Number
of Optional Shares
of Firm Shares to be
Purchased if
Underwriter to be
Purchased Maximum
Option Exercised ---
-------- -----------
---- ---------------
---------- Goldman,
Sachs &
Co............
Merrill Lynch,
Pierce, Fenner &
Smith
Incorporated........
Salomon Smith Barney
Inc.......

SCHEDULE II

[N.B.: AGREEMENT REQUIRES FULL LEGAL NAMES OF SELLING STOCKHOLDERS]

Total Number Number of Optional
Shares of Firm Shares to be
Purchased if Underwriter to be
Purchased Maximum Option Exercised
----------- -------------- ------
------------------- The
Company............................
The Selling
Stockholder(s)............ [Name
of Selling Stockholder](a)...
[Name of Selling Stockholder]
(b)... [Name of Selling
Stockholder](c)... [Name of
Selling Stockholder](d)... [Name
of Selling Stockholder](e)...
Total.....................

(a) This Selling Stockholder is represented by [NAME AND ADDRESS OF COUNSEL] and has appointed [NAMES OF ATTORNEYS-IN-FACT (NOT LESS THAN TWO)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
(b) This Selling Stockholder is represented by [NAME AND ADDRESS OF COUNSEL] and has appointed [NAMES OF ATTORNEYS-IN-FACT (NOT LESS THAN TWO)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
(c) This Selling Stockholder is represented by [NAME AND ADDRESS OF COUNSEL] and has appointed [NAMES OF ATTORNEYS-IN-FACT (NOT LESS THAN TWO)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
(d) This Selling Stockholder is represented by [NAME AND ADDRESS OF COUNSEL] and has appointed [NAMES OF ATTORNEYS-IN-FACT (NOT LESS THAN TWO)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
(e) This Selling Stockholder is represented by [NAME AND ADDRESS OF COUNSEL] and has appointed [NAMES OF ATTORNEYS-IN-FACT (NOT LESS THAN TWO)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.

SCHEDULE III

[Acura]
    [franchise locations]
[American Honda Motor Co., Inc.]
    [franchise locations]
[Audi]
    [franchise locations]
[BMW]
    [franchise locations]
    [franchise locations]
[Chevrolet]
    [franchise locations]
[Chrysler]
    [franchise locations]
[Daewoo]
    [franchise locations]
[Dodge]
    [franchise locations]
[Ford Motor Company]
    [franchise locations]
[GMC]
    [franchise locations]
[Hino]
    [franchise locations]
[Hyundai]
    [franchise locations]
[Infiniti]
    [franchise locations]
[International Truck and Engine Corporation]
    [franchise locations]
[Isuzu]
    [franchise locations]
[Jaguar]
    [franchise locations]
[Jeep]
    [franchise locations]
[Kia]
    [franchise locations]

[Land Rover]
[franchise locations]
[Lexus]
[franchise locations]
[Lincoln]
[franchise locations]
[Mazda]
[franchise locations]
[Mercedes-Benz]
[franchise locations]
[Mercury]
[franchise locations]
[Mitsubishi]
[franchise locations]

[Nissan Motor Corporation in U.S.A.]
[franchise locations]
[Peterbilt]
[franchise locations]
[Porsche]
[franchise locations]
[Subaru]
[franchise locations]
[Suzuki]
[franchise locations]
[Toyota]
[franchise locations]
[Volkswagen]
[franchise locations]
[Volvo]
[franchise locations]

ANNEX I

Pursuant to Section 7(e) of the Underwriting Agreement, the accountants shall furnish letters to the Underwriters to the effect that:

(i) They are independent certified public accountants with respect to the Company and its subsidiaries within the meaning of the Act and the applicable published rules and regulations thereunder;

(ii) In their opinion, the financial statements and any supplementary financial information and schedules (and, if applicable, pro forma financial information) examined by them and included in the Prospectus or the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations thereunder; and, if applicable, they have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the unaudited consolidated interim financial statements, selected financial data, pro forma financial information and/or condensed financial statements derived from audited financial statements of the Company for the periods specified in such letter, as indicated in their reports thereon, copies of which have been separately furnished to the representatives of the Underwriters (the "Representatives");

(iii) They have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus as indicated in their reports thereon copies of which [have been separately furnished to the Representatives][are attached hereto] and on the basis of specified procedures including inquiries of officials of the Company who have responsibility for financial and accounting matters regarding whether the unaudited condensed consolidated financial statements referred to in paragraph (vi)(A)(i) below comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations, nothing came to their attention that caused them to believe that the unaudited condensed consolidated financial statements do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations;

(iv) The unaudited selected financial information with respect to the consolidated results of operations and financial position of the Company for the five most recent fiscal years included in the Prospectus agrees with the corresponding amounts (after restatements where applicable) in the audited consolidated financial statements for such five fiscal years;

(v) They have compared the information in the Prospectus under selected captions with the disclosure requirements of Regulation S-K and on the basis of limited procedures specified in such letter nothing came to their attention as a result of the foregoing procedures that caused them to believe that this information does not conform in all material respects with the disclosure requirements of Items 301, 302, 402 and 503(d), respectively, of Regulation S-K;

(vi) On the basis of limited procedures, not constituting an examination in accordance with generally accepted auditing standards, consisting of a reading of the unaudited financial statements and other information referred to below, a reading of the latest available interim financial statements of the Company and its subsidiaries, inspection of the minute books of the Company and its subsidiaries since the date of the

latest audited financial statements included in the Prospectus, inquiries of officials of the Company and its subsidiaries responsible for financial and accounting matters and such other inquiries and procedures as may be specified in such letter, nothing came to their attention that caused them to believe that:

(A) (i) the unaudited consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations, or (ii) any material modifications should be made to the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus for them to be in conformity with generally accepted accounting principles;

(B) any other unaudited income statement data and balance sheet items included in the Prospectus do not agree with the corresponding items in the unaudited consolidated financial statements from which such data and items were derived, and any such unaudited data and items were not determined on a basis substantially consistent with the basis for the corresponding amounts in the audited consolidated financial statements included in the Prospectus;

(C) the unaudited financial statements which were not included in the Prospectus but from which were derived any unaudited condensed financial statements referred to in clause (A) and any unaudited income statement data and balance sheet items included in the Prospectus and referred to in clause (B) were not determined on a basis substantially consistent with the basis for the audited consolidated financial statements included in the Prospectus;

(D) any unaudited pro forma consolidated condensed financial statements included in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act and the published rules and regulations thereunder or the pro forma adjustments have not been properly applied to the historical amounts in the compilation of those statements;

(E) as of a specified date not more than five days prior to the date of such letter, there have been any changes in the consolidated capital stock (other than issuances of capital stock upon exercise of options and stock appreciation rights, upon earn-outs of performance shares and upon conversions of convertible securities, in each case which were outstanding on the date of the latest financial statements included in the Prospectus) or any increase in the consolidated long-term debt of the Company and its subsidiaries, or any decreases in consolidated net current assets or stockholders' equity or other items specified by the Representatives, or any increases in any

items specified by the Representatives, in each case as compared with amounts shown in the latest balance sheet included in the Prospectus, except in each case for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(F) for the period from the date of the latest financial statements included in the Prospectus to the specified date referred to in clause (E) there were any decreases in consolidated net revenues or operating profit or the total or per share amounts of consolidated net income or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with the comparable period of the preceding year and with any other period of corresponding length specified by the Representatives, except in each case for decreases or increases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(vii) In addition to the examination referred to in their report(s) included in the Prospectus and the limited procedures, inspection of minute books, inquiries and other procedures referred to in paragraphs (iii) and (vi) above, they have carried out certain specified procedures, not constituting an examination in accordance with generally accepted auditing standards, with respect to certain amounts, percentages and financial information specified by the Representatives, which are derived from the general accounting records of the Company and its subsidiaries, which appear in the Prospectus, or in Part II of, or in exhibits and schedules to, the Registration Statement specified by the Representatives, and have compared certain of such amounts, percentages and financial information with the accounting records of the Company and its subsidiaries and have found them to be in agreement.

EXHIBIT 3.1

FORM OF CERTIFICATE OF INCORPORATION
OF
ASBURY AUTOMOTIVE GROUP, INC.

ARTICLE I

NAME

SECTION 1.01. The name of the corporation is Asbury Automotive Group, Inc. (the "Corporation").

ARTICLE II

REGISTERED AGENT

SECTION 2.01. The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle 19801. The name of the registered agent of the Corporation at such address is The Corporation Trust Company.

ARTICLE III

PURPOSE

SECTION 3.01. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV

CAPITAL STOCK

SECTION 4.01. The total number of shares of all classes of stock which the Corporation shall have authority to issue is [ ], of which [ ] shares shall be Preferred

Stock, par value $.01 per share, and [ ] shares shall be Common Stock, par value $.01 per share.

SECTION 4.02. PREFERRED STOCK. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the "BOARD OF DIRECTORS" and each member thereof, a "DIRECTOR") is hereby authorized to provide for the issuance of shares of Preferred Stock in series and, by filing a certificate pursuant to the DGCL (a "PREFERRED STOCK DESIGNATION"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, privileges, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(a) the designation of the series, which may be by distinguishing number, letter or title;

(b) the number of shares of the series, which number the Board of Directors may thereafter, except where otherwise provided in the applicable Preferred Stock Designation, increase or decrease, but not below the number of shares thereof then outstanding;

(c) whether dividends, if any, shall be cumulative or noncumulative, and, in the case of shares of any series having cumulative dividend rights, the date or dates or method of determining the date or dates from which dividends on the shares of such series shall be cumulative;

(d) the rate of any dividends, or method of determining such dividends, payable to the holders of the shares of such series, any conditions upon which such dividends shall be paid and the date or dates or the method for determining the date or dates upon which such dividends shall be payable;

(e) the price or prices, or method of determining such price or prices, at which, the form of payment of such price or prices (which may be cash, property or rights, including securities of the same or another corporation or other entity) for which, the period or periods within which and the terms and conditions upon which the shares of such series may be redeemed, in whole or in part, at the option of the Corporation or at the option of the holder or holders thereof or upon the happening of a specified event or events, if any;

(f) the obligation, if any, of the Corporation to purchase or redeem shares of such series pursuant to a

sinking fund or otherwise and the price or prices at which, the form of payment of such price or prices (which may be cash, property or rights, including securities of the same or another corporation or other entity) for which, the period or periods within which and the terms and conditions upon which the shares of such series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(g) the amounts payable out of the assets of the Corporation on and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;

(h) provisions, if any, for the conversion or exchange of the shares of such series, at any time or times at the option of the holder or holders thereof or at the option of the Corporation or upon the happening of a specified event or events, into shares of any other class or classes or any other series of the same or any other class or classes of stock, or any other security, of the Corporation, or any other corporation or other entity, and the price or prices or rate or rates of conversion or exchange and any adjustments applicable thereto, the date or dates as of when such shares will be converted or exchanged and all other terms and conditions upon which such conversion or exchange may be made;

(i) restrictions on the issuance of shares of the same series or of any other class or series, if any; and

(j) the voting rights, if any, of the holders of shares of the series.

SECTION 4.03. COMMON STOCK. (a) The Common Stock shall be subject to the express terms of the Preferred Stock and any series thereof. Each share of Common Stock shall be equal to every other share of Common Stock, except as otherwise provided herein or required by law.

(b) Shares of Common Stock authorized hereby shall not be subject to preemptive rights. The holders of shares of Common Stock now or hereafter outstanding shall have no preemptive right to purchase or have offered to them for purchase any of such authorized but unissued shares, or any shares of Preferred Stock, Common Stock or other equity securities issued or to be issued by the Corporation.

(c) The holders of shares of Common Stock shall be entitled to one vote for each such share upon all proposals presented to the stockholders on which the holders of Common Stock are entitled to vote. Except as otherwise provided by law or by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of any series of Preferred Stock, the Common Stock shall have the exclusive right to vote for the election of Directors and for all other purposes, and holders of Preferred Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the outstanding Common Stock, without a vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to any Preferred Stock Designation.

(d) Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends, the holders of the shares of Common Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the Corporation as may be declared on the Common Stock by the Board of Directors at any time or from time to time

out of any funds legally available therefor.

(e) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up, the holders of shares of Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.

(f) The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

ARTICLE V

ELECTION OF DIRECTORS

SECTION 5.01. Unless and except to the extent that the By-laws of the Corporation (the "BY-LAWS") shall so require, the election of Directors of the Corporation need not be by written ballot.

ARTICLE VI

BOARD OF DIRECTORS

SECTION 6.01. NUMBER, ELECTION AND TERMS. Except as otherwise fixed by or pursuant to the provisions of Article IV hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up to elect additional Directors under specified circumstances, the number of the Directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board (but shall not be less than three). The Directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, one class to be originally elected for a term expiring at the first annual meeting of stockholders following the effectiveness of this Restated Certificate of Incorporation, another class to be originally elected for a term expiring at the second annual meeting of stockholders following the effectiveness of this Restated Certificate of Incorporation, and another class to be originally elected for a term expiring at the third annual meeting of stockholders following the effectiveness of this Restated Certificate of Incorporation, with each Director to hold office until such person's successor is duly elected and qualified. At each annual meeting of stockholders, Directors elected to succeed those Directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each Director to hold office until such person's successor shall have been duly elected and qualified.

SECTION 6.02. STOCKHOLDER NOMINATION OF DIRECTOR CANDIDATES; STOCKHOLDER PROPOSAL OF BUSINESS. Advance

notice of stockholder nominations for the election of Directors and of the proposal of business by stockholders shall be given in the manner provided in the By-laws, as amended and in effect from time to time.

SECTION 6.03. NEWLY CREATED DIRECTORSHIPS AND VACANCIES. Except as otherwise provided for or fixed by or pursuant to the provisions of Article IV hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up to elect Directors under specified circumstances, newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall only be filled by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any Director elected in accordance with the preceding sentence shall serve for the remainder of the full term of the class of Directors in

which the new directorship was created or the vacancy occurred and until such Director's successor shall have been duly elected and qualified. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

SECTION 6.04. REMOVAL. Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up to elect Directors under specified circumstances, any Director may be removed from office only for cause and only by the affirmative vote of the holders of at least 80% of the voting power of all Voting Stock then outstanding, voting together as a single class.

SECTION 6.05. AMENDMENT, REPEAL, ETC. Notwithstanding anything contained in this Restated Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80% of the voting power of all Voting Stock then outstanding, voting together as a single class, shall be required to alter, amend, adopt any provision inconsistent with or repeal this Article VI.

SECTION 6.06. OTHER PROVISIONS. Notwithstanding any other provision of this Article VII, and except as otherwise required by law, whenever the holders of one or

more series of Preferred Stock shall have the right, voting separately as a class, to elect one or more Directors of the Corporation, the term of office, the filling of vacancies, the removal from office and other features of such directorships shall be governed by the terms of this Restated Certificate of Incorporation (including any Preferred Stock Designation). During any period when the holders of any series of Preferred Stock have the right to elect additional Directors as provided for or fixed pursuant to the provisions of Article IV hereof, then upon commence ment and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of Directors of the Corporation shall automatically be increased by such specified number of Directors, and the holders of such Preferred Stock shall be entitled to elect the additional Directors so provided for or fixed pursuant to said provisions, and (ii) each such additional Director shall serve until such Director's successor shall have been duly elected and qualified, or until such Director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his earlier death, disqualification, resignation or removal. Except as otherwise provided by the Whole Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional Directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional Directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional Directors, shall forthwith terminate and the total authorized number of Directors of the Corporation shall be reduced accordingly.

ARTICLE VII

STOCKHOLDERS

SECTION 7.01. MEETINGS. Meetings of stockholders may be held within or without the State of Delaware, as the By-laws may provide. The books of the Corporation may be kept (subject to provisions contained in the statutes of Delaware) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-laws of the Corporation.

SECTION 7.02. ACTION. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

ARTICLE VIII

BY-LAWS

SECTION 8.01. The By-laws may be altered or repealed and new By-laws may be adopted (a) at any annual or special meeting of stockholders, by the affirmative vote of the holders of a majority of the voting power of the Voting Stock then outstanding, voting together as a single class; PROVIDED,

HOWEVER, that any proposed alteration or repeal of, or the adoption of any By-law inconsistent with, Section 2.02, 2.07 or 8.01 of the By-laws, by the stockholders shall require the affirmative vote of the holders of at least 80% of the voting power of all Voting Stock then outstanding, voting together as a single class; PROVIDED, FURTHER, HOWEVER, that in the case of any such stockholder action at a special meeting of stockholders, notice of the proposed alteration, repeal or adoption of the new By-law or By-laws must be contained in the notice of such special meeting, or (b) by the affirmative vote of a majority of the Whole Board. Notwithstanding anything contained in this Restated Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80% of the voting power of all Voting Stock then outstanding, voting together as a single class shall be required to alter, amend, adopt any provision inconsistent with or repeal this Article VIII.

ARTICLE IX

AMENDMENT OF CERTIFICATE OF INCORPORATION

SECTION 9.01. The Corporation reserves the right at any time from time to time to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation, and any other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and, except as set forth in Article X, all rights, preferences and privileges of whatsoever nature conferred upon stockholders, Directors or any other persons whomsoever by and pursuant to this Restated Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article. Notwithstanding anything contained in this Restated Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80% of the Voting Stock then outstanding, voting together as a single class, shall be required to alter, amend, adopt any provision inconsistent with or repeal Article VI, VII, VIII or this sentence.

ARTICLE X

LIMITED LIABILITY; INDEMNIFICATION

SECTION 10.01. LIMITED LIABILITY OF DIRECTORS. A Director shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except, if required by the DGCL, as amended from time to time, for liability (a) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL, or (d) for any transaction from which the Director derived an improper personal benefit. Neither the amendment nor repeal of this Section 10.01 shall eliminate or reduce the effect of this Section 10.01 in respect of any matter occurring, or any cause of action, suit or claim that, but for this Section 10.01 would accrue or arise, prior to such amendment or repeal.

SECTION 10.02. INDEMNIFICATION AND INSURANCE. (a) RIGHT TO INDEMNIFICATION. Each person who

was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "PROCEEDING"), by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a Director or officer of the Corporation or, while a Director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a Director, officer, employee or agent or in any other capacity while serving as a Director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, amounts paid or to be paid in settlement, and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974, as in effect from time to time) reasonably incurred or suffered by such person in connection therewith if such person acted in good faith and in a manner such person reasonably believed to be in compliance with the standard of conduct set forth in Section 145 (or any successor provision) of the DGCL and

such indemnification shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of such person's heirs, executors and administrators; PROVIDED, HOWEVER, that, except as provided in paragraph (b) hereof, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The Corporation shall pay the expenses incurred in defending any such proceeding in advance of its final disposition with any advance payments to be paid by the Corporation within 20 calendar days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; PROVIDED, HOWEVER, that, if and to the extent the DGCL requires, the payment of such expenses incurred by a Director or officer in such person's capacity as a Director or officer (and not in any other capacity in which service was or is rendered by such person while a Director or officer, including, without limitation, service to an

employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such Director or officer, to repay all amounts so advanced if it shall ultimately be determined that such Director or officer is not entitled to be indemnified under this Section 10.02 or otherwise. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to have the Corporation pay the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and officers of the Corporation.

(b) RIGHT OF CLAIMANT TO BRING SUIT. If a claim under paragraph (a) of this Section 10.02 is not paid in full by the Corporation within 30 calendar days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standard of conduct which makes it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) NON-EXCLUSIVITY OF RIGHTS. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition

conferred in this Section 10.02 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Restated Certificate of Incorporation, By-law, agreement, vote of stockholders or disinterested Directors or otherwise. No repeal or modification of this Article shall in any way diminish or adversely affect the rights of any Director, officer, employee or agent of the Corporation hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

(d) INSURANCE. The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

(e) SEVERABILITY. If any provision or provisions of this

Article X shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article X (including, without limitation, each portion of any paragraph of this Article X containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Article X (including, without limitation, each such portion of any paragraph of this Article X containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Name:

Title: Incorporator

EXHIBIT 3.3

FORM OF BY-LAWS

of

ASBURY AUTOMOTIVE GROUP, INC.

ARTICLE I

OFFICES

SECTION 1.01. DELAWARE OFFICE. The principal office of Asbury Automotive Group, Inc. (the Corporation) in the State of Delaware shall be in the City of Wilmington, County of New Castle, and the resident agent in charge thereof shall be The Corporation Trust Company.

SECTION 1.02. OTHER OFFICES. The Corporation may have offices at such other place or places as from time to time the board of directors of the Corporation (the "Board of Directors", and each member thereof, a "Director") may determine or the business of the Corporation may require.

SECTION 1.03. BOOKS AND RECORDS. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 2.01. ANNUAL MEETING. The annual meeting of the stockholders of the Corporation shall be held on such date and at such time as may be fixed by resolution of the Board of Directors.

SECTION 2.02. SPECIAL MEETING. Except as otherwise required by law and subject to the rights of the holders of any class or series of stock having a preference over the common stock, par value $0.01 per share, of the Corporation (the "COMMON STOCK") as to dividends or upon liquidation, dissolution or winding up, special meetings of stockholders of the Corporation for any purpose or purposes may be called only by (a) the Board of Directors pursuant to a resolution

stating the purpose or purposes thereof approved by a majority of the total number of Directors which the Corporation would have if there were no vacancies or unfilled newly-created directorships (the "WHOLE BOARD"), or (b) by the Chairman of the Board of Directors (the "CHAIRMAN OF THE BOARD"). No business other than that stated in the notice shall be transacted at any special meeting.

SECTION 2.03. PLACE OF MEETING. The Board of Directors or the Chairman of the Board, as the case may be, may designate the place, if any, of meeting for any annual meeting or for any special meeting of the stockholders. If no designation is so made, the place of meeting shall be the principal office of the Corporation.

SECTION 2.04. NOTICE OF MEETING. Notice, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than 10 calendar days nor more than 60 calendar days before the date of the meeting, either personally, by mail or by other lawful means, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at such person's address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Meetings may be held without notice if all stockholders entitled to notice are present (except when stockholders entitled to notice attend the meeting for the express purpose of objecting, at the beginning of the meeting, because the meeting is not lawfully called or convened), or if notice is waived by those not present in accordance with Section 6.04. Any previously scheduled meeting of the stockholders may be postponed, and any special meeting of the stockholders may be canceled, by resolution of the Board of Directors, upon public notice given prior to the date previously scheduled for such meeting of stockholders.

SECTION 2.05. QUORUM AND ADJOURNMENT; VOTING. Except as otherwise provided by law or by the Certificate of Incorporation of the Corporation (the "CERTIFICATE OF INCORPORATION"), the holders of a majority of the voting power of all outstanding shares of the Corporation entitled

to vote generally in the election of Directors (the "VOTING STOCK"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The chairman of the meeting may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 2.06. PROXIES. At all meetings of stockholders, a stockholder may vote by proxy in accordance with the General Corporation Law of the State of Delaware (the "DGCL") or by such person's duly authorized attorney in fact.

SECTION 2.07. NOTICE OF STOCKHOLDER BUSINESS AND NOMINATIONS. (a) ANNUAL MEETINGS OF STOCKHOLDERS. (i) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (A) pursuant to the Corporation's notice of meeting pursuant to Section 2.04, (B) by or at the direction of the Chairman of the Board or (C) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (a)(i) of this Section 2.07, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the ninetieth calendar day nor earlier than the close of business on the one hundred twentieth calendar day prior to the first anniversary of the preceding year's annual meeting; PROVIDED, HOWEVER, that in the event that

the date of the annual meeting is more than thirty calendar days before or more than sixty calendar days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth calendar day prior to such annual meeting and not later than the close of business on the later of the ninetieth calendar day prior to such annual meeting or the tenth calendar day following the calendar day on which public announcement of the date of such meeting is first made by the Corporation. For purposes of determining whether a stockholder's notice shall have been delivered in a timely manner for the annual meeting of stockholders in 2002, the first anniversary of the previous year's meeting shall be deemed to be June 1, 2002. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (A) as to each person whom the stockholder proposes to nominate for election or reelection as a Director all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected); (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these By-Laws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the

stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (2) the class and number of shares of stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (3) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, and (4) a

representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies from stockholders in support of such proposal or nomination. The foregoing notice requirements shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of his or her intention to present a proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a Director.

(iii) Notwithstanding anything in the second sentence of paragraph (a)(ii) of this Section 2.07 to the contrary, in the event that the number of Directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for Director or specifying the size of the increased Board of Directors at least one hundred calendar days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth calendar day following the day on which such public announcement is first made by the Corporation.

(b) SPECIAL MEETINGS OF STOCKHOLDERS. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting under Section 2.04. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which Directors are to be elected (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Chairman of the Board or (iii) provided that the Board of Directors has determined that Directors shall be elected at such meeting, by any stockholder of the

Corporation who is a stockholder of record at the time of giving of notice provided for in this By-Law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more Directors to the Board of Directors, any stockholder entitled to vote in such election of Directors may nominate pursuant to clause (iii) of the immediately preceding sentence of this Section 2.07(b) a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(ii) of this Section 2.07 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth calendar day prior to such special meeting and not later than the close of business on the later of the ninetieth calendar day prior to such special meeting or the tenth calendar day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) GENERAL. (i) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.07 shall be eligible to serve as Directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the chairman of the meeting

shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.07 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (a)(ii)(C)(4) of this Section 2.07) and, if any proposed nomination or business is not in compliance with this By-Law, to declare that such defective proposal or nomination shall be disregarded.

Notwithstanding the foregoing provisions of this Section 2.07, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(ii) For purposes of this By-Law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this Section 2.07, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.07. Nothing in this Section 2.07 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) of the holders of any series of preferred stock of the Corporation ("PREFERRED STOCK") to elect Directors under an applicable Preferred Stock Designation (as defined in the Certificate of Incorporation).

SECTION 2.08. PROCEDURE FOR ELECTION OF DIRECTORS; REQUIRED VOTE. Election of Directors at all meetings of the stockholders at which Directors are to be elected shall be by ballot, and, subject to the rights of the holders of any series of Preferred Stock to elect Directors under an applicable Preferred Stock Designation, a plurality of the votes cast thereat shall elect Directors. Except as otherwise provided by law, the Certificate of Incorporation, a Preferred Stock Designation, applicable stock exchange rules or other rules and regulations applicable to the Corporation or these By-Laws, in all matters other than the election of Directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

SECTION 2.09. INSPECTORS OF ELECTIONS; OPENING AND CLOSING THE POLLS. (a) The Board of Directors by resolution shall appoint, or shall authorize an officer of the Corporation to

appoint, one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspector(s) to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging such person's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such person's ability. The inspector(s) shall have the duties prescribed by law.

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding officer, are appropriate for the proper conduct of the meeting.

Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (i) an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding officer at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding officer should so determine,

such person shall so declare to the meeting that any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE III

BOARD OF DIRECTORS

SECTION 3.01. GENERAL POWERS. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

SECTION 3.02. REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held without other notice than this By-Law in conjunction with the annual meeting of stockholders. The Board of Directors may, by resolution, provide the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 3.03. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board, the President and Chief Executive Officer or a majority of the Board of Directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

SECTION 3.04. NOTICE. Notice of any special meeting of Directors shall be given to each Director at such person's business or residence in writing by hand delivery, first- class or overnight mail or courier service, telegram or facsimile transmission, orally by telephone or any other lawful means. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mail so addressed, with postage thereon prepaid, at least 5 calendar days before such meeting. If by telegram, overnight mail or courier service, such notice

shall be deemed adequately delivered when the telegram is delivered to the telegraph company or the notice is delivered to the overnight mail or courier service company at least 24 hours before such meeting. If by facsimile transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least 12 hours before such meeting. If by telephone, by hand delivery or by other lawful means, the notice shall be given at least 12 hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these By-Laws, as provided under Section 8.01. A meeting may be held at any time without notice if all the Directors are present (except when Directors attend for the express purpose of objecting, at the beginning of the meeting, because it is not lawfully called or conveyed) or if those not present waive notice of the meeting either before or after such meeting.

SECTION 3.05. ACTION BY CONSENT OF BOARD OF DIRECTORS. Any action required or permitted to be taken at any meeting of the Board of

Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in accordance with applicable law.

SECTION 3.06. CONFERENCE TELEPHONE MEETINGS. Members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.07. QUORUM. Subject to Article VI of the Certificate of Incorporation, a whole number of Directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the Directors present may adjourn the meeting from time to time without further notice. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 3.08. COMMITTEES OF THE BOARD OF DIRECTORS. (a) The Board of Directors may from time to time designate

committees, which shall consist of one or more Directors. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee may, to the extent permitted by law, exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Board of Directors when required.

(b) A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board of Directors shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 3.04. The Board of Directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board of Directors from appointing one or more committees consisting in whole or in part of persons who are not Directors; PROVIDED, HOWEVER, that no such committee shall have or may exercise any authority of the Board of Directors.

SECTION 3.09. RECORDS. The Board of Directors shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board of Directors and of the stockholders, appropriate stock books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Corporation.

ARTICLE IV

OFFICERS

SECTION 4.01. ELECTED OFFICERS. The elected officers of the Corporation shall be a Chairman of the Board, a President and Chief Executive Officer, a Secretary, a Treasurer, and such other officers (including, without limitation, Senior Vice Presidents and Executive Vice Presidents and Vice Presidents) as the Board of Directors from time to time may deem proper. The Chairman of the Board shall be chosen from among the Directors. All officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. The Board of Directors or any committee thereof may from time to time elect, or the Chairman of the Board or President and Chief Executive Officer may appoint, such other officers (including one or more Vice Presidents, Controllers, Assistant Secretaries and Assistant Treasurers), as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these By-Laws or as may be prescribed by

the Board of Directors or such committee or by the Chairman of the Board or President and Chief Executive Officer, as the case may be.

SECTION 4.02. ELECTION AND TERM OF OFFICE. The elected officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held in conjunction with the annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until such person's successor shall have been duly elected and shall have qualified or until such person's death or until he shall resign or be removed pursuant to Section 4.08.

SECTION 4.03. CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board shall be responsible for the general management of the affairs of the Corporation and shall perform all duties incidental to

such person's office which may be required by law and all such other duties as are properly required of him by the Board of Directors. The Chairman of the Board shall make reports to the Board of Directors and the stockholders, and shall see that all orders and resolutions of the Board of Directors and of any committee thereof are carried into effect. The Chairman of the Board shall be the President and Chief Executive Officer of the Corporation if no other person has been elected as the President and Chief Executive Officer. The Board of Directors also may elect a Vice- Chairman to act in the place of the Chairman of the Board upon his or her absence or inability to act.

SECTION 4.04. PRESIDENT; CHIEF EXECUTIVE OFFICER. The President shall be the Chief Executive Officer of the Corporation, shall act in a general executive capacity and shall assist the Chairman of the Board in the administration and operation of the Corporation's business and general supervision of its policies and affairs. The President and Chief Executive Officer, if he or she is also a Director, shall, in the absence of or because of the inability to act of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of stockholders and of the Board of Directors.

SECTION 4.05. VICE PRESIDENTS. Each Senior Vice President and Executive Vice President and any Vice President shall have such powers and shall perform such duties as shall be assigned to such person by the Board of Directors or by the President and Chief Executive Officer.

SECTION 4.06. (a) TREASURER. The Treasurer shall exercise general supervision over the receipt, custody and disbursement of corporate funds. The Treasurer shall cause the funds of the Corporation to be deposited in such banks as may be authorized by the Board of Directors, or in such banks as may be designated as depositories in the manner provided by resolution of the Board of Directors. The Treasurer shall have such further powers and duties and shall be subject to such directions as may be granted or imposed from time to time by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer.

(b) The Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate one or more Assistant Treasurers who shall have such of the authority and perform such of the duties of the Treasurer as

may be assigned to them by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer. During the Treasurer's absence or inability, the Treasurer's authority and duties shall be possessed by such Assistant Treasurer(s) as the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate.

SECTION 4.07. SECRETARY. (a) The Secretary shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Board of Directors, the committees of the Board of Directors and the stockholders; shall see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law; shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal and shall see that the books, reports, statements,

certificates and other documents and records required by law to be kept and filed are properly kept and filed; and in general, shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer.

(b) The Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate one or more Assistant Secretaries who shall have such of the authority and perform such of the duties of the Secretary as may be provided in these By-Laws or assigned to them by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer. During the Secretary's absence or inability, the Secretary's authority and duties shall be possessed by such Assistant Secretary or Assistant Secretaries as the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate.

SECTION 4.08. REMOVAL. Any officer or agent of the Corporation may be removed by the affirmative vote of a majority of the Board of Directors whenever, in their judgment, the best interests of the Corporation would be served thereby. Any officer or agent appointed by the Chairman of the Board or the President and Chief Executive

Officer may be removed by him or her whenever, in such person's judgment, the best interests of the Corporation would be served thereby. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of such person's successor, such person's death, such person's resignation or such person's removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee benefit plan.

SECTION 4.09. VACANCIES. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors. Any vacancy in an office appointed by the Chairman of the Board or the President and Chief Executive Officer because of death, resignation, or removal may be filled by the Chairman of the Board or the President and Chief Executive Officer.

ARTICLE V

STOCK CERTIFICATES AND TRANSFERS

SECTION 5.01. STOCK CERTIFICATES AND TRANSFERS. The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the Corporation may from time to time prescribe. The shares of the stock of the Corporation shall be transferred on the books of the Corporation by the holder thereof in person or by such person's attorney, upon surrender for cancelation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require. The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe or as may otherwise be permitted by applicable law, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. Notwithstanding the foregoing provisions regarding share certificates, the Corporation may provide that, subject to the rights of stockholders under applicable law, some or all of any or all classes or series of the Corporation's common or any preferred shares may be uncertificated shares.

SECTION 5.02. LOST, STOLEN OR DESTROYED CERTIFICATES. No certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or any financial officer may in its or such person's discretion require.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.01. FISCAL YEAR. The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December of each year.

SECTION 6.02. DIVIDENDS. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 6.03. SEAL. The corporate seal shall have inscribed thereon the words "Corporate Seal," the year of incorporation and the word "Delaware."

SECTION 6.04. WAIVER OF NOTICE. Whenever any notice is required to be given to any stockholder or Director under the provisions of the DGCL or these By-Laws, a waiver thereof given in accordance with applicable law shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 6.05. AUDITS. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be done annually.

SECTION 6.06. RESIGNATIONS. Any Director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chairman of the Board, the President and Chief Executive Officer, or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the President and Chief Executive Officer, or the Secretary, or at such later time as is specified therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

ARTICLE VII

CONTRACTS, PROXIES, ETC.

SECTION 7.01. CONTRACTS. Except as otherwise required by law, the Certificate of Incorporation, a Preferred Stock Designation, or these By-Laws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board of Directors may determine. The Chairman of the Board, the President and Chief Executive Officer or any Senior Vice President, Executive Vice President or Vice President may execute bonds, contracts, deeds, leases and other instruments to be made or executed or for or on behalf of the Corporation. Subject to any restrictions imposed by the Board of Directors or the Chairman of the Board, the President and Chief Executive Officer or any Senior Vice President, Executive Vice President or Vice President of the Corporation may delegate contractual powers to others under such person's jurisdiction, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

SECTION 7.02. PROXIES. Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board, the President and Chief Executive Officer or any Senior Vice President, Executive Vice President or Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holders of stock or other securities in any other entity, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other entity, or to consent in accordance with applicable law, in the name of the Corporation as such holder, to any action by such other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may

execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such proxies, consents or other instruments as such person may deem necessary or proper in the premises.

ARTICLE VIII

AMENDMENTS

SECTION 8.01. AMENDMENTS. The By-Laws may be altered or repealed and new By-Laws may be adopted (a) at any annual or special meeting of stockholders by the affirmative vote of the holders of a majority of the voting power of the Voting Stock then outstanding, voting as a single class, PROVIDED, HOWEVER, that any proposed alteration or repeal of, or the adoption of any By-Law inconsistent with, Section 2.02, Section 2.07 or this Section 8.01 by the stockholders shall require the affirmative vote of the holders of at least 80% of the voting power of all Voting Stock then outstanding, voting together as a single class, and PROVIDED, FURTHER, HOWEVER, that, in the case of any such stockholder action at a special meeting of stockholders, notice of the proposed alteration, repeal or adoption of the new By-Law or By-Laws must be contained in the notice of such special meeting, or (b) by the affirmative vote of a majority of the Whole Board.

EXHIBIT 10.2

FORM OF 2001 STOCK OPTION PLAN OF ASBURY AUTOMOTIVE GROUP, INC.

Section 1. PURPOSE. The purposes of this Asbury Automotive Group, Inc. 2001 Stock Option Plan are to promote the interests of Asbury Automotive Group, Inc. and its shareholders by (i) attracting and retaining exceptional officers and other key employees of the Company and its Subsidiaries and (ii) enabling such individuals to participate in the long-term growth and financial success of the Company.

Section 2. DEFINITIONS. As used in the Plan, the following terms shall have the meanings set forth below:

"Affiliate" shall mean (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

"Award Agreement" shall mean any written agreement, contract, or other instrument or document evidencing any Option, which may, but need not, be executed or acknowledged by a Participant.

"Board" shall mean the Board of Directors of the Company.

"Change of Control" shall mean an event or series of events, not including any events occurring prior to or in connection with an initial public offering of Shares (including the occurrence of such initial public offering), by which:

(A) during any period of 24 consecutive calendar months, individuals:

(i) who were directors of the Company on the first day of such period, or

(ii) whose election or nomination for election to the Board was recommended or approved by at least a majority of the directors then still in office who were directors of the Company on the first day of such period, or whose election or nomination for election was so approved,

shall cease to constitute a majority of the Board;

(B) the Company consolidates with or merges into another corporation or conveys, transfers or leases all or substantially all of its property to any Person, or any corporation consolidates with or merges into the Company, in either event pursuant to a transaction in which the outstanding Shares are reclassified or changed into or exchanged for cash, securities or other assets, and the holders of Shares immediately prior to such transaction do not, as a result of such transaction, own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the Shares or the capital stock of its successor entity in such transaction; or

(C) any "person" (as such term is defined in Section 13(d) of the Exchange Act (or any successor section thereto)), corporation or other entity (other than (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, (iii) any

company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Shares or (iv) any entity or individual affiliated with Ripplewood Holdings L.L.C., a Delaware limited liability company, or its affiliates), becomes the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act (or any successor rule thereto)), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then-outstanding securities.

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

"Committee" shall mean the compensation committee of the Board, or such other committee of the Board as may be designated by the Board to administer the Plan.

"Company" shall mean Asbury Automotive Group, Inc., together with any successor thereto.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Fair Market Value" shall mean, (A) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee and (B) with respect to the Shares, as of any date, (i) the mean between the high and low sales prices of the Shares as reported on the composite tape for securities traded on the New York Stock Exchange for such date (or if not then trading on the New York Stock Exchange, the mean between the high and

low sales price of the Shares on the stock exchange or over-the-counter market on which the Shares are principally trading on such date), or, if there were no sales on such date, on the closest preceding date on which there were sales of Shares or (ii) in the event there shall be no public market for the Shares on such date, the fair market value of the Shares as determined in good faith by the Committee.

"Option" shall mean a right to purchase Shares from the Company that is granted under Section 6 of the Plan.

"Participant" shall mean any officer or other key employee of the Company or its Subsidiaries eligible for an Option under Section 5 of the Plan and selected by the Committee to receive an Option under the Plan.

"Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

"Plan" shall mean this Asbury Automotive Group, Inc. 2001 Stock Option Plan.

"Rule 16b-3" shall mean Rule 16b-3 as promulgated and interpreted by the SEC under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto and shall include the staff thereof.

"Shares" shall mean the common shares of the Company, $0.01 par value, or such other securities of the Company (i) into which such common shares shall be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of shares or other similar transaction or (ii) as may be determined by the Committee pursuant to Section 4(b).

"Subsidiary" shall mean (i) any entity that, directly or indirectly, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

"Substitute Options" shall have the meaning specified in Section 4(c).

Section 3. ADMINISTRATION.

(a) The Plan shall be administered by the Committee. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Options; (iii) determine the terms and conditions of any Option; (iv) determine whether, to what extent, and under what circumstances Options may be settled or exercised in cash, Shares, other securities, other Options or other property, or canceled, forfeited, or suspended and the method or methods by which options may be settled, exercised, canceled, forfeited, or suspended; (v) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Options, other property, and other amounts payable with respect to an Option shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vi) interpret, administer, reconcile any inconsistency, correct any default and/or supply any omission in the Plan and any instrument or agreement relating to, or Option made under, the Plan; (vii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (viii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(b) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Option shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, any Affiliate, any Participant, any holder or beneficiary of any Option, and any shareholder.

(c) No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option hereunder.

Section 4. SHARES AVAILABLE FOR OPTIONS.

(a) SHARES AVAILABLE. Subject to adjustment as provided in Section 4(b), the aggregate number of Shares with respect to which Options may be granted under the Plan shall be[o]; and the maximum number of Shares with respect to which Options may be granted to any Participant in any fiscal year shall be [o]. If, after the effective date of the Plan, any Shares covered by an Option granted under the Plan, or to which such an Option relates, are forfeited, or if an Option has expired, terminated or been canceled for any reason whatsoever (other than by reason of exercise or vesting), then the Shares covered by such Option shall again be, or shall become, Shares with respect to which Options may be granted hereunder.

(b) ADJUSTMENTS. In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Committee in its discretion to be appropriate or desirable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable or desirable, adjust any or all of (i) the number of Shares or other securities of the Company (or number and kind of other securities or property) with respect to which Options may be granted; (ii) the number of Shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Options and (iii) the exercise price with respect to any Option or, if deemed appropriate or desirable, make provision for a cash payment to the holder of an outstanding Option in consideration for the cancellation of such Option in an amount equal to the excess, if any, of the Fair Market Value of the Shares subject to the Options over the aggregate exercise price of such Option.

(c) SUBSTITUTE OPTIONS. Options may, in the discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by the Company or its Affiliates or a

company acquired by the Company or with which the Company combines ("Substitute Options"). The number of Shares underlying any Substitute Options shall be counted against the aggregate number of Shares available for Options under the Plan.

(d) SOURCES OF SHARES DELIVERABLE UNDER OPTIONS. Any Shares delivered pursuant to an Option may consist, in whole or in part, of authorized and unissued Shares or of treasury Shares.

Section 5. ELIGIBILITY. Any officer or other key employee of the Company or any of its Subsidiaries (including any prospective officer or key employee) shall be eligible to be designated a Participant.

Section 6. STOCK OPTIONS.

(a) GRANT. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the Participants to whom Options shall be granted, the number of Shares to be covered by each Option, and the conditions and limitations applicable to the exercise of the Option.

(b) EXERCISE PRICE. Except as otherwise established by the Committee at the time an Option is granted and set forth in the applicable Award Agreement, the exercise price of each share covered by an Option shall be the Fair Market Value of such Share

(determined as of the date the option is granted); PROVIDED, HOWEVER, that the exercise price of each Share covered by an Option which is granted effective as of the Company's initial public offering of Shares shall be the initial public offering price per share.

(c) EXERCISE. Each Option shall be vested and exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable Award Agreement or thereafter. Except as otherwise specified by the Committee in the Award Agreement, half of the Options which are granted to a Participant effective as of the Company's initial public offering of Shares shall become vested and exercisable with respect to 50% of the Shares subject to such Options on each of the first two anniversaries of the date of grant; the other half of the Options which are granted to a Participant as of such date, and all Options which are granted thereafter, shall become vested and exercisable with respect to one-third of the Shares subject to such Options on each of the first three anniversaries of the date of grant. The Committee may impose such conditions with respect to the exercise of Options, including without limitation, any relating to the application of federal or state securities laws, as it may deem necessary or advisable.

(d) PAYMENT.

(i) No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the aggregate exercise price therefor is received by the Company. Such payment may be made in cash, or its equivalent, or (x) by exchanging Shares owned by the optionee (which are not the subject of any pledge or other security interest and which have been owned by such optionee for at least 6 months), or (y) if there shall be a public market for the Shares at such time, subject to such rules as may be established by the Committee, through delivery of irrevocable instructions to a broker to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the aggregate exercise price, or by a combination of the foregoing; PROVIDED that the combined value of all cash and cash equivalents and the Fair Market Value of any such Shares so tendered to the Company as of the date of such tender is at least equal to such aggregate exercise price.

(ii) Wherever in this Plan or any Award Agreement a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Option.

(e) EXPIRATION. Each Option shall expire immediately, without any payment, upon the earlier of (i) the tenth anniversary of the date the Option is granted, or (ii) the

date the Participant who is holding the Option ceases to be employed by the Company or one of its subsidiaries (except as otherwise specified in the applicable Award Agreement).

Section 7. AMENDMENT AND TERMINATION.

(a) AMENDMENTS TO THE PLAN. The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; PROVIDED that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan; and PROVIDED FURTHER that any such amendment, alteration, suspension, discontinuance or termination that would impair the rights of any Participant or any holder or beneficiary of any Option theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(b) AMENDMENTS TO OPTIONS. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Option theretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights of any Participant or any holder or beneficiary of any Option theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(c) ADJUSTMENT OF OPTIONS UPON THE OCCURRENCE OF CERTAIN UNUSUAL OR NONRECURRING EVENTS. The Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, Options in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4(b) hereof) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

Section 8. CHANGE OF CONTROL. In the event of a Change of Control after the date of the adoption of this Plan, any outstanding Options then held by Participants, which are unexercisable or otherwise unvested, shall automatically be deemed exercisable or otherwise vested, as the case may be, as of immediately prior to such Change of Control.

Section 9. GENERAL PROVISIONS.

(a) NONTRANSFERABILITY. Except as otherwise specified in the applicable Award Agreement, each Option shall be exercisable only by the Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative, and no Option may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(b) NO RIGHTS TO OPTIONS. No Participant or other Person shall have any claim to be granted any Option, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Options. The terms and conditions of Options and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

(c) SHARE CERTIFICATES. All certificates for Shares or other securities of the Company or any Affiliate delivered under the Plan pursuant to any Option or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Shares or other securities are then listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) WITHHOLDING.

(i) A Participant may be required to pay to the Company or any Affiliate and the Company or any Affiliate shall have the right and is hereby authorized to withhold from any Option, from any payment due or transfer made under any Option or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Option or other property) of any applicable withholding taxes in respect of an Option, its exercise, or any payment or transfer under an Option or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(ii) Without limiting the generality of clause (i) above, a Participant may satisfy, in whole or in part, the foregoing withholding liability by delivery of Shares owned by the Participant (which are not subject to any pledge or other

security interest and which have been owned by the Participant for at least 6 months) with a Fair Market Value equal to such withholding liability or by having the Company withhold from the number of Shares otherwise issuable pursuant to the exercise of the option a number of Shares with a Fair Market Value equal to such withholding liability.

(e) AWARD AGREEMENTS. Each Option hereunder shall be evidenced by an Award Agreement, which shall be delivered to the Participant and shall specify the terms and conditions of the Option and any rules applicable thereto, including but not limited to the effect on such Option of the death, disability or termination of employment or service of a Participant, and the effect, if any, of such other events as may be determined by the Committee.

(f) NO LIMIT ON OTHER COMPENSATION ARRANGEMENTS. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of options (subject to shareholder approval if such approval is required), and such arrangements may be either generally applicable or applicable only in specific cases.

(g) NO RIGHT TO EMPLOYMENT. The grant of an Option shall not be construed as giving a Participant the right to be retained in the employ of, or in any consulting relationship to, the Company or any Affiliate. Further, the Company or an Affiliate may at any time dismiss a Participant from employment or discontinue any consulting relationship, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement.

(h) NO RIGHTS AS SHAREHOLDER. Subject to the provisions of the applicable Option, no Participant or holder or beneficiary of any Option shall have any rights as a shareholder with respect to any Shares to be distributed under the Plan until he or she has become the holder of such Shares.

(i) GOVERNING LAW. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

(j) SEVERABILITY. If any provision of the Plan or any Option is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or option, or would disqualify the Plan or any Option under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option,

such provision shall be stricken as to such jurisdiction, Person or Option and the remainder of the Plan and any such Option shall remain in full force and effect.

(k) OTHER LAWS. The Committee may refuse to issue or transfer any Shares or other consideration under an Option if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or such other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the Exchange Act, and any

payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Option shall be promptly refunded to the relevant Participant, holder or beneficiary. Without limiting the generality of the foregoing, no Option granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. federal and any other applicable securities laws.

(l) NO TRUST OR FUND CREATED. Neither the Plan nor any Option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Option, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

(m) NO FRACTIONAL SHARES. No fractional Shares shall be issued or delivered pursuant to the Plan or any Option, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.

(n) HEADINGS. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

Section 10. TERM OF THE PLAN.

(a) EFFECTIVE DATE. The Plan shall be effective as of the date of its approval by the Board.

(b) EXPIRATION DATE. No Option shall be granted under the Plan after December 31, 2011. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Option granted hereunder may, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Option

or to waive any conditions or rights under any such Option shall, nevertheless continue thereafter.

EXHIBIT 10.3

FORM OF EMPLOYEE STOCK PURCHASE PLAN OF ASBURY AUTOMOTIVE GROUP, INC.

This Asbury Automotive Group, Inc. Employee Stock Purchase Plan (this "PLAN") provides eligible employees of Asbury Automotive Group, Inc. (the "CORPORATION") and certain of its subsidiaries with opportunities to purchase shares of the Corporation's Common Stock, $0.01 par value per share (the "COMMON STOCK"). The Plan is intended to benefit the Corporation by increasing the employees' interest in the Corporation's growth and success and encouraging employees to remain in the employ of the Corporation or its participating subsidiaries. The Plan is intended to constitute an "employee stock purchase plan" within the meaning of section 423 of the Internal Revenue Code of 1986, as amended (the "CODE"), and shall be so applied and interpreted.

1. SHARES SUBJECT TO THE PLAN. Subject to adjustment as provided herein, the aggregate number of shares of Common Stock that may be made available for purchase under the Plan is [ ] shares. The shares purchased under the Plan may, in the discretion of the Board of Directors of the Corporation (the "BOARD"), be authorized but unissued shares of Common Stock, shares purchased on the open market, or shares from any other proper source.

2. ADMINISTRATION. The Plan will be administered by the Board or by a committee appointed by the Board (the "ADMINISTRATOR"). The Administrator has authority to interpret the Plan, to make, amend and rescind all rules and regulations for the administration and operation of the Plan, and to make all other determinations necessary or desirable in administering and operating the Plan, all of which will be final and conclusive. No member of the Administrator shall be liable for any action or determination made in good faith with respect to the Plan.

3. ELIGIBILITY. All employees of the Corporation, including directors who are employees, and all employees of any subsidiary of the Corporation (as defined in Code section 424(f)), now or hereafter existing, that is designated by the Administrator from time to time as a participating employer under the Plan (a "DESIGNATED SUBSIDIARY"), are eligible to participate in the Plan, subject to such further eligibility requirements as may be specified by the Administrator consistent with Code section 423.

4. OPTIONS TO PURCHASE COMMON STOCK.

(a) Options ("OPTIONS") will be granted pursuant to the Plan to each eligible employee on the first day on which the New York Stock Exchange is open for trading ("TRADING DAY") on or after January 1 of each year commencing on or after the Effective Date (as defined in Section 18), or such other date specified by the Administrator. Each Option will terminate on the last Trading Day of a period specified by the Administrator (each such period referred to herein as an "OPTION PERIOD"). No Option Period shall be longer than 27 months in duration. Unless the Administrator determines otherwise, subsequent Option Periods of equal duration will follow consecutively thereafter, each commencing on the first Trading Day immediately after the expiration of the preceding Option Period.

(b) An individual must be employed as an eligible employee by the Corporation or a Designated Subsidiary on the first Trading Day of an Option Period in order to be granted an Option for that Option Period. However, the Administrator may designate any subsequent Trading Day(s) (each such designated Trading Day referred to herein as an "INTERIM TRADING DAY") in an Option Period upon which Options will be granted to eligible employees who first commence employment with, or first become eligible employees of, the Corporation or a Designated Subsidiary after the first Trading Day of the Option Period.

In such event, the Interim Trading Day shall constitute the first Trading Day of the Option Period for all Options granted on such day for all purposes under the Plan.

(c) Each Option represents a right to purchase on the last Trading Day of the Option Period or on one or more Trading Days within the Option Period designated by the Administrator (each such designated Trading Day and the last Trading Day of the Option Period, a "PURCHASE DATE"), at the Purchase Price hereinafter provided for, whole shares of Common Stock up to such maximum number

of shares specified by the Administrator on or before the first day of the Option Period. All eligible employees granted Options under the Plan for an Option Period shall have the same rights and privileges with respect to such Options. The purchase price of each share of Common Stock (the "PURCHASE PRICE") subject to an Option will be determined by the Administrator, in its discretion, on or before the beginning of the Option Period; provided, however, that the Purchase Price for an Option with respect to any Option Period shall never be less than the lesser of 85 percent of the Fair Market Value of the Common Stock on (i) the first Trading Day of the Option Period or (ii) the Purchase Date, and shall never be less than the par value of the Common Stock.

(d) For purposes of the Plan, "FAIR MARKET VALUE" on a Trading Day means (i) the mean between the high and low sales prices per share of Common Stock as reported on the composite tape for securities traded on the New York Stock Exchange for such date (or if not then trading on the New York Stock Exchange, the mean between the high and low sales prices per share of Common Stock on the stock exchange or over-the-counter market on which the shares of Common Stock are principally trading on such date), or, if there were no sales on such date, on the closest preceding date on which there were sales of shares of Common Stock or (ii) in the event there shall be no public market for the shares of Common Stock on such date, the fair market value of the shares of Common Stock as determined in good faith by the Administrator.

(e) Notwithstanding any provision in this Plan to the contrary, no employee shall be granted an Option under this Plan if such employee, immediately after the Option would otherwise be granted, would own 5% or more of the total combined voting power or value of the stock of the Corporation or any subsidiary. For purposes of the preceding sentence, the attribution rules of Code section 424(d) will apply in determining the stock ownership of an employee, and all stock which the employee has a contractual right to purchase will be treated as stock owned by the employee.

(f) Notwithstanding any provision in this Plan to the contrary, no employee may be granted an Option which permits his rights to purchase Common Stock under this Plan and all other stock purchase plans of the Corporation and its subsidiaries to accrue at a rate which exceeds $25,000 of the fair market value of such Common Stock (determined at the time such Option is granted) for each calendar year in which the Option is outstanding at any time, as required by Code section 423.

5. PAYROLL DEDUCTIONS AND CASH CONTRIBUTIONS.

To facilitate payment of the Purchase Price of Options, the Administrator, in its discretion, may permit eligible employees to authorize payroll deductions to be made on each payday during the Option Period, and/or to contribute cash or cash-equivalents to the Corporation, up to a maximum amount determined by the Administrator. The Corporation will maintain bookkeeping accounts for all employees who authorize payroll deduction or make cash contributions. Interest will not be paid on any employee accounts, unless the Administrator determines otherwise. The Administrator shall establish rules and procedures, in its discretion, from time to time regarding elections to authorize payroll deductions, changes in such elections, timing and manner of cash contributions, and withdrawals from employee accounts. Amounts credited to employee accounts on the Purchase Date will be applied to the payment of the Purchase Price of outstanding Options pursuant to Section 6 below.

6. EXERCISE OF OPTIONS; PURCHASE OF COMMON STOCK. Options shall be exercised at the close of business on the Purchase Date. In accordance with rules established by the Administrator, the Purchase Price of Common Stock subject to an option shall be paid (i) from funds credited to an eligible employee's account or (ii) by such other method as the Administrator shall determine from time to time. Options shall be exercised only to the extent the purchase price is paid with respect to whole shares of Common Stock. Any balance remaining in an employee's account on a Purchase Date after such purchase of Common Stock will be carried forward automatically into the employee's account for the next Purchase Date or Option Period, as applicable, unless the employee is not an eligible employee with respect to the next Purchase Date or Option Period, as applicable, in which case such amount will be promptly refunded without interest.

7. ISSUANCE OF CERTIFICATES. As soon as practicable following each Purchase Date, certificates representing shares of Common Stock purchased under the Plan will be issued only in the name of the employee, in the name of the employee and another person of legal age as joint tenants with rights of survivorship, or (in the Administrator's sole discretion) in the street name of a brokerage firm, bank or other nominee holder designated by the employee or the Administrator.

8. RIGHTS ON RETIREMENT, DEATH, TERMINATION OF EMPLOYMENT, OR TERMINATION OF STATUS AS ELIGIBLE EMPLOYEE. In the event of an employee's termination of employment or termination of status as an eligible employee prior to a Purchase Date (whether as a result of the employee's voluntary or involuntary termination, retirement, death or otherwise), any outstanding Option granted to him will immediately terminate, no further payroll deduction will be taken from any pay due and owing to the employee and the balance in the employee's account will be paid without interest to the employee or, in the event of the employee's death, (a) to the executor or administrator of the employee's estate or (b) if no such executor or administrator has been appointed to the knowledge of the Administrator, to such other person(s) as the Administrator may, in its discretion, designate. If, prior to a Purchase Date, the Designated Subsidiary by which an employee is employed ceases to be a subsidiary of the Corporation, or if the employee is transferred to a subsidiary of the Corporation that is not a Designated Subsidiary, the employee will be deemed to have terminated employment for the purposes of this Plan.

9. OPTIONEES NOT STOCKHOLDERS. Neither the granting of an Option to an employee nor the deductions from his pay will constitute such employee a stockholder of the shares of Common Stock covered by an Option under this Plan until such shares have been purchased by and issued to him.

10. OPTIONS NOT TRANSFERABLE. Options under this Plan are not transferable by a participating employee other than by will or the laws of descent and distribution, and are exercisable during the employee's lifetime only by the employee.

11. WITHHOLDING OF TAXES. To the extent that a participating employee realizes ordinary income in connection with the purchase, sale or other transfer of any shares of Common Stock purchased under the Plan or the crediting of interest to the employee's account, the Corporation may withhold amounts needed to cover such taxes from any payments otherwise due and owing to the participating employee or from shares that would otherwise be issued to the participating employee hereunder. Any participating employee who sells or otherwise transfers shares purchased under the Plan must, within 30 days of such sale or transfer, notify the Corporation in writing of the sale or transfer.

12. APPLICATION OF FUNDS. All funds received or held by the Corporation under the Plan may be used for any corporate purpose until applied to the purchase of Common Stock and/or refunded to participating employees and can be commingled with other general corporate funds. Participating employees' accounts will not be segregated.

13. EFFECT OF CHANGES IN CAPITALIZATION.

(a) CHANGES IN STOCK. If the number of outstanding shares of Common Stock is increased or decreased or the shares of Common Stock are changed into or exchanged for a different number or kind of shares or other securities of the Corporation by reason of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend, or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Corporation occurring after the effective date of the Plan, the number and kind of shares that may be purchased under the Plan shall be adjusted proportionately and accordingly by the Corporation. In addition, the number and kind of shares for which Options are outstanding shall be similarly adjusted so that the proportionate interest, if any, of a participating employee immediately following such event shall, to the extent practicable, be the same as immediately prior to such event. Any such adjustment in outstanding Options shall not change the aggregate Purchase Price payable by a participating employee with respect to shares subject to such Options, but shall include a corresponding proportionate adjustment in the Purchase Price per share.

(b) REORGANIZATION IN WHICH THE CORPORATION IS THE SURVIVING CORPORATION. Subject to Subsection (c) of this Section 13, if the Corporation shall be the surviving corporation in any reorganization, merger or consolidation of the Corporation with one or more other corporations, all outstanding Options under the Plan shall pertain to and apply to the securities to which a holder of the number of shares of Common Stock subject to such Options would have been entitled immediately following such reorganization, merger or consolidation, with a corresponding proportionate adjustment of the Purchase Price per share so that the aggregate Purchase Price thereafter shall be the same as the aggregate Purchase Price of the shares subject to such Options immediately prior to such reorganization, merger or consolidation.

(c) REORGANIZATION IN WHICH THE CORPORATION IS NOT THE SURVIVING CORPORATION OR SALE OF ASSETS OR STOCK. Upon any dissolution or liquidation of the

Corporation, or upon a merger, consolidation or reorganization of the Corporation with one or more other corporations in which the Corporation is not the surviving corporation, or upon a sale of all or substantially all of the assets of the Corporation to another corporation, or upon any transaction (including, without limitation, a merger or reorganization in which the Corporation is the surviving corporation) approved by the Board that results in any person or entity owning more than 50 percent of the combined voting power of all classes of stock of the Corporation, the Plan and all Options outstanding hereunder shall terminate, except to the extent provision is made in writing in connection with such transaction for the continuation of the Plan and/or the assumption of the Options theretofore granted, or for the substitution for such Options of new Options covering the stock of a successor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and

kinds of shares and exercise prices, in which event the Plan and Options theretofore granted shall continue in the manner and under the terms so provided. In the event of any such termination of the Plan, the Option Period shall be deemed to have ended on the last Trading Day prior to such termination, and, unless the Administrator determines otherwise in its discretion, each participating employee shall have the ability to choose either to (i) have all monies then credited to such employee's account (including interest, to the extent any has accrued) returned to such participating employee or (ii) exercise his Options in accordance with Section 6 on such last Trading Day; provided, however, that if a participating employee does not exercise his right of choice, his Options shall be deemed to have been automatically exercised in accordance with Section 6 on such last Trading Day. The Administrator shall send written notice of an event that will result in such a termination to all participating employees not later than the time at which the Corporation gives notice thereof to its stockholders.

(d) ADJUSTMENTS. Adjustments under this Section 13 related to stock or securities of the Corporation shall be made by the Committee, whose determination in that respect shall be final, binding, and conclusive.

(e) NO LIMITATIONS ON CORPORATION. The grant of an Option pursuant to the Plan shall not affect or limit in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

14. AMENDMENT OF THE PLAN. The Board may at any time, and from time to time, amend this Plan in any respect, except that (a) if the approval of any such amendment by the stockholders of the Corporation is required by Code section 423, such amendment will not be effected without such approval, and (b) in no event may any amendment be made which would cause the Plan to fail to comply with Code section 423 unless expressly so provided by the Board.

15. INSUFFICIENT SHARES. In the event that the total number of shares of Common Stock specified in elections to be purchased under any Option plus the number of shares purchased under all Options previously granted under this Plan exceeds the maximum number of shares issuable under this Plan, the Administrator will allot the shares then available on a pro rata basis. Any funds then remaining in a participating employee's account after purchase of the employee's pro-rata number of shares will be refunded.

16. TERMINATION OF THE PLAN. This Plan may be terminated at any time by the Board. Except as otherwise provided in Section 13(c) hereof, upon termination of this Plan all outstanding Options shall immediately terminate and amounts in the employees' accounts will be promptly refunded without interest.

17. GOVERNMENTAL REGULATIONS.

(a) The Corporation's obligation to sell and deliver Common Stock under this Plan is subject to listing on a national stock exchange or quotation on the National Association of Securities Dealers Automated Quotation system and the approval of all governmental authorities required in connection with the authorization, issuance or sale of such stock.

(b) The Plan will be governed by the laws of the State of Delaware, without regard to the conflict of laws principles thereof, except to the extent that such law is preempted by federal law.

18. EFFECTIVE DATE. The Plan is effective as of January 1, 2002 (the

"EFFECTIVE DATE"), subject to approval of the Plan by the stockholders of the Corporation within 12 months of the Effective Date.

EXHIBIT 10.5

EMPLOYMENT AGREEMENT OF THOMAS R. GIBSON

EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of January 1, 2001, among Asbury Automotive Group L.L.C., a Delaware limited liability company ("Asbury Automotive" or the "Company"), and Thomas R. Gibson ("Executive").

WHEREAS, the Company and Executive were parties to a certain employment agreement which has since expired; and

WHEREAS, the Company and Executive have continued in their employment relationship; and

WHEREAS the Company wishes to continue the employment of Executive, and Executive wishes to continue such employment, on the following terms and conditions, effective as of January 1, 2001;

WHEREAS, Executive is a party to the Third Amended and Restated Limited Liability Company Agreement of Asbury Automotive dated as of February 1, 2000(the "LLC Agreement");

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the Company and Executive hereby agree as follows:

1. AGREEMENT TO EMPLOY. Upon the terms and subject to the conditions of this Agreement, the Company hereby agrees to continue to employ Executive and Executive hereby accepts employment by the Company.

2. TERM; POSITION AND RESPONSIBILITIES.

(a) TERM OF EMPLOYMENT. Unless this Agreement shall sooner terminate due to the termination of Executive's employment pursuant to Section 6, the Company shall employ Executive pursuant hereto for a term commencing the date hereof and ending on the earlier of (i) December 31, 2003 (the "Termination Date); (ii) on the date of the consummation of an IPO (as defined in the LLC Agreement) or

a Merger Conversion (as defined in the LLC Agreement); and (iii) 60 days after Executive delivers written irrevocable notice to the board of directors of the Company (the "Board") that this Agreement is terminated (such term referred to herein as the "Employment Period"). On or before the date that is 30 days prior to the Termination Date, the Company will advise Executive whether the Company desires to extend Executive's employment beyond the Termination Date, and, if the Company desires to extend Executive's employment, the Company and Executive will negotiate in good faith the terms of such extension prior to the Termination Date. If the Company does not elect to extend Executive's employment beyond the Termination Date, Executive may search for another position, provided that such job search does not materially interfere with Executive's performance of his duties hereunder.

(b) POSITION AND RESPONSIBILITIES. During the Employment Period, Executive will be a member of the Board and will be employed as Chairman of the Company, provided that effective at any time subsequent to January 1, 2002, the Board may in its sole discretion, change or authorize the change of Executive's title. During the Employment Period, Executive's responsibilities will be designated by the Chief Executive Officer in his sole discretion to include but not be limited to manufacturer relations, developing leads for acquisitions and supporting the acquisition group as needed and special projects. Executive will devote all of his skill, knowledge and working time (except for (i) reasonable vacation time and absence for sickness or similar disability and (ii) to the extent that it does not interfere with the performance of Executive's duties hereunder and is in compliance with normal policies of the Company, such reasonable time as may be devoted to (x) the fulfillment of civic responsibilities and (y) serving as a director on the board of directors of IKON Office Solutions, Inc.) to the conscientious performance of such duties. Executive will continue as a member of the Board subject to the mutual consent of Executive and the Board. Executive represents that he is entering into this

Agreement voluntarily and that his employment and compliance by him with the terms and conditions of this Agreement will not conflict with or result in the breach of any agreement to which he is a party or by which he may be bound. The term "Affiliate" means, with respect to any person, any other person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first person; for purposes of the

foregoing definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

3. COMPENSATION.

(a) SALARY. As full compensation for all services to be rendered by Executive in the capacities referred to in the Agreement, the Company shall pay to the Executive during the Employment Period an annual salary as follows: (i) for the period January 1, 2001 through March 16, 2001 a prorated salary based upon the rate of $525,000 per annum; (ii) for the period March 17, 2001 through the balance of the Employment Period a prorated salary based upon the rate of $250,000 per annum, payable in arrears in substantially equal monthly installments.

(b) PURCHASE OF CARRIED INTEREST. Promptly following the execution of this Agreement and the receipt of all necessary consents and authorizations, the Company agrees to buy from Executive , and Executive agrees to sell to the Company, Executive's Carried Interest (as such term is defined in the LLC Agreement) for a purchase price equal to $2,250,000, and each of the Company and Executive agrees to enter into an Assignment Agreement, substantially in the form of Exhibit A hereto, concurrently with such purchase and sale. Executive represents and warrants to the Company that he is the direct owner of the Carried Interest, that his Carried Interest in the Company is 2.95%, and other than the membership interest in the Company held by Gibson Family Partnership, L.P. as described in the LLC Agreement, neither he nor any of his Affiliates (i) holds directly or indirectly an equity interest in the Company, Asbury Automotive Holdings, L.L.C. ("AAH") or any Affiliate thereof, or (ii) holds or is a party to any other security, commitment, contract, arrangement or undertaking obligating the Company, AAH or any Affiliate thereof to provide Executive or any Affiliate of Executive additional equity interests in the Company, AAH or any Affiliate thereof or that give Executive or any Affiliate of Executive any right to receive any economic benefit derived from the economic benefits and rights accruing to the members of the Company, AAH or any Affiliate thereof.

4. BENEFITS AND EXPENSES

(a) GENERAL. During the Employment Period, employee benefits, including life, medical, dental and disability insurance, and executive perquisites will be provided to Executive, in accordance with benefit plans of the Company available to Executive as of the date hereof.

(b) VACATION. Executive shall be entitled to four weeks of paid vacation per year.

(c) CERTAIN CLUB DUES. The Company shall reimburse Executive for annual dues for membership in one country club selected by Executive.

(d) AUTOMOBILE. The Company shall reimburse Executive for the cost (up to $2,000 per month) of leasing and operating one automobile.

(e) EXPENSES. The Company shall reimburse Executive for reasonable travel, lodging and meal expenses incurred by him in connection with his performance of services hereunder upon submission of evidence, satisfactory to the Company, of the incurrence and purpose of each such expense.

5. LIMITATION ON EXPENSES AND CERTAIN BENEFITS. The Company shall establish on an annual basis a budget for Executive's expenses and benefits, including, without limitation, rent and utilities for Executive's office space,

secretarial support, travel and entertainment.

6. TERMINATION OF EMPLOYMENT.

(a) TERMINATION DUE TO DEATH OR DISABILITY. Executive's employment shall automatically terminate upon his death or Disability. For purposes of this Agreement, "Disability" shall mean a physical or mental disability or infirmity that prevents the performance by Executive of his duties hereunder lasting (or likely to last, based on competent medical evidence presented to the Board) for a continuous period of six months or longer. The reasoned and good faith judgment of the Board as to Disability shall be final and shall be based on such competent medical evidence as shall be presented to it by Executive or by any physician or group of physicians or other competent medical experts employed by Executive or the Company to advise the Board.

(b) TERMINATION BY THE BOARD FOR CAUSE. Executive's employment with the Company may be terminated for "Cause" by the Board. "Cause" shall mean (i) the willful failure of Executive substantially to perform his duties hereunder (other than such failure due to physical or mental illness) for at least 10 days after a demand for substantial performance is delivered to Executive by the Board, which notice identifies the manner in which the Board believes that Executive has not substantially performed his duties hereunder, (ii) Executive's engaging in serious misconduct that is injurious to the Company or any of its Affiliates, (iii) Executive's conviction of, or entering a plea of NOLO CONTENDERE to, a crime that constitutes a felony involving moral turpitude, or (iv) the breach by Executive of any written covenant or agreement with the Company or any of their Affiliates not to disclose any information pertaining to the Company or any of their Affiliates or not to compete or interfere with the Company or any of the Affiliates, including without limitation the covenants set forth in Sections 7, 8, 9 and 10 hereof.

(c) TERMINATION WITHOUT CAUSE. A termination "Without Cause" shall mean a termination of employment by the Board other than due to death or Disability as described in Section 6(a) or Cause as defined in Section 6(b).

(d) TERMINATION BY EXECUTIVE. Executive may terminate his employment for "Good Reason". "Good Reason" shall mean a termination of employment by Executive within 30 days following (i) any material breach by the Company of its obligations under this Agreement, or (ii) the failure of the Company to obtain the assumption of this Agreement by any successor as contemplated by Section 12, PROVIDED that (i) Executive shall have given the Company written notice of the circumstances constituting Good Reason and the Company shall have failed to cure such circumstances within 20 days, and (ii) Executive shall not have caused the occurrence constituting "Good Reason" through the exercise of his authority as an officer of the Company.

(e) NOTICE AND EFFECT OF TERMINATION. Any termination of Executive's employment by the Board pursuant to Section 6(a) (in the case of Disability), 6(b) or 6(c), or by Executive pursuant to Section 6(d), shall be communicated by a written "Notice of Termination" addressed to the other party to this Agreement. A "Notice of Termination" shall mean a notice stating that Executive's

employment hereunder has been or will be terminated, indicating the specific termination provisions in this Agreement relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination of employment. Upon any termination of Executive's employment, this Agreement shall terminate, except as set forth in Section 6(h), but Executive's employment may continue at the discretion of the Board upon the expiration or termination of this Agreement.

(f) PAYMENTS UPON CERTAIN TERMINATIONS.

(i) TERMINATION WITHOUT CAUSE OR FOR GOOD REASON; NONRENEWAL. (A) In the event of a termination of Executive's employment with the Company by the Board Without Cause or a termination by Executive of his employment with the Company for Good Reason, the Company shall pay to Executive his salary at the annual rate in effect immediately prior to the Date of Termination (it being agreed that such salary is not less than $250, 000), if any, for the period from the Date of Termination (as defined in Section 6(g) below) through the last day of the Employment Period; PROVIDED that the Company may, at any time, pay to Executive in a single lump sum an

amount equal to the Board's good faith determination of the present values of the installments of the salary remaining to be paid to Executive, as of the date of such lump sum payment, calculated using a discount rate equal to the then prevailing interest rate payable on senior indebtedness of an issuer rated "B" by Moody's Investors Service or Standard & Poor's (or the then equivalent rating) having a term as close as practicable to the period from the date of termination of employment through the last day of the Employment Period.

(B) In addition, for so long as Executive is receiving (or, but for the lump sum payment referred to in the proviso to Section 6(f)(i)(A) or Section 6(f)(i)(C), would receive) his full salary pursuant to the preceding sentence or pursuant to Section 6(f)(i)(C), Executive will continue to receive the benefits to which he was entitled pursuant to Sections 4(a), (c) and (d) as of the Date of Termination, and Executive will be entitled to any vested benefits under any employee benefit plans and, subject to the terms of the applicable stock option plans and stock option agreement, to exercise any then

exercisable and vested stock options. If for any reason at any time the Company is unable to treat Executive as being or having been an employee of the Company under any benefits plan in which he is entitled to participate and as a result thereof Executive receives reduced benefits under such plan during the period that Executive is continuing to receive his full base salary, the Company shall provide Executive with such benefits by direct payment or at the Company's option by making available equivalent benefits (on a tax equivalent basis) from other sources. During the period that Executive continues to receive his full salary pursuant to Section 6(f)(i)(A) or Section 6(f)(i)(C), Executive shall not be entitled to participate in any of the Company's employee benefit plans that are introduced after the Date of Termination or the date of consummation of the IPO, as the case may be, except that an appropriate adjustment shall be made if such new employee benefit plan is a replacement for or amendment to an employee benefit plan in effect as of the Date of Termination or the date of consummation of the IPO, as the case may be.

(C) In the event that Employment Period ends as a result of clause (ii) of Section 2(a), the Company shall pay to Executive his base salary at the annual rate then in effect immediately prior to the date of consummation of the IPO (it being agreed that such salary is not less than $250, 000), for a period of one year from the date on which Executive's employment is terminated pursuant to clause (ii) of Section 2(a); PROVIDED that the Company may, at any time, pay the Executive a single lump sum as specified in the proviso to Section 6(f)(i)(A).

(ii) TERMINATION UPON DEATH OR DISABILITY OR FOR CAUSE. If Executive's employment shall terminate upon his death or Disability or if the Board shall terminate Executive's employment for Cause, the Company shall pay Executive his full salary through the Date of Termination at the annual rate in effect immediately prior to the Date of Termination.

(iii) OTHER TERMINATIONS BY EXECUTIVE. If Executive shall voluntarily terminate his employment with the Company for other than Good Reason, he shall be paid his salary through his Date of Termination.

(g) DATE OF TERMINATION. As used in this Agreement, the term "Date of Termination" shall mean (i) if Executive's employment is terminated by his death, the date of his death, (ii) if Executive's employment is terminated by the Board for Cause, the date on which Notice of Termination is given as contemplated by Section 6(e), and (iii) if Executive's employment is terminated by the Board Without Cause, due to Executive's Disability or by Executive for Good Reason, 30 days after the date on which Notice of Termination is given as contemplated by Section 6(e) or, if no such Notice is given, 30 days after the date of termination of employment.

(h) LIMITATION. Anything in this Agreement to the contrary notwithstanding, Executive's entitlement or payments under Section 6(f) or under any other plan or agreement shall be limited to the extent necessary so that no payment to be made to Executive on account or termination of his employment with the Company will be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), as then in effect, but only if, by reason of such limitation, Executive's net after tax benefit shall

exceed the net after tax benefit if such reduction were not made. "Net after tax benefit" shall mean (i) the sum of all payments and benefits that Executive is then entitled to receive under Section 6(f) or under any other plan or agreement that would constitute a "parachute payment" within the meaning of Section 280G of the Code, less (ii) the amount of federal income tax payable with respect to the payments and benefits described in clause (i) above calculated at the maximum marginal income tax rate for each year in which such payments and benefits shall be paid to Executive (based upon the rate in effect for such year as set forth in the Code at the time of the first payment of the foregoing), less (iii) the amount of excise tax imposed with respect to the payments and benefits described in clause (i) above by Section 4999 of the Code. Any limitation under this Section 6(h) of Executive's entitlement to payments shall be made in the manner and in the order directed by Executive. Upon Executive's request and if the Company qualifies under Section 280G of the Code, the Company will use its reasonable efforts to obtain the vote of more than 75% of all of the voting interests of the Company held by persons other than Executive to approve Executive's entitlement or payments under Section 6(f) or under any other plan or agreement and to waive the restrictions of this Section 6(h).

(i) PURCHASE OF EXECUTIVE'S STOCK UPON TERMINATION OF EMPLOYMENT. If the Executive's employment is terminated for any reason whatsoever (whether in connection with or following the expiration or termination of this Agreement), the Company shall have an option to purchase all or any portion of the shares of capital stock or other equity interests of the Company or any Affiliate thereof (an "Investment Entity")(the "Shares") then held, directly or indirectly, by the Executive or any of his Affiliates (including Gibson Family Partnership, L.P.) (when appropriate, the term "Executive" shall be deemed to include and/or refer to any of his appropriate Affiliates)(or, if the Executive's employment was terminated by the Executive's death, the Executive's estate) and shall have 60 days from the Date of Termination (such 60-day period being hereinafter referred to as the "Option Period") during which to give notice in writing to the Executive (or the Executive's estate) of its election to exercise or not to exercise such option. If the Company has failed to exercise its option pursuant to this Section 6(i) or have exercised such option with respect to less than all of the Shares held by the Executive (or his estate) within the time period specified herein, and if the Executive's employment is terminated by the Executive for Good Reason, by the Board other than for Cause or by reason of the Executive's death or Disability, then on notice from the Executive (or his estate) in writing and delivered to the Company within 30 days following the end of the Option Period, the Company shall be required to purchase all (but not less than all) of the Shares then held by the Executive (or his estate). All purchases pursuant to this Section 6(i) by the Company shall be for a purchase price determined pursuant to and effected in the manner prescribed by Sections 6(j)-(l). the Company may assign its rights, but not its obligations, under this Section 6(i) to any person. In the event that an Investment Entity shall have consummated an Initial Public Offering (as defined below) prior to the Date of Termination of Executive's employment, the Company shall not have any right or obligation to purchase the Shares of such Investment Entity pursuant to this Section 6(i). "Initial Public Offering" with respect to an Investment Entity shall mean the sale after the date hereof of the shares of capital stock or other equity interests of such Investment Entity to the public pursuant to an effective registration statement filed under the Securities Act of 1933 but only if the number of shares of capital stock or other equity interests sold to the public upon the completion of such registration and sale (together with all prior sales pursuant to

registration statements) equals or exceeds 30% of the number of shares of capital stock or other equity interests then outstanding.

(j) PURCHASE PRICE. (i) For the purposes of any purchase of the Shares pursuant to Section 6(i), and subject to Section 6(l), the purchase price per Share to be paid to the Executive (or his estate) for each Share (the "Purchase Price") shall be the Fair Market Value (as defined in paragraph (ii) below) of such Share as of the Date of Termination that gives rise to the right or obligation to repurchase, PROVIDED that if the Executive's employment is terminated for Cause, the Fair Market Value of such Shares shall be determined without giving effect to any carried interest benefitting such Shares("a Carried Interest").

(ii) Whenever determination of the Fair Market Value of the Shares of any Investment Entity is required by this Agreement, such "Fair Market Value" shall

be such amount as is determined in good faith by the Board as of the date such Fair Market Value is required to be determined hereunder. In making a determination of Fair Market Value, the Board shall give due consideration to such factors as it deems appropriate, including, without limitation, the earnings and certain other financial and operating information of such Investment Entity and its subsidiaries in recent periods, its potential value and that of its subsidiaries as a whole, its future prospects and that of its subsidiaries and the industries in which they compete, its history and the management and that of its subsidiaries, the general condition of the securities markets and the fair market value of securities of companies engaged in businesses similar to those of such Investment Entity and its subsidiaries. The determination of Fair Market Value with respect to any Investment Entity will give effect to any Carried Interest benefitting the Shares being purchased (except as set forth in the preceding paragraph (i)) or any portion of such Carried Interest as if all of the shares of capital stock of such Investment Entity were being sold for their aggregate fair market value as of the date such Fair Market Value is required to be determined hereunder and as if the value of any such Carried Interest or portion thereof were spread evenly among the Shares benefitting from it. The Fair Market Value as determined in good faith by the Board shall be binding and conclusive upon all parties hereto, PROVIDED the Executive (or his estate) may engage a nationally-recognized investment banking firm or independent accounting firm to review such determination, and if such

firm delivers to the Company its written opinion to the effect that the consideration be paid to Executive (or his estate) is not fair, from a financial point of view, to Executive (or his estate), then "Fair Market Value" shall be determined by arbitration in accordance with Section 15(b). The Company shall use reasonable efforts to cause the Investment Entity that is the subject of such review to cooperate with and provide necessary information to the firm engaged by Executive (or his estate).

(k) PAYMENT. Subject to Section 6(l), the completion of a purchase pursuant to Section 6(i) hereof shall take place at the principal office of the Company on the 12th business day following (i) the date of receipt by the Executive (or the Executive's estate) of the notice from the Company of the exercise of its option pursuant to Section 6(i), or (ii) the date of the Company's receipt of notice from the Executive (or his estate) that he (or it) requires the Company to purchase Shares pursuant to Section 6(i). The Purchase Price shall be paid by delivery to the Executive (or the Executive's estate) of certified or bank checks for the Purchase Price payable to the order of the Executive (or the Executive's estate), against delivery of certificates or other instruments representing the Shares so purchased, appropriately endorsed by the Executive (or the Executive's estate), free and clear of all security interests, liens, claims, encumbrances, charges, options, restrictions on transfer, proxies and voting and other agreements of whatever nature.

(l) CERTAIN RESTRICTIONS ON REPURCHASES. (i) Notwithstanding any other provision of this Agreement, the Company shall not be obligated or permitted to complete a purchase of any Shares from the Executive if (A) such purchase would result in a violation of, or a default or an event of default under, any bona fide term or provision imposed on the Company by another party in any credit agreement, indenture, guaranty, security agreement or other agreement governing indebtedness of the Company or any of its subsidiaries from time to time (such agreements and instruments, as each may be amended, modified or supplemented from time to time, "Financing Agreements"), in each case as the same may be amended, modified or supplemented from time to time, and notwithstanding its reasonable efforts the Company has not been able to have such term or provision amended or waived, or (B) the Company is not permitted to complete such purchase under applicable law.

(ii) In the event that the completion of a purchase otherwise permitted or required under Section 6(i) is prevented solely by the terms of Section 6(l), the Company shall provide written notice thereof to the Executive and such purchase will be postponed and will take place without the application of further conditions or impediments (other than as set forth in Section 6(k) hereof or in this Section 6(l)) at the first opportunity thereafter when the Company has funds legally available therefor and when such purchase will not result in any default, event of default or violation under any Financing Agreements, PROVIDED that the Company shall not pay dividends or otherwise make distributions to equity holders, other than tax distributions, until such purchase is completed.

(iii) In the event that a repurchase of Shares from the Executive is delayed pursuant to this Section 6(l), the purchase price per Share when the repurchase of such Shares eventually takes place as contemplated by paragraph (ii) of this Section 6(l) shall be equal to the Purchase Price per Share determined under Section 6(j) as of the Date of Termination giving rise to such repurchase, increased by interest on such Purchase Price for the period from the date such repurchase would have taken place but for a delay of such repurchase pursuant to Section 6(l) to the date on which the repurchase actually takes place (the "Delay Period"), at an annual rate of interest equal to the prime rate announced by Chemical Bank in New York, New York, from time to time during the Delay Period.

(iv) The Company represents to Executive that, except for the Credit Agreement dated January 17, 2001 between the Company and Ford Motor Credit Company, Chrysler Financial Company LLC and General Motors Acceptance Corporation, no circumstance described in clauses (A) or (B) of paragraph (i) of this Section 6(l) exists as of the date of this Agreement.

7. COVENANT NOT TO COMPETE. (a) In consideration of his employment hereunder and in view of the key position in which he will serve the Company and its Affiliates, Executive agrees that during the Employment Period and thereafter until the later of (i) one year after the Date of Termination of such employment and (ii) the last day of the period for which he receives (or, but for the lump sum payment referred to in the proviso to Section 6(f)(i)(A), would receive) his salary pursuant to

Section 6(f)(i)(A), he will not directly or indirectly own any interest in, manage, operate, control, be employed by, participate in or be connected in any manner with the ownership, management, operation or control of any Competitor Business (as defined below) in North America. The term "Competitor Business" means (i) any business involving the acquisition or attempted acquisition "on a national basis" (as defined below) of new or used automobile dealerships, (ii) unless (A) Executive's employment is terminated by the Board without Cause or by Executive for Good Reason or (B) the Company does not offer to extend Executive's employment beyond the Termination Date in accordance with Section 2(a), any business that owns three or more new or used automobile dealerships in the same market (other than the greater Philadelphia market) in which any Investment Entity then owns, or is engaged in negotiations regarding the acquisition of, any new or used automobile dealerships, or (iii) any other business of the type being conducted by the Company which is or was engaged in the retail automobile dealership or used car dealership industries at the Termination Date. A business shall be deemed to involve the acquisition or attempted acquisition of new or used automobile dealerships "on a national basis" if it holds itself out as seeking to acquire, or if in the preceding three years it has acquired, new or used automobile dealerships in three or more states or provinces. The covenant contained in this Section 7 shall survive the termination of this Agreement.

(b) The Company and Executive agree that the duration and territorial extent of the covenant set forth in this Section 7 are properly required for the adequate protection of the business of the Company and its Affiliates and that, in the event such duration and/or territorial extent shall be deemed illegal, unenforceable or unreasonable by a court or other tribunal of competent jurisdiction, each of the parties hereto shall agree and submit to such other duration and/or territorial extent as such court or tribunal shall deem reasonable.

8. UNAUTHORIZED DISCLOSURE. (a) During and after the Employment Period, without the written consent of the Board or a person authorized thereby, (i) Executive shall not disclose to any person (other than an employee or director of the Company or its Affiliates, or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Executive of his duties under this Agreement) or use to compete with the Company or

any of its Affiliates any confidential or proprietary information, knowledge or data that is not theretofore publicly known and in the public domain obtained by him while in the employ of the Company with respect to the Company or any of its Affiliates or with respect to any products, improvements, customers, methods of distribution, sales, prices, profits, costs, contracts, suppliers, business prospects, business methods, techniques, research, trade secrets or know-how of the Company or any of its Affiliates (collectively, "Proprietary Information"), and (ii) Executive shall use best efforts to keep confidential any such

Proprietary Information and to refrain from making any such disclosure, in each case except as may be required by law or as may be required in connection with any judicial or administrative proceedings or inquiry.

(b) The covenant contained in this Section 8 shall survive the termination of Executive's employment pursuant to this Agreement and shall be binding upon Executive's heirs, successors and legal representatives.

9. NON-SOLICITATION OF EXECUTIVES. During the Employment Period and thereafter until three years after the Date of Termination of such employment (the "Non-Solicitation Restriction Period"), Executive shall not, directly or indirectly, for his own account or the account of any other person or entity with which he shall become associated in any capacity or in which he shall have any ownership interest, (a) solicit for employment or employ any person (other than Executive's secretary) who at the time of such solicitation for employment is employed by or otherwise engaged to perform services for the Company or any of its Affiliates, regardless of whether such employment or engagement is direct or through an entity with which such person is employed or associated, or otherwise intentionally interfere with the relationship of the Company or any of its Affiliates with any person or entity who or which is at the time employed by or otherwise engaged to perform services for the Company or any such Affiliate or (b) induce any employee of the Company or any of its Affiliates to engage in any activity which Executive is prohibited from engaging in under Sections 7, 8, 9 and 10 hereof or to terminate his or her employment with the Company or such Affiliate.

10. RETURN OF DOCUMENTS. In the event of the termination of Executive's employment for any reason, Executive will deliver to the Company all documents and data of any nature pertaining to his work with the Company and

its Affiliates, and he will not take with him any documents or data of any description or any reproduction thereof, or any documents containing or pertaining to any Proprietary Information.

11. INJUNCTIVE RELIEF WITH RESPECT TO COVENANTS. Executive acknowledges and agrees that the covenants and obligations of Executive with respect to noncompetition, non-disclosure, nonsolicitation, confidentiality and the property of the Company and its Affiliates relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations will cause the Company and its Affiliates irreparable injury for which adequate remedies are not available at law. Therefore, Executive agrees that the Company and its Affiliates (which shall be express third-party beneficiaries of such covenants and obligations) shall be entitled to an injunction, restraining order or such other equitable relief (with the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Executive from committing any violation of the covenants and obligations contained in Sections 7, 8, 9 and 10. These injunctive remedies are cumulative and in addition to any other rights and remedies the Company or any such Affiliate may have at law or in equity.

12. ASSUMPTION OF AGREEMENT. The Company will require any successor (by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance reasonably satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled hereunder if the Company terminated his employment Without Cause as contemplated by Section 6, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, oCompanyo shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 12

or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

13. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Company and Executive with respect to Executive's employment by the Company and supersedes all prior agreements, if any, whether written or oral,

between them, relating to Executive's employment by the Company. This Agreement may not be changed, waived, discharged or terminated orally, but only by an instrument in writing, signed by the party against which enforcement of such change, waiver, discharge or termination is sought. In the event of any conflict between the terms of this Agreement and the terms of the LLC Agreement, this Agreement will control.

14. INDEMNIFICATION. The Company agrees that it shall indemnify and hold harmless Executive to the fullest extent permitted by the applicable law from and against any and all liabilities, costs, claims and expenses including without limitation all costs and expenses incurred in defense of litigation, including attorney's fees, arising out of the employment of Executive hereunder, except to the extent arising out of or based upon the gross negligence or willful misconduct of Executive. If an IPO of the Company is consummated, the Company will maintain directors and officers liability insurance providing $10 million of coverage, or such lesser amount, and having such other terms, as may then be customary for similarly situated companies and available on commercially reasonable terms.

15. MISCELLANEOUS.

(a) BINDING EFFECT. This Agreement shall be binding on and inure to the benefit of the Company and their successors and permitted assigns. This Agreement shall also be binding on and inure to the benefit of Executive and his heirs, executors, administrators and legal representatives. If Executive's employment is terminated by reason of his death, all amounts payable by the Company pursuant to Section 6(f)(ii) (or if Executive shall die after his employment has terminated, any remaining amount of salary and incentive compensation payable by the Company pursuant to Section 6(f)(i)) shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to his estate.

(b) ARBITRATION. Any dispute or controversy arising under or in connection with this Agreement (except any dispute or controversy arising under Section 7, 8, 9 or 10 hereof) shall be resolved exclusively by binding arbitration in New York, New York in accordance with the National Rules for Settlement of Employment Disputes of the American Arbitration Association then in effect at the time of the arbitration, and otherwise in accordance with principles which would be applied by a court of law or equity. The arbitrator shall be acceptable to the Company and to Executive. If the parties cannot agree on an acceptable arbitrator, the dispute shall be heard by a panel of three arbitrators one appointed by each of the parties and the third appointed by the other two arbitrators. Any expense of arbitration shall be borne by the party who incurs such expense and joint expenses shall be shared equally.

(c) GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to principles of conflict of laws.

(d) TAXES. The Company may withhold from any payments made under the Agreement all federal, state, city or other applicable taxes as shall be required pursuant to any law, governmental regulation or ruling.

(e) AMENDMENTS. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by the Board or a person authorized thereby and is agreed to in writing by Executive and such officer as may be specifically designated by the Board. No waiver by any party hereto at any time of any breach by any other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between or among the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

(f) SEVERABILITY. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions

contained herein shall not be affected thereby.

(g) NOTICES. Any notice or other communication required or permitted to be delivered under this Agreement shall be (i) in writing, (ii) delivered personally, by courier service or by certified or registered mail, first-class postage prepaid and return receipt requested, (iii) deemed to have been received on the date of delivery or on the third business day after the mailing thereof, and (iv) addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(A) if to the Company:

Asbury Automotive Group
Three Landmark Square, Suite 500
Stamford, CT 06901
Attention: Chief Executive Officer

Telephone: (203) 356-4400
Fax: (203) 356-4450

(B) if to Executive, to him at the address listed on the signature page hereof

with a copy to:

Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, Pennsylvania 19103
Attention: Robert J. Lichtenstein, Esq.
Telephone: (215) 963-5726
Fax: (215) 963-5299

(h) SURVIVAL. Sections 6(i)-(l), 7, 8, 9, 10, 11, 12, 13, the first sentence of Section 14 and, if Executive's employment terminates in a manner giving rise to a payment under Section 6(f), Sections 6(f) and (h) shall survive the termination of this Agreement and the termination of the employment of Executive.

(i) COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(j) HEADINGS. The section and other headings contained in this Agreement are for the convenience of the parties only and are not intended to be a part hereof or to affect the meaning or interpretation hereof.

(k) RECUSAL. Executive shall recuse himself from all deliberations of the Board regarding this Agreement, Executive's employment by the Company or related matters.

IN WITNESS WHEREOF, the Company have duly executed this Agreement by their authorized representatives and Executive has hereunto set his hand, in each case effective as of the date first above written.

ASBURY AUTOMOTIVE GROUP L.L.C.

By: /s/ Brian Kendrick

Name: Brian Kendrick
Title: President & CEO

Executive:

/s/ Thomas R. Gibson

Thomas R. Gibson

Address: Thomas R. Gibson
810 Mt. Moro Road
Villanova, PA 19085
Fax: (610) 527-3381

EXHIBIT A

ASSIGNMENT AGREEMENT

ASSIGNMENT AGREEMENT, dated as of [   ], 2001, among Thomas Gibson ("Assignor") and Asbury Automotive Group L.L.C., a Delaware limited liability company ("Assignee").

(a) In exchange for the receipt of $2,250,000 and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby assigns and transfers to Assignee, as of the date hereof, all of Assignor's right, title and interest in and to Assignor's Carried Interest (as such term is defined in the Third Amended and Restated Limited Liability Company Agreement of Asbury Automotive Group L.L.C. (formerly known as Asbury Automotive Oregon L.L.C.) dated as of February 1, 2000)(the "Interest").

(b) Each of the Assignor and the Assignee hereby represents and warrants to its counter party, as of the date hereof, that it has all requisite power and authority to execute this Agreement and to consummate the transactions contemplated hereby. The execution and delivery by the Assignor or the Assignee, as the case may be, of this Agreement and consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Assignor or the Assignee, as the case may be.

(c) Assignor hereby represents and warrants to the Assignee that he is the record and beneficial owner of, and has good and marketable title to, the Interest, free and clear of any liens.

(d) This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to conflict of law principles.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement as of the date first above written.

By /s/ Thomas Gibson

Thomas Gibson

ASBURY AUTOMOTIVE GROUP L.L.C.

By /s/ Brian Kendrick

Name: Brian Kendrick
Title: President & CEO

EXHIBIT 10.12

Chrysler Corporation

Dodge

SALES AND SERVICE AGREEMENT

Asbury Automotive Atlanta, LLC dba Nalley Gwinnett Dodge located at 3254 Commerce Drive, Duluth, Georgia 30136-4733, a Limited Liability Company, hereinafter called DEALER, and Chrysler Corporation, a Delaware corporation, hereinafter sometimes referred to as "CC", have entered into this Chrysler Corporation Dodge Sales and Service Agreement, hereinafter referred to as "Agreement", the terms of which are as follows:

INTRODUCTION

The purpose of the relationship established by this Agreement is to provide a means for the sale and service of specified Dodge vehicles and the sale of CC vehicle parts and accessories in a manner that will maximize customer satisfaction and be of benefit to DEALER and CC.

While the following provisions, each of which is material, set forth the undertakings of this relationship, the success of those undertakings rests on a recognition of the mutuality of interests of DEALER and CC, and a spirit of understanding and cooperation by both parties in the day to day performance of their respective functions. As a result of such considerations, CC has entered into this Agreement in reliance upon and has placed its trust in the personal abilities, expertise, knowledge and integrity of DEALER's principal owners and management personnel, which CC anticipates will enable DEALER to perform the personal services contemplated by this Agreement.

It is the mutual goal of this relationship to promote the sale and service of specified CC products by maintaining and advancing their excellence and reputation by earning, holding and furthering the public regard for CC and all CC dealers.

----

1 PRODUCTS COVERED

DEALER has the right to order and purchase from CC and to sell at retail only those specific models of CC vehicles, sometimes referred to as "specified CC vehicles," listed on the Motor Vehicle Addendum, attached hereto and incorporated herein by reference. CC may change the models of CC vehicles listed on the Motor Vehicle Addendum by furnishing DEALER a superseding Motor Vehicle Addendum. Such a superseding Motor Vehicle Addendum will not be deemed or construed to be an amendment to this Agreement.

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2 DEALER'S MANAGEMENT

CC has entered into this Agreement relying on the active, substantial and continuing personal participation in the management of DEALER's organization by:

NAME	POSITION
C. V. Nalley III	President
G. Howell Lary	General Manager

DEALER represents and warrants that at least one of the above named individuals will be physically present at the DEALER's facility (sometimes referred to as "Dealership Facilities") during most of its operating hours and will manage all of DEALER's business relating to the sale and service of CC products. DEALER shall not change the personnel holding the above described position(s) or the nature and extent of his/her/their management participation without the prior written approval of CC.

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3 DEALER'S CAPITAL STOCK OR PARTNERSHIP INTEREST

If DEALER is a corporation or partnership, DEALER represents and agrees that the persons named below own beneficially the capital stock or partnership interest of DEALER in the percentages indicated below. DEALER warrants there will be no change affecting more than 50% of the ownership interest of DEALER, nor will

there be any other change in the ownership interest of DEALER which may affect the managerial control of DEALER without CC's prior written approval.

NAME VOTING
NON-VOTING
PARTNERSHIP
ACTIVE STOCK
STOCK
INTEREST
YES/NO
Asbury
Villanova,
LLC 54.0% %
% No Other
Shareholders*
46.0% % % No
*See
attachment
incorporated
herein by %
% %
reference %
% % % % %
Total 100.0%
% %

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4 SALES LOCALITY

DEALER shall have the non-exclusive right, subject to the provisions of this Agreement, to purchase from CC those new specified CC vehicles, vehicle parts, accessories and other CC products for resale at the DEALER's facilities and location described in the Dealership Facilities and Location Addendum, attached hereto and incorporated herein by reference. DEALER will actively and effectively sell and promote the retail sale of CC vehicles, vehicle parts and accessories in DEALER's Sales Locality. As used herein, "Sales Locality" shall mean the area designated in writing to DEALER by CC from time to time as the territory of DEALER's responsibility for the sale of CC vehicles, vehicle parts and accessories, although DEALER is free to sell said products to customers wherever they may be located. Said Sales Locality may be shared with other CC dealers of the same line-make as CC determines to be appropriate.

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5 ADDITIONAL TERMS AND PROVISIONS

The additional terms and provisions set forth in the document entitled "Chrysler Corporation Sales and Service Agreement Additional Terms and Provisions" marked "Form 91 (C-P-D)," as may hereafter be amended from time to time, constitute a part of this Agreement with the same force and effect as if set forth at length herein, and the term "this Agreement" includes said additional terms and provisions.

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6 FORMER AGREEMENTS, REPRESENTATIONS OR STATEMENTS

This Chrysler Corporation Dodge Sales and Service Agreement and other documents (or their successors as specifically provided for herein) which are specifically incorporated herein by reference constitute the entire agreement between the parties relating to the purchase by DEALER of those new specified CC vehicles, parts and accessories from CC for resale; and it cancels and supersedes all earlier agreements, written or oral, between CC and DEALER relating to the purchase by DEALER of Dodge vehicles, parts and accessories, except for (a) amounts owing by CC to DEALER, such as payments for warranty service performed and incentive programs, or (b) amounts owing or which may be determined to be owed, as a result of an audit or investigation, by DEALER to CC due to DEALER's purchase from CC of vehicles, parts, accessories and other goods or services, or (c) amounts DEALER owes to CC as a result of other extensions of credit by CC to DEALER. No representations or statements, other than those expressly set forth herein or those set forth in the applications for this Agreement submitted to CC by DEALER or DEALER's representatives, are made or relied upon by any party hereto in entering into this Agreement.

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7 WAIVER AND MODIFICATION

No waiver, modification or change of any of the terms of this Agreement or change or erasure of any printed part of this Agreement or addition to it (except the filling in of blank spaces and lines) will be valid or binding on CC unless approved in writing by the President or a Vice President or the National

Dealer Placement Manager of Chrysler Corporation.

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8 AMENDMENT

DEALER and CC recognize that this Agreement does not have an expiration date and will continue in effect unless terminated under the limited circumstances set forth in Paragraph 28. DEALER and CC further recognize that the passage of time, changes in the industry, ways of doing business and other unforeseen circumstances may cause CC to determine that it should amend all Chrysler Corporation Dodge Sales and Service Agreements. Therefore, CC will have the right to amend this Agreement to the extent that CC deems advisable, provided that CC makes the same amendment in Chrysler Corporation Dodge Sales and Service Agreements generally. Each such amendment will be issued in a notice sent by certified mail or delivered in person to DEALER and signed by the President or a Vice President or the National Dealer Placement Manager of Chrysler Corporation. Thirty-five (35) days after mailing or delivery of such notice to DEALER, this Agreement will be deemed amended in the manner and to the extent set forth in the notice.

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9 ARBITRATION

Any and all disputes arising out of or in connection with the interpretation, performance or non-performance of this Agreement or any and all disputes arising out of or in connection with transactions in any way related to this Agreement (including, but not limited to, the validity, scope and enforceability of this arbitration provision, or disputes under rights granted pursuant to the statutes of the state in which DEALER is licensed) shall be finally and completely resolved by arbitration pursuant to the arbitration laws of the United States of America as codified in Title 9 of the United States Code, Sections 1-14, under the Rules of Commercial Arbitration of the American Arbitration Association (hereinafter referred to as the "Rules") by a majority vote of a panel of three arbitrators. One arbitrator will be selected by DEALER (DEALER's arbitrator). One arbitrator will be selected by CC (CC's arbitrator). These arbitrators must be selected by the respective parties within ten (10) business days after receipt by either DEALER or CC of a written notification from the other party of a decision to arbitrate a dispute pursuant to this Agreement. Should either CC or DEALER fail to select an arbitrator within said ten-day period, the party who so fails to select an arbitrator will have its arbitrator selected by the American Arbitration Association upon the application of the other party. The third arbitrator must be an individual who is familiar with business transactions and be a licensed attorney admitted to the practice of law within the United States of America, or a judge. The third arbitrator will be selected by DEALER's and CC's arbitrators. If said arbitrators cannot agree on a third arbitrator within thirty (30) days from the date of the appointment of the last selected arbitrator, then either DEALER's or CC's arbitrator may apply to the American Arbitration Association to appoint said third arbitrator pursuant to the criteria set forth above. The arbitration panel shall conduct the proceedings pursuant to the then existing Rules.

Notwithstanding the foregoing, to the extent any provisions of the Rules conflict with any provision of this Paragraph 9, the provisions of this Paragraph 9 will be controlling.

CC and DEALER agree to facilitate the arbitration by: (a) each party paying to the American Arbitration Association one-half (1/2) of the required deposit before the proceedings commence; (b) making available to one another and to the arbitration panel, for inspection and photocopying, all documents, books and records, if determined by the arbitrator to be relevant to the dispute; (c) making available to one another and to the arbitration panel personnel directly or indirectly under their control, for testimony during hearings and prehearing proceedings if determined by the arbitration panel to be relevant to the dispute; (d) conducting arbitration hearings to the greatest extent possible on consecutive business days; and (e) strictly observing the time periods established by the Rules or by the arbitration panel for the submission of evidence and of briefs.

Unless otherwise agreed to by CC and DEALER, a stenographic record of the arbitration shall be made and a transcript thereof shall be ordered for each party, with each party paying one-half (1/2) of the total cost of such recording and transcription. The stenographer shall be state-certified, if certification is made by the state, and the party to whom it is most convenient shall be responsible for securing and notifying such stenographer of the time and place of the arbitration hearing(s).

If the arbitration provision is invoked when the dispute between the parties is either the legality of terminating this Agreement or of adding a new CC dealer of the same line-make or relocating an existing CC dealer of the same line-make,

CC will stay the implementation of the decision to terminate this Agreement or add such new CC dealer or approve the relocation of an existing CC dealer of the same line-make until the decision of the arbitrator has been announced, providing DEALER does not in any way attempt to avoid the obligations of this Paragraph 9, in which case the decision at issue will be immediately implemented.

Except as limited hereby, the arbitration panel shall have all powers of law and equity, which it can lawfully assume, necessary to resolve the issues in dispute including, without limiting the generality of the foregoing, making awards of compensatory damages, issuing both prohibitory and mandatory orders in the nature of

injunctions and compelling the production of documents and witnesses for pre-arbitration discovery and/or presentation at the arbitration hearing on the merits of the case. The arbitration panel shall not have legal or equitable authority to issue a mandatory or prohibitory order which: (a) extends or has effect beyond the subject matter of this Agreement, or (b) will govern the activities of either party for a period of more than two years; nor shall the arbitration panel have authority to award punitive, consequential or any damages whatsoever beyond or in addition to the compensatory damages allowed to be awarded under this Agreement.

The decision of the arbitration panel shall be in written form and shall include findings of fact and conclusions of law.

It is the intent and desire of DEALER and CC to hereby and forever renounce and reject any and all recourse to litigation before any judicial or administrative forum and to accept the award of the arbitration panel as final and binding, subject to no judicial or administrative review, except on those grounds set forth in 9 USC Section 10 and Section 11. Judgment on the award and/or orders may be entered in any court having jurisdiction over the parties or their assets. In the final award and/or order, the arbitration panel shall divide all costs (other than attorney fees, which shall be borne by the party incurring such fees and other costs specifically provided for herein) incurred in conducting the arbitration in accordance with what the arbitration panel deems just and equitable under the circumstances. The fees of DEALER's arbitrator shall be paid by DEALER. The fees of CC's arbitrator shall be paid by CC.

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10 SIGNATURE

This Agreement becomes valid only when signed by the President or a Vice president or the National Dealer Placement Manager of Chrysler Corporation and by a duly authorized officer or executive of DEALER if a corporation; or by one of the general partners of DEALER if a partnership; or by DEALER if an individual.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement which is finally executed at Auburn Hills, Michigan, in triplicate, on June 5, 1997

Asbury Automotive Atlanta, LLC
dba Nalley Gwinnett Dodge

(DEALER Firm Name and D/B/A, if applicable)

By: /s/ C. V. Nalley

(Individual Duly Authorized to Sign)

President

(Title)

CHRYSLER CORPORATION

By: /s/

National Dealer Placement Manager

(Title)

DAIMLERCHRYSLER

DaimlerChrysler Motors Corporation

OWNERSHIP BY HOLDING COMPANY
DAP-6 (Rev. 12-98)

ASBURY AUTOMOTIVE ATLANTA, LLC
(Dealer - Firm Name)

NALLEY DODGE COUNTRY
(DBA Name, if applicable)

3254 COMMERCE AVE
(Street Address)

DULUTH, GA 30096-4733
(City, State, Zip)

Dealer Principal,
As you know, DaimlerChrysler Motors Corporation (DCMC) entered into (a) Dodge
(List All DCMC Vehicle Lines)

Sales and Service Agreement(s) ("Dealer Agreement(s)") with your company on 6-5-97. Paragraph 3 of the Dealer Agreement(s) shows the beneficial ownership of all of the outstanding capital stock, membership or partnership interest in your company as:

NAME	% OWNERSHIP	NAME	% OWNERSHIP
ASBURY AUTOMOTIVE GROUP LLC	100.0%		%

In this regard, you have requested that DCMC make an exception to its policy that the ownership interest in a dealer corporation, limited liability company or partnership with which it enters into a Dealer Agreement must be vested in natural persons, and not a corporation, limited liability company or partnership ("Holding Company").

This is to advise you that DCMC hereby approves the above-described ownership of your company subject to and in reliance upon your company and the above named Holding Company(s) agreeing that the provisions of Paragraph 28 of the Dealer Agreement(s) executed between your company and DCMC, concurrent with the signing of this letter by DCMC and to the extent that it refers to changes in ownership interest, shall be deemed to refer to the ownership of the above named Holding Company(s) as well as to the ownership of your company.

The beneficial ownership of all of the capital stock, membership or partnership interest of ASBURY AUTOMOTIVE GROUP LLC is as follows:
(Name of Holding Company One)

NAME	% OWNERSHIP	NAME	& OWNERSHIP
Asbury Auto Holdings LLC	59.2%		%
Minority Owners	40.7%		%

The beneficial ownership of all of the capital stock, membership or partnership interest of ____________________________________ is as follows:
(Name of Holding Company Two)

NAME	% OWNERSHIP	NAME	% OWNERSHIP
	%		%
	%		%

[X] MORE THAN TWO (2) HOLDING COMPANIES HAVE AN OWNERSHIP INTEREST IN DEALER. SEE ATTACHED OWNERSHIP CHART MARKED EXHIBIT "A" INCORPORATED HEREIN BY REFERENCE.

If all of the above is agreeable to you, please indicate your understanding and acceptance thereof by signing the copies of this letter in the spaces provided below.

Accepted: ASBURY AUTOMOTIVE GROUP LLC
(Holding Company One)

By: ______________________

Title: ______________________

Accepted: ______________________
(Holding Company Two)

By: ______________________

Title: ______________________

Accepted:	ASBURY AUTOMOTIVE ATLANTA, LLC		DAIMLERCHRYSLER MOTORS CORPORATION
	(Dealer Firm Name)		
	NALLEY DODGE COUNTRY	By:	
	(D/B/A Name, if applicable)		National Dealer Placement Manager
By:		Date:	Sept. 13, 2000
Title:			

EXHIBIT 10.13

FORD MOTOR COMPANY

Orlando Region

FORD SALES AND SERVICE AGREEMENT

AGREEMENT made as of the 13th day of June, 2000, by and between AF Motors L.L.C. Limited Liability Company, a Delaware corporation doing business as Deland Ford and with a principal place of business at 2655 N. Volusia Avenue, Orange City, Volusia, Florida 32763 (hereafter called the "Dealer") and Ford Motor Company, a Delaware corporation with its principal place of business at Dearborn, Michigan (hereinafter called the "Company").

PREAMBLE

The purpose of this agreement is to (i) establish the Dealer as an authorized dealer in COMPANY PRODUCTS including VEHICLES (as herein defined), (ii) set forth the respective responsibilities of the Company in producing and selling those products to the Dealer and of the Dealer in reselling and providing service for them and (iii) recognize the interdependence of both parties in achieving their mutual objectives of satisfactory sales, service and profits by continuing to develop and retain a broad base of satisfied owners of COMPANY PRODUCTS.

In entering into this agreement, the Company and the Dealer recognize that the success of the Company and of each of its authorized dealers depends largely on the reputation and competitiveness of COMPANY PRODUCTS and dealers' services, and on how well each fulfills its responsibilities under this agreement.

It is the opinion of the Company that sales and service of COMPANY PRODUCTS usually can best be provided to the public through a system of independent franchised dealers, with each dealer fulfilling its responsibilities in a given locality from properly located, adequate, well-equipped and attractive dealerships, which are staffed by competent personnel and provided with the necessary working capital. The Dealer recognizes that, in such a franchise system, the Company must plan for the establishment and maintenance of the numbers, locations and sizes of dealers necessary for satisfactory and proper sales and service representation in each market area as it exists and as it develops and changes. At the same time, the Company endeavors to provide each of its dealers with a reasonable profit opportunity based on the potential for sales and service of COMPANY PRODUCTS within its locality.

The Company endeavors to make available to its dealers a variety of quality products, responsive to broad wants and needs of the buying public, which are attractively styled, of sound engineering design and produced on a timely basis at competitive prices. The development, production and sale of such products require that the Company and its manufacturing sources make large continuing investments in plants, equipment, tools and other facilities, engineering and styling research and development, quality control procedures, trained personnel and marketing programs. Heavy commitments must also be made in advance for raw materials and finished parts. For purposes of making these investments and commitments, planning production and estimating costs for setting prices, the Company assumes in advance an estimated volume of sales for each of its products. Within each year, it develops production schedules from orders submitted by its franchised dealers and its and their best estimates of the market demand for COMPANY PRODUCTS.

In turn, each of the Company's franchised dealers makes important investments or commitments in retail sales and service facilities and equipment, in working capital, in inventories of vehicles, parts and accessories, and trained sales and service personnel based on annual planning volumes for their markets.

If satisfactory volumes for either the Company or a dealer are not realized, each may suffer because of commitments already made and the cost of manufacturing and of selling each product may be increased. Each dealer must give the Company orders for the products needed to serve its market. The Company seeks to adjust production schedules, to the extent feasible, to fill dealer orders, and to allocate fairly any product in short supply, but inevitably both the Company and its dealers suffer loss of profits to the extent they cannot meet market demands. Thus, the automotive business is a high risk business in which the Company, its manufacturing sources and its dealers can succeed only through cooperative and competitive effort in their respective areas of

manufacturing, sales, service and customer satisfaction.

Because it is the dealer who deals directly with, and develops the sale of COMPANY PRODUCTS to the consuming public, the Company substantially relies on its dealers to provide successful sales and merchandising programs, competent service operations and effective owner relations programs. To do this, dealers must carry out their responsibilities of establishing and maintaining adequate wholesale and retail finance plans, new and used vehicle sales programs, parts and service sales programs, personnel training and supportive capitalization and working capital. To assist its dealers in these responsibilities, the Company establishes and periodically updates standards of operation and planning guides based on its experience and current conditions. It also offers sales and service training courses, advice as to facilities, counseling in the various phases of new and used vehicle merchandising, parts and service merchandising, leasing, daily rentals and facilities development. It also conducts national advertising, promo-tional and other marketing programs and assists dealers in developing complementary group and individual programs.

To enable the Company to provide such assistance, it requires dealers to submit uniform and accurate sales, operating and financial reports from which it can derive and disseminate analytical and comparative operating data and advice to dealers. The Company also solicits dealers to bring to its attention through their National Dealer Council organization any mutual dealer problems or complaints as they arise.

Because the Company relies heavily on its dealers for success, it reserves the right to cease doing business with any dealer who is not contributing sufficiently to such success. Similarly, the Company recognizes that its dealers look to it to provide competitive products and programs and that, if it does not do so, any dealer may elect to cease doing business with the Company.

The Company has elected to enter into this agreement with the Dealer with confidence in the Dealer's integrity and ability, its intention to carry out its responsibilities set forth in this agreement, and its desire to provide courteous, competent and satisfying sales and service representation to consumers for COMPANY PRODUCTS, and in reliance upon its representations as to the persons who will participate in the ownership and management of the dealership.

The dealer has elected to enter into this agreement with the Company with confidence in its integrity and ability, its intention to provide competitive products and assist the Dealer to market them successfully, and its desire to maintain high quality dealers.

Both parties recognize the rights of the Dealer and the Company under this agreement are defined and limited by the terms of this agreement and applicable law. The Company and the Dealer further acknowledge that their methods of operation and business practices have an important effect on the reputation of the Dealer, the Company, COMPANY PRODUCTS and other franchised dealers of the Company. The Company and the Dealer also acknowledge that certain practices are detrimental to their interests, such as deceptive, misleading or confusing advertising, pricing, merchandising or business practices, or misrepresenting the characteristics, quality, condition or origin of any item of sale.

It is the expectation of each of the parties that by entering into this agreement, and by the full and faithful observance and performance of its duties, a mutually satisfactory relationship will be established and maintained.

TERMS OF THE AGREEMENT

IN CONSIDERATION of the mutual agreements and acknowledgements hereinafter made, the parties hereto agree as follows:

A. The Company hereby appoints the Dealer as an authorized dealer at retail in VEHICLES and at retail and wholesale in other COMPANY PRODUCTS and grants the Dealer the privilege of buying COMPANY PRODUCTS from the Company for sale in its DEALERSHIP OPERATIONS (as herein defined). The Company also grants to the Dealer the privilege of displaying, at approved location(s), the Company's trademarks and trade names applicable to COMPANY PRODUCTS. The Dealer hereby accepts such appointment.

B. Subject to and in accordance with the terms and conditions of this agreement, the Company shall sell COMPANY PRODUCTS to the Dealer and the Dealer shall purchase COMPANY PRODUCTS from the Company.

C. The Ford Motor Company Ford Sales and Service Agreement Standard Provisions (Form "FD925-A"), a duplicate original of which is attached to the

Dealer's duplicate original of this agreement, have been read and agreed to by the Company and by the Dealer, and such Standard Provisions and any duly executed and delivered supplement or amendment thereto, are hereby made a part of this agreement with the same force and effect as if set forth herein in full.

D. This agreement shall bind the Company when it bears the facsimile signature of the President, and the manual countersignature of the General Sales Manager, Market Representation Manager, or a Regional Sales Manager, of the Ford Division of the Company and a duplicate original thereof is delivered personally or by mail to the Dealer or the Dealer's principal place of business.

E. The Dealer acknowledges that (i) this agreement may be executed only in the manner provided in paragraph D hereof, (ii) no one except the President, the General Sales Manager, or Market Representation Manager of the Ford Division of the Company, or the Secretary or an Assistant Secretary of the Company, is authorized to make or execute any other agreement relating to the subject matter hereof on behalf of the Company, or in any manner to enlarge, vary or modify the terms of this agreement, and then only by an instrument in writing, and (iii) no one

except the President of the Ford Division of the Company, or the Secretary or an Assistant Secretary of the Company, is authorized to terminate this agreement on behalf of the Company, and then only by an instrument in writing.

F. In view of the personal nature of this agreement and its objectives and purposes, the Company expressly reserves to itself the right to execute a Ford Sales and Service Agreement with individuals or other entities specifically selected and approved by the Company. Accordingly, this agreement and the rights and privileges conferred on the Dealer hereunder are not transferable, assignable or salable by the Dealer and no property right or interest, direct or indirect, is sold, conveyed or transferred to the Dealer under this agreement. This Agreement has been entered into by the Company with the Dealer in reliance (i) upon the representation and agreement that the following person(s), and only the following person(s), shall be the principal owners of the Dealer.

NAME	HOME ADDRESS	PERCENTAGE OF INTEREST
Asbury Automotive Deland L.L.C.	4306 Pablo Oaks Court, Jacksonville, FL 32224	100.00

--

(ii) upon the representation and agreement that the following person(s), and only the following person(s) shall have full managerial authority for the operating management of the Dealer in the performance of this agreement:

HOME NAME ADDRESS TITLE
Edward T. Lacey 2327 Southern Pines Place, Deland, FL 32724 President/Director
Paula Tabor 425 Black Ironwood Dr., Deland, FL 32725 Vice President/Director
Thomas Gibson 810 Mt. Moro Rd., Villanova, PA 19085 Director
Charlie Tomm 426 Inland Way, Atlantic Beach, FL 32233 Vice President/Director
Luther Coggin c/o 4306 Pablo Oaks Ct., Jacksonville, FL 32224 Chairman/Director

and (iii) upon representation and agreement that the following person(s), and only the following person(s), shall be the remaining owners of the Dealer:

NAME HOME ADDRESS PERCENTAGE OF INTEREST -


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The Dealer shall give the Company prior notice of any proposed change in the said ownership or managerial authority, and immediate notice of the death or incapacity of any such person. No such change or notice, and no assignment of this agreement or of any right or interest herein, shall be effective against the Company unless and until embodied in an appropriate amendment to or assignment of this agreement, as the case may be, duly executed and delivered by the Company and by the Dealer. The Company shall not unreasonably withhold its consent to any such change.

G. (Strike out either subparagraph (1) or (2) whichever is not applicable.)

(1) This agreement shall continue in force and effect from the date of its execution until terminated by either party under the provisions of paragraph 17 hereof.

H. Both the Company and the Dealer assume and agree to carry out and perform their respective responsibilities under this agreement.

The parties hereto have duly executed this agreement in duplicate as of the day and year first above written.

FORD MOTOR COMPANY

/s/ J.S. O'Connor
President, Ford Division

Countersigned by

/s/ JAB

Deland Ford
(Dealer's Trade Name)

By /s/ Edward T. Lacey

(Title) PRESIDENT

Ford Motor Company

Orlando Region

Addendum to

FORD SALES AND SERVICE AGREEMENT Dated 6/13/00

by and between A.F. Motors L.L.C., a Limited Liability Company in the State of Delaware doing business as Deland Ford (the "Dealer") and Ford Motor Company, a Delaware corporation (the "Company").

THE PARTIES AGREE that the following addendum to Paragraph (F) containing clause (i)(a) is annexed and made part of the Agreements:

upon the representation and agreement that the following person(s) and/or entity(ies), and only the following person(s) and/or entity(ies), shall have ownership interests in the principal owner(s) referred to in clause (i) of this Paragraph F:

NAME OF
PRINCIPAL
OWNER(S)
WHICH ARE
NAME AND
ADDRESS OF
PERSON(S) OR
ENTITY(IES)
PARTNERSHIPS
OR
CORPORATIONS
(STATE OF
HAVING
OWNERSHIP
INTEREST(S)
IN PRINCIPAL
PERCENTAGE OF
INCORPORATION)
OWNER(S)
(INDICATE
STOCKHOLDER
OR PARTNER)
OWNERSHIP
INTEREST ----

-------- ----

--- AF Motors
L.L.C. Asbury
Automotive
Deland,
L.L.C. 100% -

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------- 4306
Pablo Oaks
Ct.;
Jacksonville,
FL 32224 ----


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The provisions of this paragraph F requiring notice to and consent by the Company to any changes in ownership shall apply to any change in the person(s) or entity(ies) having an ownership interest in the principal owner(s) set forth in this clause F(i)(a).

IN WITNESS WHEREOF, the Company and the Dealer have duly executed this addendum in duplicate as of the 13th day of June, 2000.

FORD MOTOR COMPANY

Deland Ford
____
(Dealer's Trade Name)

/s/
____
Assistant Secretary

By /s/ Edward T. Lacey
____
President

/s/
____

EXHIBIT 10.14

GENERAL MOTORS CORPORATION
DEALER SALES AND SERVICE AGREEMENT(S)

Effective JUNE 28, 2001, General Motors Corporation, a Delaware Corporation, separately on behalf of its Division(s) identified in the specific Motor Vehicle Addendum(s) for Chevrolet Motor Division. Pontiac-GMC Division (Pontiac vehicles). Pontiac-GMC Division (GMC vehicles), Oldsmobile Division. Buick Motor Division, and Cadillac Motor Car Division ("General Motors") and CK MOTORS LLC , a proprietorship, a partnership, or a corporation. A limited liability company, or other business entity, doing business at 4425 W VINE ST. KISSIMMEE, FLORIDA 34746, ("Dealer"), hereby enter into separate Agreement(s) for each Motor Vehicle Line-Make(s) included in the Motor Vehicle Addendum(s) incorporated into this Agreement, and only for the Line-Makes(s)) included in the Motor Vehicle Addendum(s). The Agreement for each Line-Make is independent and separately enforceable by each party, and the use of this common form is intended solely to simplify execution of the Agreement(s). The parties agree as follows:

FIRST: TERM OF AGREEMENT(S)

This Agreement(s) shall expire on OCTOBER 31, 2005 or ninety days after the death or incapacity of a Dealer Operator, whichever occurs first, unless earlier terminated. Dealer is assured of an opportunity to enter into a new Agreement(s) at the expiration date if General Motors determines that Dealer has fulfilled its obligations under this Agreement(s).

SECOND: STANDARD PROVISIONS AND RELATED ADDENDA

The Standard Provisions and all of the related Addenda are hereby incorporated as part of this Agreement. The Dealer acknowledges that these documents have been brought to its attention, and Dealer accepts their form, content and amendments thereto, in the prescribed manner, from time to time.

THIRD: DEALER OPERATOR AND DEALER OWNER

Dealer agrees that the following Dealer Operator will provide personal services in accordance with Article 2 of the Standard Provisions:

BRUCE C. STARLING

The following Dealer Owner(s) agree that they will comply in all respects with Article 3 of the Standard Provisions: N/A

FOURTH: EXECUTION OF AGREEMENT(S) AND RELATED DOCUMENT(S)

This Agreement(s) and related agreement(s) are valid only if signed:

(a) on behalf of Dealer by its duly authorized representative, and in the case of this Agreement(s), by its Dealer Operator; and

(b) this Agreement(s) as set forth below on behalf of General Motors by the Regional General Manager and his authorized representative. All related agreements will be signed by the Regional General Manager or his authorized representative.

FIFTH: ADDITIONAL AGREEMENTS AND UNDERSTANDINGS

The following agreement(s) are hereby incorporated by reference into this Agreement(s):

SUPPLEMENTAL AGREEMENT TO GM DLR SALES AND SERVICE AGREEMENT - P.G.B

CK MOTORS LLC	GENERAL MOTORS CORPORATION
Dealer Firm Name	
By: /s/ Bruce C. Starling 7/3/01	By: /s/ W.C. Powell
Dealer Operator and Date	Regional General Manager
	By: /s/ Madonna Wenner 7/9/01

Authorized Representative and Date

DEALER STATEMENT OF OWNERSHIP

CK MOTORS LLC

Dealer Firm Name

KISSIMMEE. FLORIDA

City, State

a proprietorship, a partnership or a corporation incorporated on _____ in the State of ___, or a limited liability company, or other business entity _______

The undersigned Dealer hereby certifies that the following information is true, accurate and complete, as of

JUNE 28, 2001

Names and
Titles of
all
individuals,
Active 1f a
Corporation,
Show Number
Value of the
Percentage
beneficiaries
of trusts or
other
entities in
of Shares
and Class
Owner- of
owning 5% or
more of
Dealer and
entitled to
Dealer- ship
Interest of
Ownership
receive
dividends or
profits from
Dealer as
ship Each of
Record a
result of
ownership.
(Yes or ----

Person
Listed in
Dealer No)
Number Type*
Voting Based
shares or
(Yes or on
Dealership's
(Identify

Holding
Company
Owners on
GMMS Class
No) Current
Net Worth
1014-2) ----

----- BRUCE
C. STARLING
YES $0 0.00%
PRESIDENT --

ASBURY AUTO
CENTRAL FL
LLC NO $
933,492
100.00% ----

----- $ % --

------- $ %

--------- $
% ----------

$ % --------

- $ % ------

--- Total
XXX XXX $
933,492
100.00% ----

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* Indicate various classes of common or preferred stock issued. State Par Value of each share of preferred stock. Memo: If stock class "Common M" appears, the equity percentage under "Common M" refers to the percent of the number of shares of issued and outstanding Preferred Stock of the total number of issued and outstanding Common Stock and Preferred Stock in Motors Holding Investments. Contact Motors Holding to determine the value of equity interests at a given time.

Remarks:

CK MOTORS LLC

Dealer Firm Name

By /s/ Bruce C. Starling 7/3/01

Dealer Operator Date

GENERAL MOTORS CORPORATION

By /s/ Madonna Wenner 7/9/01

Authorized Representative Date

STATEMENT OF HOLDING COMPANY OWNERSHIP

CK MOTORS LLC

Dealer Firm Name

KISSIMMEE, FLORIDA

City, State

INVESTORS

FOR PERCENT
OF OWNERSHIP
ASBURY AUTO
CENTRAL FL
LLC --------

ASBURY AUTO
JACKSONVILLE,
LP 92.73% --

-- BRUCE C.
STARLING
7.27% ------

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STATEMENT OF HOLDING COMPANY OWNERSHIP

COGGIN PONTIAC-GMC-BUICK L.L.C.

Dealer Firm Name

KISSIMMEE, FLORIDA

City, State

- INVESTORS
FOR PERCENT
OF OWNERSHIP
ASBURY AUTO
JACKSONVILLE,
LP ---------

---- ASBURY
AUTOMOTIVE
GROUP, LLC
99.00% -----

ASBURY AUTO
JACKSONVILLE
GP 1.00% ---

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CAPITAL STANDARD ADDENDUM
TO
GENERAL MOTORS CORPORATION
DEALER SALES AND SERVICE AGREEMENT

This Capital Standard Addendum, effective JUNE 28, 2001, is pursuant to Article 10 of the Dealer Sales and Service Agreement in effect between General Motors and Dealer.

General Motors has determined that the minimum net working capital (standard)

necessary for the Dealer to adequately conduct Dealership Operations consistent with the Dealer's responsibilities is $ 1,006,000 .

Dealer has established, or will, within a reasonable time, establish and maintain actual dealer net working capital in an amount not less than the minimum amount specified above.

GENERAL MOTORS
DEALER CAPITAL STANDARD PROGRAM

General Motors Corporation has endeavored, through the General Motors Capital Standard Program, to help dealers develop sound financial positions. Over the years, this Program has contributed substantially to the effectiveness and relative permanency of General Motors dealers as a whole.

The purpose of the General Motors Capital Standard Program is to establish the minimum amount of regularly needed net working capital that should be provided by the owners through capital stock, other investment and earnings.

A minimum net working capital standard is established for each dealer based on the dealership operations it is expected to conduct under its Dealer Sales and Service Agreement(s). Dealer having actual net working capital equal to the standard established for the dealership operations contemplated at its dealership location should have net working capital to be compared to the standard shall be determined by arriving at the sum of Total Current Assets plus Driver Training Vehicles, Lease and Rental Units and Total Accumulated LIFO Writedown minus the sum of Total Liabilities excluding those listed below.

Those liabilities that are not subtracted are:

1. Long term notes payable which are qualified long term debt. Qualified long term debt is defined by the following criteria:

   a. The note must be payable to an owner of Dealer.
   b. Principle payments must be restricted to be paid only from profits.
   c. The amount of qualified long-term debt to be excluded is limited to 50% of the Net Working Capital standard.

   This exception is made because an owner would be less inclined to collect on a note payable at maturity than an outside creditor when payment of such a note would place the dealership in financial jeopardy.

2. Long term notes payable secured by real property.

   This exception is made because dealers are not required to own land and buildings that are used for dealership operations. Many dealers, however, elect to acquire and hold title to all or a portion of such real property, thereby investing a portion of the total equity capital in land and buildings that would otherwise be available for working capital purposes.

CK MOTORS LLC

Dealer Firm Name

KISSIMMEE, FL

City, State

GENERAL MOTORS CORPORATION

By /s/ Madonna Wenner 7/9/01

Authorized Representative Date

LOCATION AND PREMISES ADDENDUM
TO
GENERAL MOTORS CORPORATION
DEALER SALES AND SERVICE AGREEMENT

The undersigned Dealer and General Motors Corporation hereby agree that as of the effective date shown below:

1. Part I on Page 2 hereof, entitled "Description of Premises," identifies the Location and describes the Premises at which Dealer is authorized to conduct Dealership Operations under the Dealer Agreement(s). Dealer also represents that Part I accurately reflects

the terms under which it occupies the premises and the manner in which each is used for GM Dealership Operations.

2. Part II beginning on Page 3 hereof, entitled "Premises Space Analysis," sets forth the actual space Dealer represents it uses in GM Dealership Operations, and the actual space at the same locations used by Dealer for a purpose other than GM Dealership Operations.

All changes in the Location or use of Premises must be approved by General Motors pursuant to provisions of Article 4.4 of the Dealer Agreement(s) requirements shall be reflected in a new Location and Premises Addendum executed by Dealer and General Motors.

CK MOTORS LLC

Dealer Firm Name

KISSIMMEE, FL

City, State

By /s/ Bruce C. Starling   7/3/01

Dealer Operator   Date

GENERAL MOTORS CORPORATION

By

Signature   Title

By /s/ Madonna Wenner   7/9/01

Authorized Representative Date

PART I
DESCRIPTION OF PREMISES

CK MOTORS LLC

Dealer Firm Name

KISSIMMEE, FL

City, State

JUNE 28, 2001

Date of this GMMS (Mo., Day, Yr.)

APRIL 1997

Date Main Facility Constructed (Mo., Yr.)

Date Main Facility Remodeled or Added to (Mo., Yr.)

LOCATION, USE AND OWNERSHIP OF PREMISES

Identify by street address each separate dealership LEASED, INDICATE: location and describe how each is used for GM Dealership Name of Lessor: Operations. Specify:

Dealer
Beginning
and
Expiration
Date of
Lease NEW
VEHICLE
SALES,
USED
VEHICLE
SALES,
SERVICE,
Asset
Leased
Annual
Rental: $
PARTS,
OFFICE,
NEW
VEHICLE
STORAGE,
BODY SHOP,
etc.
Renewal
Option:
Term and
Annual
Rent Also
indicate
distance
of each
separate
location
from main
location.

---- MAIN
4425 WEST
VINE ST
ALAN C.
STARLING
KISSIMMEE,
FL 07-31-
1999
THROUGH
07-30-2009
NEW DISP,
USED DISP,
MECHANICAL,
[X]
$300,000
SERV RECP,
PARK-CUST,
5-YEAR NEW
STORAG,
EMP
PK/MSC,
GEN OFFICE
PARTS ----

----
2 MILES
FROM MAIN

---- 3
MILES FROM
MAIN -----

----
4 MILES
FROM MAIN

---- 5
MILES FROM
MAIN -----

----
6 MILES
FROM MAIN

--- TOTAL
DEALERSHIP
IN SQUARE
FEET -----

----- ----

GM USE
OTHER USE
TOTAL AREA
------ ---
------ ---

Total
Building
25,000
25,000
Total Lot
226,985
226,985
Grand
Total
251,985
251,985 --

--

(LOCATION AND PREMISES ADDENDUM CONTINUED)
PART II
PREMISES SPACE ANALYSIS

CK MOTORS LLC

Dealer Firm Name

KISSIMMEE, FL ------------------- City, State

JUNE 28, 2001 ------------------ Date of this GMMS (Mo., Day, Yr.)

- Actual
Space in
Number of
Stalls -----

Building Lot TOTAL (Do not include Bldg.) -----

DEPARTMENT ALLOCATION GM Use Other Use GM Use Other Use (A+B+C+D) (A) (B) (C) (D) (E) ----
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----
(1) New Vehicle Display 5 10 15 ---------

---- (2) Used Vehicle Display 80 80 ---------

---- (3) Productive Service - Mechanical 25 25 ------

------- (4) Productive

Service -
Body -------

------ (5)
Service -
Reception 6
6 ----------

--- (6)
Parking -
Customer 20
20 ---------

---- (7) New
Vehicle
Storage 150
150 --------

----- (8)
Employee
Parking and
Miscellaneous
50 50 ------

------- (9)
Total of
Lines (1)
through (8)
36 310 346 -

Actual Space
in Square

Feet TOTAL GM Use Other Use --------
----
(10) General Office 2,000 2,000
----
(11) Parts 4,500 4,500
----
(12) Total of Lines (10) and (11) 6,500 6,500

VEHICLE LINES HANDLED --

General Motors Division(s) Non-GM Lines Handled --

PONTIAC --

BUICK ----

------ GMC

GM space requirements are currently under review and updated GM space requirements will be published in the Service Policy and Procedures Manual.

PONTIAC-GMC DIVISION
MOTOR VEHICLE ADDENDUM
TO
GENERAL MOTORS CORPORATION

DEALER SALES AND SERVICE AGREEMENT

CK MOTORS LLC

DEALER FIRM NAME

KISSIMMEE, FLORIDA

CITY, STATE

Effective JUNE 28, 2001, Dealer, as an authorized General Motors dealer, has non-exclusive right to buy the following new Motor Vehicles marketed by Pontiac-GMC Division of General Motors Corporation, subject to the terms and conditions of the Standard Provisions.

PASSENGER CARS

BONNEVILLE, FIREBIRD, GRAND AM, GRAND PRIX, SUNFIRE

LIGHT DUTY TRUCKS

AZTEK, MONTANA

This Motor Vehicle Addendum shall remain in effect unless canceled or until superseded by a new Motor Vehicle Addendum furnished Dealer by General Motors Corporation. This Motor Vehicle Addendum cancels and supersedes any previous Motor Vehicle Addendum furnished Dealer by General Motors.

GENERAL MOTORS CORPORATION

By: /s/

DIVISION MARKETING GENERAL MANAGER
PONTIAC-GMC DIVISION

NOTICE OF
AREA OF PRIMARY RESPONSIBILITY
TO
GENERAL MOTORS CORPORATION
DEALER SALES AND SERVICE AGREEMENT

Effective JUNE 28, 2001, the area described below and known as KISSIMMEE, FLORIDA shall be the Dealer's Area of Primary Responsibility for the Pontiac-GMC Motor Division (Pontiac Motor Vehicles) of General Motors.

All of OSCEOLA County, FLORIDA except the following U.S. Census Tract(s):

406.00

And the following U.S. Census Tract(s) contained in POLK County, FLORIDA:

125.00

{CONTINUED ON FOLLOWING PAGE(S)}

NOTICE OF
AREA OF PRIMARY RESPONSIBILITY

TO
GENERAL MOTORS CORPORATION
DEALER SALES AND SERVICE AGREEMENT

{CONTINUED FROM PRECEDING PAGE(S)}

The following whole or partial communities do not define the undersigned Dealer's Area of Primary Responsibility but are included as a reference list of commonly used community names in the Area of Primary Responsibility described above:

BUENA VENTURA LAKE CAMPBELL DAVENPORT KISSIMMEE
ST. CLOUD

The Area of Primary Responsibility will be employed by General Motors to review the effectiveness of Dealer's performance under the Dealer Agreement, and for other matters relating to Dealership Operations. The Area of Primary Responsibility described herein will continue in effect until changed by written notice to Dealer.

CK MOTORS LLC

Dealer Firm Name

KISSIMMEE, FLORIDA

City, State

GENERAL MOTORS CORPORATION

By /s/ Madonna Wenner 7/9/01

Authorized Representative Date

EXHIBIT 10.15

HONDA

AUTOMOBILE DEALER SALES AND SERVICE AGREEMENT

207435
CH MOTORS LTD. DBA
COGGIN HONDA
11003 ATLANTIC BOULEVARD
JACKSONVILLE, FLORIDA 32225-2901
AMERICAN HONDA MOTOR CO., INC.

A

This is an agreement between the Honda Automobile Division, American Honda Motor Co., Inc. (American Honda) and CH MOTORS LTD. (Dealer) a(n) Partnership doing business as Coggin Honda. By this agreement, which is made and entered into at Torrance, California, effective the 11th day of June, 2001, American Honda gives to Dealer the nonexclusive right to sell and service Honda Products at the Dealership Location. It is the purpose of this Agreement, including the Honda Automobile Dealer Sales and Service Agreement Standard Provisions (Standard Provisions), which are incorporated herein by reference, to set forth the rights and obligations which Dealer will have as a retail seller of Honda Products. Achievement of the purpose of this Agreement is premised upon the mutual understanding and cooperation between American Honda and Dealer. American Honda and Dealer have each entered into this Agreement in reliance on the integrity and ability and expressed intention of each to deal fairly with the consuming public and with each other.

For consistency and clarity, terms which are used frequently in this Agreement have been defined in Article 12 of the Standard Provisions.

B

American Honda grants to Dealer the nonexclusive right to buy Honda Products and to identify Honda itself as a Honda dealer at the Dealership Location. Dealer assumes the obligations specified in this Agreement and agrees to sell and service effectively Honda Products within Dealer's Primary Market Area and to maintain premises satisfactory to American Honda.

C

Dealer covenants and agrees that this Agreement is personal to Dealer, to the Dealer Owner, and to the Dealer Manager, and American Honda has entered into this Agreement based upon their particular qualifications and attributes and their continued ownership or participation in Dealership Operations. The parties therefore recognize that the ability of Dealer to perform this Agreement satisfactorily and the Agreement itself are both conditioned upon the continued active involvement in or ownership of Dealer by either:

(1.) the following person(s) in the percentage(s) shown:

NAME	ADDRESS	TITLE	PERCENT OF OWNERSHIP
Asbury Jax Management LLC		Partner	1%
Coggin Automotive Corp.		Partner	99%

(2)

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an individual personally owning an interest in Dealer of at least 25% and who has presented to American Honda a firm and binding contract giving to him the right and obligation of acquiring an ownership interest in Dealer in excess of 50% within five years of the commencement of Dealership Operations and being designated in that contract as Dealer operator.

D

Dealer represents, and American Honda enters into this Agreement in reliance upon the representation, that Thomas R. Moore exercises the functions of Dealer Manager and is in complete charge of Dealership Operations with authority to make all decisions on behalf of Dealer with respect to Dealership Operations. Dealer agrees that there will be no charge in Dealer Manager without the prior written approval of American Honda.

E

American Honda has approved the following premise as the location(s) for the display of Honda Trademarks and for Dealership Operations.

HONDA NEW VEHICLE SALES SHOWROOM	PARTS AND SERVICE FACILITY
11003 Atlantic Blvd. Jacksonville, FL 32225-2901	11003 Atlantic Blvd. Jacksonville, FL 32225-2901
SALES AND GENERAL OFFICES	USED VEHICLE DISPLAY AND SALES FACILITIES
11003 Atlantic Blvd. Jacksonville, FL 32225-2901	11003 Atlantic Blvd. Jacksonville, FL 32225-2901

F

There shall be no voluntary or involuntary change, direct or indirect, in the legal or beneficial ownership or executive power or responsibility of Dealer for the Dealership Operations, specified in Paragraphs C and D hereof, without the prior written approval of American Honda.

G

Dealer agrees to maintain, solely with respect to the Dealership Operations, minimum net working capital of $3,000,200, minimum owner's equity of $1,500,100*, and flooring and a line or lines of credit in the aggregate amount of $5,884,800 with banks or financial institutions approved by

America Honda for use in connection with Dealer's purchases of and carrying of inventory of Honda Products, all of which American Honda and Dealer agree are required to enable Dealer to perform its obligations pursuant to this Agreement. If Dealer also carries on another business or sells other products, Dealer's total net working capital, owner's equity and lines of credit shall be increased by an appropriate amount.

* As determined by Effective Net Worth. Effective Net Worth is calculated as the Total Net Worth plus 50% of the LIFO Reserve less Total Other Assets.

H

This Agreement is made for the period beginning June 11, 2001 and ending November 30, 2003, unless sooner terminated. Continued dealings between American Honda and Dealer after the expiration of this Agreement shall not constitute a renewal of this Agreement for a term, but rather shall be on a day-to-day basis, unless a new agreement or a renewal of this Agreement is fully executed by both parties.

I

This Agreement may not be varied, modified or amended except by an instrument in writing, signed by duly authorized officers of the parties, referring specifically to this Agreement and the provision being modified,

varied or amended.

J

Neither this Agreement, nor any part thereof or interest therein, may be transferred or assigned by Dealer, directly or indirectly, voluntarily or by operation of law, without the prior written consent of American Honda.

CH MOTORS LTD. dba
Coggin Honda

By /s/ T. R. Gibson

(Dealer)

(Corporate or Firm Name)

AMERICAN HONDA MOTOR CO., INC.
HONDA AUTOMOBILE DIVISION

By /s/ Richard Colliver

ADDENDUM TO HONDA AUTOMOBILE DEALER SALES AND SERVICE AGREEMENT

This Addendum (the "Addendum") dated June 11, 2001, is entered into between CH Motors Ltd. ("Dealer"), a Florida limited partnership with its principal place of business at 11003 Atlantic Blvd., Jacksonville, Florida 32225-2901, and American Honda Motor Co., Inc. ("American Honda"), a California corporation, with its principal place of business at 1919 Torrance Boulevard, Torrance, California 90501.

WHEREAS, Dealer and American Honda are entering into the Honda Automobile Dealer Sales and Service Agreement including the Standard Provisions (the "Dealer Agreement"), a copy of which is attached hereto, as of the date hereof; and

WHEREAS, Dealer and American Honda desire that this Addendum and the Framework Agreement between American Honda Motor Co., Inc. and Certain Entities and Individuals Known Collectively as the "Asbury Group" (the "Agreement") to be incorporated and become part of the Dealer Agreement;

NOW THEREFORE, in consideration of the mutual covenants set forth herein and in the Dealer Agreement and other good and valuable consideration the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. STATUS OF THE ADDENDUM. This Addendum is hereby incorporated into and is made part of the Dealer Agreement. The Dealer Agreement and this Addendum shall, when possible, be read as an integrated document; however, if there is any conflict between the terms of this Addendum and the Dealer Agreement, this Addendum shall govern.

2. INCORPORATION OF THE APPLICABLE TERMS OF THIS AGREEMENT. Dealer represents and warrants that it has read the Agreement and acknowledges that the Agreement includes provisions that pertain to Asbury's management, ownership, and right to acquire and transfer Honda dealerships and other matters. Dealer acknowledges that it is a member of the Asbury Group, as that phrase is used in the Agreement. Dealer has executed the Agreement and agrees to be bound by all provisions of the Agreement that are applicable to or affect it and/or the actions of any Honda and Acura dealership owned by Dealer. Dealer and American Honda agree that the terms and conditions of the Agreement are hereby incorporated into and made part of the Dealer Agreement.

3. ADDITIONAL TERMS. Dealer shall satisfy the following terms on a continuing basis during the term of the Dealer Agreement, as well as during any periods following any renewal or extension of the Dealer Agreement:

   a. EXCLUSIVE FACILITIES. As provided in Paragraph 1.7 of the Agreement, Dealer shall provide separate, exclusive, freestanding Honda Dealership Operations that are in full and timely compliance with American Honda standards and guidelines relating to Honda Dealership Operations, facility design, functionality and capacity, and enhancements to American Honda's brand image, which standards and guidelines American Honda may reasonably modify from time to time, shall exclusively offer a full range of Honda Products and services and shall not offer competing products or services from its Dealership Premises.

b. HONDA EXCLUSIVE MINIMUM FACILITY REQUIREMENTS. The Dealership Premises for the Dealer shall provide the following Honda exclusive minimum square footage requirements, arranged in a manner conducive to the reasonable sales and service of Honda Automobiles, Honda Parts and accessories:

BUILDING	
Honda Sales Showroom Display	6,055 Sq. Ft.
(Memo: Showroom Display Vehicles)	5
Administration	2,440 Sq. Ft.
Honda Service	13,083 Sq. Ft.
Stall/Lifts	20/13
Service Reception Stalls	12
Honda Parts and Accessories Department	13,281 Sq. Ft.
(Memo: Parts Storage - 10,881 Ft.)	
Total Building	34,859 Sq. Ft.
Total Useable Land (Including Building Footprint)	253,764 Sq. Ft.
(Memo: Display/Parking Spaces)	865
Recommended Site Frontage	510 Feet

c. MINIMUM CAPITAL REQUIREMENTS. Dealer agrees that the Honda Dealership Operations shall meet American Honda's minimum capital requirements at all times. The minimum capital requirements shall be determined by American Honda from time to time and, as of the date hereof, shall be the amounts specified below:

- American Honda's current minimum working capital requirement for Dealer is $3,000,200.

- American Honda's current effective net worth requirement is $1,500,100, or 50% of the working capital requirement, for the Honda dealership at the Dealership Premises. Effective net worth is calculated as the net worth plus 50% of the LIFO less Total Other Assets. 50% of the net worth must be in the form of stock or additional paid in capital. Subordinated notes are not acceptable alternatives as net worth investments.

- A wholesale line of credit is to be established and maintained by Dealer with a financial institution approved by American Honda for the exclusive purpose of purchasing and maintaining a representative inventory of new Honda Automobiles. The current minimum amount of such line is $5,884,800.

d. FINANCIAL STATEMENT SUBMISSION. Dealer agrees to continue to comply with American Honda's dealer financial requirements as specified in the Dealer Agreement. These specifically provide that Dealer will furnish a complete, timely and accurate financial statement on a monthly basis, electronically, and on the form required by American Honda.

e. PERSONNEL MINIMUM REQUIREMENTS. Dealer agrees to employ Honda service and parts staff which meets at all times the minimum service and parts training standards

specified by American Honda for its authorized dealers and whose members are properly licensed.

f. COMMUNICATIONS EQUIPMENT. Dealer agrees to provide appropriate data communications equipment, compatible with American Honda specifications, which currently must accommodate Dealer Communications System (DCS) Interactive Network and HONDANET.

4. NO GUARANTEE OF FINANCIAL SUCCESS. Dealer recognizes and acknowledges that American Honda's approval of Dealer's application and Dealership Premises does not in any way constitute a representation, assurance, or guarantee by American Honda that Dealer will achieve any particular level of sales, operate at a profit, or realize any return on Dealer's investment.

5. AUTOMOBILE AVAILABILITY. Dealer recognizes and acknowledges that American Honda cannot and does not guarantee a specific number of new Honda Automobiles to be made available for resale by the Dealer. American Honda

assumes no liability in the event of losses incurred during periods of unavailability, nor does unavailability excuse Dealer's performance.

6. COMPLIANCE WITH AND IMPACT OF APPLICABLE LAWS. Dealer shall comply at Dealer's own expense with all applicable state and federal laws, including those pertaining to vehicle dealerships. Dealer shall secure all licenses and permissions in accordance with such laws and bear all the cost related thereto.

7. ASSUMPTION OF COSTS. Dealer will complete the above actions solely at Dealer's own expense and without responsibility on the part of American Honda.

8. SEVERABILITY. If any provision of this Addendum should be held invalid or unenforceable for any reason whatsoever, or conflicts with any applicable law, this Addendum will be considered divisible as to such provision(s), and such provision(s) will be deemed amended to comply with such law, or if it (they) cannot be so amended without materially affecting the tenor of the Dealer Agreement, then it (they) will be deemed deleted from the Dealer Agreement in such jurisdiction, and in either case, the remainder of the Dealer Agreement will be valid and binding to the greatest extent possible. Notwithstanding the foregoing, if, as a result of any provision of the Dealer Agreement (including this Addendum) being held invalid or unenforceable, American Honda's ability to control the selection of the Dealer Owner, Executive Manager, or the Dealer Manager or to otherwise maintain its ability to exercise reasonable discretion over the selection of the actual individual who is managing Dealer is materially restricted beyond the terms of the Dealer Agreement of the Agreement or the Amendment, American Honda shall be permitted to invoke the repurchase provisions of Section 6.2.4 of the Agreement.

9. DISPUTE RESOLUTION. All disputes pertaining to this Addendum shall be resolved pursuant to dispute resolution provisions in Section 8 of the Agreement.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date first above written.

CH Motors, Ltd. dba COGGIN HONDA

BY: /s/ T. R. Gibson

Authorized Agent

AMERICAN HONDA MOTOR CO., INC.
HONDA DIVISION

BY: /s/ Richard Colliver

Richard Colliver, Executive Vice President

EXHIBIT 10.16

MERCEDES-BENZ OF NORTH AMERICA, INC.

MERCEDES-BENZ PASSENGER CAR

DEALER AGREEMENT

This PASSENGER CAR DEALER AGREEMENT is effective as of the day last set forth below by and between Mercedes-Benz of North America, Inc. ("MBNA") and the natural person or entity identified as "Dealer" in the Final Paragraph of this Agreement.

MERCEDES-BENZ STATEMENT OF COMMITMENT

This Agreement states the commitment of MBNA and Dealer to each other as well as their relationship to the owners of Mercedes-Benz Passenger Car Products.

MBNA, the exclusive distributor of Mercedes-Benz Passenger Car Products in the United States of America and its territories and possessions, brings to this relationship the peerless reputation and image of Mercedes-Benz through the embodiment of the "Three-Pointed Star." MBAG has produced automobiles longer than any other manufacturer in the world. It has never let sheer numbers of production, or the requirement of transportation alone, become the yardstick for the design of its products. Its devoted craftsmen have built, and continue to build, the finest automobiles in the world. Mercedes-Benz automobiles are not made for the affluent only or for a single country. Since 1886, Mercedes-Benz automobiles have been and continue to be the pride of discriminating owners all over the world.

Mercedes-Benz passenger car dealers are community leaders whose reputation, integrity and expertise are essential to the sale and servicing of Mercedes-Benz Passenger Cars. They must have well-located places of business with outstanding sales, service and parts facilities; they must be staffed by courteous and well-trained personnel who are dedicated to serving Mercedes-Benz customers during the acquisition and ownership experience; and they must be focused on attaining the collective long-term goals reflected herein as well as their own individual goals.

Mercedes-Benz owners are loyal, devoted and proud; but they are also demanding towards the factory as far as the product is concerned and towards the dealer as to how it is sold and serviced. MBNA and Dealer are committed to meeting and, where possible, exceeding those high expectations.

By executing this Agreement, and pursuant to its terms, MBNA and its Mercedes-Benz passenger car dealers dedicate themselves jointly to serving and satisfying the past, present and future owners of Mercedes-Benz Passenger Car Products.

A. APPOINTMENT OF DEALER

MBNA hereby appoints Dealer and grants it the non-exclusive right to buy and resell Mercedes-Benz Passenger Car Products. Dealer accepts such appointment and understands that its appointment as a Dealer (i) does not grant it an exclusive right to sell Mercedes-Benz Passenger Car Products in its Area of Influence or in any other geographic area, and (ii) does not grant it any right to buy or resell vehicles or other products that are not Mercedes-Benz Passenger Car Products.

B. TERM

This Agreement shall have a term commencing on its effective date and continuing until the date set forth in the Final Paragraph.

C. ADDITIONAL PROVISIONS

The accompanying Mercedes-Benz Passenger Car Dealer Agreement Standard Provisions, Dealer Facility Space Analysis Addendum, Dealer Operating Requirements Addendum, Dealer Area of Influence Addendum, Dealer Improvement Addendum (if applicable) and Dealer Advertising Guidelines are hereby incorporated into and made a part of this Agreement. Dealer further agrees to be bound by and comply with the Warranty Manual, Corporate Identity Manual and all other manuals, bulletins, instructions and directives issued to Dealer by MBNA.

D. DEALER OWNERSHIP

This is a personal services agreement. MBNA is entering into this Agreement in reliance upon the personal qualifications, reputation, integrity and expertise of Owners and upon their representation that they are committed to achieving the purposes and goals of this Agreement. Dealer agrees that there will be no change in the identity of Owner or in Dealer's ownership, name, identity, business organization or structure without the prior written consent of MBNA, which consent shall not be unreasonably withheld. If Dealer is a corporation, Dealer agrees to notify MBNA in writing of any change in the identity of its officers or directors.

E. DEALER MANAGEMENT

MBNA and Dealer agree that qualified dealership management is critical to the successful operation of Dealer. Dealer agrees, and MBNA enters into this Agreement on the condition, that at least one Owner, the Dealer Operator, shall have full managerial authority for Dealership Operations, shall continually provide his or her personal services in operating the dealership, and shall be physically present at the Dealership Facilities on a full-time basis. If the Dealer Operator has or in the future acquires an ownership interest in another Mercedes-Benz passenger car dealer where he or she desires to serve temporarily as the Dealer Operator, MBNA shall give Dealer and the other dealer a reasonable period of time within which to designate a separate and distinct Dealer Operator satisfactory to MBNA for each such dealer. Dealer agrees that there will be no change in the identity of the Dealer Operator without the prior written consent of MBNA, which consent shall not be unreasonably withheld.

F. DEALERSHIP FACILITIES

Dealer agrees that the Dealership Facilities shall satisfy all applicable provisions of this Agreement, including the facility, space, appearance, layout, equipment and corporate identification requirements in the Dealer Operating Requirements Addendum, Dealer Facility Space Analysis Addendum and Corporate Identity Manual. Unless otherwise provided in the Dealer Facility Space Analysis Addendum, MBNA hereby approves the location(s) of the Dealership Facilities identified in the Final Paragraph for the exclusive purpose of: (i) showroom and sales facility for Mercedes-Benz Passenger Cars; (ii) service and parts facility for Mercedes-Benz Passenger Cars; (iii) facilities for display and sale of pre-owned Mercedes-Benz vehicles; and (iv) if applicable, other facilities for such other purpose(s) as may be identified in the Final Paragraph. Dealer shall not move, relocate or change the designated usage or function of the Approved Location(s) or any of the Dealership Facilities without the prior written consent of MBNA. In particular, Dealer shall not add sales, service or parts operations for any other line of vehicles to the Dealership Facilities or at the Approved Location(s) without the prior written consent of MBNA.

G. MERCEDES-BENZ PARTNERSHIP GROUPS

MBNA and Dealer agree that it is in their mutual interest to create the Mercedes-Benz National Partnership Group and Regional Partnership Groups. Subject to their respective by-laws and procedures, the National Partnership Group shall act as liaison between MBNA and the dealer body, conveying to MBNA's management the views, recommendations and suggestions of the dealer body on those matters of importance affecting the mutual interests of MBNA and Mercedes-Benz passenger car dealers generally, while the Regional Partnership Groups shall foster open and frequent communications between MBNA's regional management and the dealer body on such issues. Each Mercedes-Benz passenger car dealer is encouraged to express its views on such issues to MBNA through its Regional Partnership Group. Dealer agrees to support the National Partnership Group and its Regional Partnership Group.

H. MODIFICATION OF AGREEMENT

No waiver, modification or change of any of the terms of this Agreement or change or erasure of any printed part of this Agreement or addition to it (except filling of blank spaces and lines) will be valid or binding on MBNA unless approved in writing by the President or a Vice President of MBNA.

I. EXECUTION OF AGREEMENT

This Agreement shall not become effective until signed by a duly authorized officer of Dealer, if a corporation; or by one of the general partners of Dealer, if a partnership; or by the named individual if a sole

proprietorship; and countersigned by the President or a Vice President of MBNA.

J. MUTUAL RELEASE

Each party hereby releases the other from any and all claims and causes of action that it may have against the other for money damages arising from any event occurring up to

and including the effective date of this Agreement, except for any accounts payable by one party to the other reflected on the Mercedes-Benz Consolidated Financial Statement or adjustments to any prior payment, credit or other benefit arising from any audit or other examination conducted by MBNA with respect thereto. This mutual release does not extend to claims that either party does not know or reasonably suspect to exist in its favor as of the effective date of this Agreement or that arise under Section XIII of the Standard Provisions to this Agreement.

K. CERTIFICATION

By their signatures below, the parties certify that they have read and understand this Agreement, including all of the additional provisions incorporated herein, and agree to be bound by and comply with all of its terms and conditions.

FINAL PARAGRAPH

Dealer is CFP MOTORS, LTD. , a (an) LIMITED PARTNERSHIP incorporated or formed under the Laws of the State of FLORIDA doing business as COGGIN MOTOR MALL ("Dealer"). Dealer is located in FORT PIERCE, FLORIDA
City State

The Owners of Dealer (including all shareholders, general and limited partners, and other owners) are as follows:

Name	Residence	Percentage Interest
COGGIN AUTOMOTIVE CORP	7400 BAYMEADOWS WAY JACKSONVILLE, FL 32256	74.00
ROBERT W. CARACELLO	9670 LANDINGS DRIVE PORT ST. LUCIE, FL 34982	25.00
CF MOTOR CORP	7400 BAYMEADOWS WAY JACKSONVILLE, FL 32256	1.00

The Dealer Operator of Dealer is as follows:

Name	Residence
ROBERT W. CARACELLO GENERAL MANAGER	9670 LANDINGS DRIVE PORT ST. LUCIE, FL 34986
LUTHER COGGIN	815 PONTE VEDRA BLVD.

PRESIDENT PONTE VEDRA BEACH, FL 32082

Showroom and Sales Facility for Mercedes-Benz Passenger Cars located at:
4500 SOUTH US1
P.O. BOX 2049
FORT PIERCE, FL 34954

Service and Parts Facility for Mercedes-Benz Passenger Cars located at:
4500 SOUTH US1
P.O. BOX 2049
FORT PIERCE, FL 34954

Facilities for the display and sale of pre-owned Mercedes-Benz vehicles located at:
4500 SOUTH US1
P.O. BOX 2049
FORT PIERCE, FL 34954

FINAL PARAGRAPH

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the 30TH day of APRIL, 1997 at Montvale, New Jersey. This Agreement shall have a term commencing on its effective date and continuing until DECEMBER 31, 2001.

DEALER	MERCEDES-BENZ OF NORTH AMERICA, INC.
By: /s/ Luther W. Coggin	By:
Luther W. Coggin, President	Vice President
Luther W. Coggin, President	Attested by: /s/ Anthony LaSpada
Type Name and Title	

Attested by:

MERCEDES-BENZ OF NORTH AMERICA, INC.

MERCEDES-BENZ LIGHT TRUCK
DEALER AGREEMENT

This LIGHT TRUCK DEALER AGREEMENT is effective as of the day last set forth below by and between Mercedes-Benz of North America, Inc. ("MBNA") and the natural person or entity identified as "Dealer" in the Final Paragraph of this Agreement.

MERCEDES-BENZ STATEMENT OF COMMITMENT

This Agreement states the commitment of MBNA and Dealer to each other as well as their relationship to the owners of Mercedes-Benz Light Truck Products.

MBNA, the exclusive distributor of Mercedes-Benz Light Truck Products in the United States of America and its territories and possessions, brings to this relationship the peerless reputation and image of Mercedes-Benz through the embodiment of the "Three-Pointed Star." MBAG has produced automobiles longer than any other manufacturer in the world. It has never let sheer numbers of production, or the requirement of transportation alone, become the yardstick for the design of its products. Its devoted craftsmen have built, and continue to build, the finest automobiles in the world. Mercedes-Benz automobiles are not made for the affluent only or for a single country. Since 1886, Mercedes-Benz automobiles have been and continue to be the pride of discriminating owners all over the world.

Mercedes-Benz light truck dealers are community leaders whose reputation, integrity and expertise are essential to the sale and servicing of Mercedes-Benz Light Trucks. They must have well-located places of business with outstanding sales, service and parts facilities; they must be staffed by courteous and well-trained personnel who are dedicated to serving Mercedes-Benz customers during the acquisition and ownership experience; and they must be focused on

attaining the collective long-term goals reflected herein as well as their own individual goals.

Mercedes-Benz owners are loyal, devoted and proud; but they are also demanding towards the factory as far as the product is concerned and towards the dealer as to how it is sold and serviced. MBNA and Dealer are committed to meeting and, where possible, exceeding those high expectations.

By executing this Agreement, and pursuant to its terms, MBNA and its Mercedes-Benz light truck dealers dedicate themselves jointly to serving and satisfying the past, present and future owners of Mercedes-Benz Light Truck Products.

A. APPOINTMENT OF DEALER

MBNA hereby appoints Dealer and grants it the non-exclusive right to buy and resell Mercedes-Benz Light Truck Products. Dealer accepts such appointment and understands that its appointment as a Dealer (i) does not grant it an exclusive right to sell Mercedes-Benz Light Truck Products in its Area of Influence or in any other geographic

area, and (ii) does not grant it any right to buy or resell vehicles or other products that are not Mercedes-Benz Light Truck Products.

B. TERM

This Agreement shall have a term commencing on its effective date and continuing until the date set forth in the Final Paragraph.

C. ADDITIONAL PROVISIONS

The accompanying Mercedes-Benz Light Truck Dealer Agreement Standard Provisions, Dealer Facility Space Analysis Addendum, Dealer Operating Requirements Addendum, Dealer Area of Influence Addendum, Dealer Improvement Addendum (if applicable) and Dealer Advertising Guidelines are hereby incorporated into and made a part of this Agreement. Dealer further agrees to be bound by and comply with the Warranty Manual, Corporate Identity Manual and all other manuals, bulletins, instructions and directives issued to Dealer by MBNA.

D. DEALER OWNERSHIP

This is a personal services agreement. MBNA is entering into this Agreement in reliance upon the personal qualifications, reputation, integrity and expertise of Owners and upon their representation that they committed to achieving the purposes and goals of this Agreement. Dealer agrees that there will be no change in the identity of Owner or in Dealer's ownership, name, identity, business organization or structure without the prior written consent of MBNA, which consent shall not be unreasonably withheld; provided, however, that anything herein to the contrary notwithstanding, Dealer agrees that it shall not sell or transfer Dealer's principal assets or any ownership interest of Owner relating to the conduct of Dealership Operations hereunder separate and apart from the assets or ownership interest relating to the conduct of "Dealership Operations" under the Mercedes-Benz Passenger Car Dealer Agreement. If Dealer is a corporation, Dealer agrees to notify MBNA in writing of any change in the identity of its officers or directors.

E. DEALER MANAGEMENT

MBNA and Dealer agree that qualified dealership management is critical to the successful operation of Dealer. Dealer agrees, and MBNA enters into this Agreement on the condition, that at least one Owner, the Dealer Operator, shall have full managerial authority for Dealership Operations, shall continually provide his or her personal services in operating the dealership, and shall be physically present at the Dealership Facilities on a full-time basis. Dealer further agrees that the Dealer Operator hereunder shall be the same person as the "Dealer Operator" under the Mercedes-Benz Passenger Car Dealer Agreement. If the Dealer Operator has or in the future acquires an ownership interest in another Mercedes-Benz light truck dealer where he or she desires to serve temporarily as the Dealer Operator, MBNA shall give Dealer and the ocher dealer a reasonable period of time within which to designate a separate and distinct Dealer Operator satisfactory to MBNA for each such dealer. Dealer agrees that there will be no change in the identity of the Dealer Operator without the prior written consent of MBNA, which consent shall not be unreasonably withheld.

F. DEALERSHIP FACILITIES

Dealer agrees that the Dealership Facilities shall satisfy all applicable provisions of this Agreement, including the facility, space, appearance, layout, equipment and corporate identification requirements in the Dealer Operating Requirements Addendum, Dealer Facility Space Analysis Addendum and Corporate Identity Manual. Unless otherwise provided in the Dealer Facility Space Analysis Addendum, MBNA hereby approves the location(s) of the Dealership Facilities identified in the Final Paragraph for the purpose of: (i) showroom and sales facility for Mercedes-Benz Light Trucks; (ii) service and parts facility for Mercedes-Benz Light Trucks; and (iii) if applicable, other facilities for such other purpose(s) as may be identified in the Final Paragraph. Dealer shall not move, relocate or change the designated usage or function of the Approved Location(s) or any of the Dealership Facilities without the prior written consent of MBNA. At all times, Dealer shall conduct Dealership Operations hereunder in conjunction with, and at the "Approved Location(s)" and "Dealership Facilities" for, its "Dealership Operations" under the Mercedes-Benz Passenger Car Dealer Agreement. Dealer shall not add sales, service or parts operations for any other line of vehicles to the Dealership Facilities or at the Approved Location(s) without the prior written consent of MBNA.

G. MERCEDES-BENZ PARTNERSHIP GROUPS

MBNA and Dealer agree that it is in their mutual interest to create the Mercedes-Benz National Partnership Group and Regional Partnership Groups. Subject to their respective by-laws and procedures, the National Partnership Group shall act as liaison between MBNA and the dealer body, conveying to MBNA's management the views, recommendations and suggestions of the dealer body on those matters of importance affecting the mutual interests of MBNA and Mercedes-Benz light truck dealers generally, while the Regional Partnership Groups shall foster open and frequent communications between MBNA's regional management and the dealer body on such issues. Each Mercedes-Benz light truck dealer is encouraged to express its views on such issues to MBNA through its Regional Partnership Group. Dealer agrees to support the National Partnership Group and its Regional Partnership Group.

H. MODIFICATION OF AGREEMENT

No waiver, modification or change of any of the terms of this Agreement or change or erasure of any printed part of this Agreement or addition to it (except filling of blank spaces and lines) will be valid or binding on MBNA unless approved in writing by the President or a Vice President of MBNA.

I. EXECUTION OF AGREEMENT

This Agreement shall not become effective until signed by a duly authorized officer of Dealer, if a corporation; or by one of the general partners of Dealer, if a partnership; or by the named individual if a sole proprietorship; and countersigned by the President or a Vice President of MBNA.

J. MUTUAL RELEASE

Each party hereby releases the other from any and all claims and causes of action that it may have against the other for money damages arising from any event occurring up to and including the effective date of this Agreement, except for any accounts payable by one party to the other reflected on the Mercedes-Benz Consolidated Financial Statement or adjustments to any prior payment, credit or other benefit arising from any audit or other examination conducted by MBNA with respect thereto. This mutual release does not extend to claims that either party does not know or reasonably suspect to exist in its favor as of the effective date of this Agreement or that arise under Section XIII of the Standard Provisions to this Agreement.

K. CERTIFICATION

By their signatures below, the parties certify that they have read and understand this Agreement, including all of the additional provisions incorporated herein, and agree to be bound by and comply with all of its terms and conditions.

FINAL PARAGRAPH

Dealer is CFP MOTORS, LTD. , a (an) LIMITED PARTNERSHIP incorporated or formed under the Laws of the State of FLORIDA doing business as COGGIN MOTOR MALL ("Dealer"). Dealer is located in FORT PIERCE, FLORIDA
City State

The Owners of Dealer (including all shareholders, general and limited partners. and other owners) are as follows:

Name	Residence	Percentage Interest
COGGIN AUTOMOTIVE CORP	7400 BAYMEADOWS WAY JACKSONVILLE, FL 32256	74.00
ROBERT W. CARACELLO	9670 LANDINGS DRIVE PORT ST. LUCIE, FL 34982	25.00
CF MOTOR CORP	7400 BAYMEADOWS WAY JACKSONVILLE, FL 32256	1.00

The Dealer Operator of Dealer is as follows:

Name	Residence
ROBERT W. CARACELLO GENERAL MANAGER	9670 LANDINGS DRIVE PORT ST. LUCIE, FL 34986
LUTHER COGGIN PRESIDENT	815 PONTE VEDRA BLVD. PONTE VEDRA BEACH, FL 32082

Showroom and Sales Facility for Mercedes-Benz Light Trucks located at:
4500 SOUTH US1
P.O. BOX 2049
FORT PIERCE, FL 34954

Service and Parts Facility for Mercedes-Benz Light Trucks located at:
4500 SOUTH US1
P.O. BOX 2049
FORT PIERCE, FL 34954

Facilities for the display and sale of pre-owned Mercedes-Benz vehicles located at:
4500 SOUTH US1
P.O. BOX 2049
FORT PIERCE, FL 34954

FINAL PARAGRAPH

IN WITNESS WHEREOF, the parties hereto have executed this

Agreement effective as of the 13TH day of JUNE, 1997 at Montvale, New Jersey. This Agreement shall have a term commencing on its effective date and continuing until DECEMBER 31, 2001.

DEALER	MERCEDES-BENZ OF NORTH AMERICA, INC.
By: /s/ Luther W. Coggin	By: /s/ Harold D. Whitford
Luther W. Coggin, President	Vice President
Luther W. Coggin, President	Attested by: /s/ Anthony LaSpada
Type Name and Title	

Attested by:

Mercedes-Benz USA, LLC

June 12, 2000

Mr. Thomas R. Gibson, Chairman,
Asbury Automotive Group, L.L.C.
1050 Westlakes Drive, Suite 300
Berwyn, PA 19312-2421

RE: MERCEDES-BENZ CENTERS
Asbury Automotive St. Louis, LLC (Creve Coeur, MO)
Precision Motorcars, Inc. (Tampa, FL)
CFP Motors, Ltd. (Fort Pierce, FL)

Dear Mr. Gibson:

We are in receipt of your letter dated May 11, 2000 and supporting documents to Mr. John Koehler, advising of a change in the ownership structure of Asbury Automotive Group, L.L.C. It is our understanding that as a result of a "roll-up" of minority ownership interests, subject Mercedes-Benz Center entities will now be wholly owned either directly or through holding company entities by Asbury Automotive Group, L.L.C. as depicted below:

Asbury Automotive Holdings, L.L.C.

Minority Owners

Entity formerly knowns as "Asbury Automotive Group, L.L.C." (ownership unchanged) 59.24%

40.76% Individual owners listed in Schedule 4 attachment of the May 11, 2000 letter referred to above

Asbury Automotive Group L.L.C.

Entity formerly knowns as "Asbury Automotive Oregon LLC"

Asbury Villanova II, LLC

Asbury Automotive Jacksonville GP LLC

Asbury Automotive St. Louis, LLC dba Plaza MotorCompany CREVE COEUR, MO

1%

Asbury Automotive Tampa GP LLC

99%

Asbury Automotive Jacksonville LP

1% 50% 49%

Asbury Automotive Tampa LP

CFP Motors, Ltd. dba Coggin Motor Mall FT. PIERCE, FL

Precision Enterprises Tampa, Inc.

Precision Motocars, Inc.
dba Mercedes-Benz of Tampa
TAMPA, FL

Based on review of the documentation submitted, we find the aforementioned changes in the ownership of the respective Mercedes-Benz Centers acceptable. We will record this in our corporate records upon your notification that the changes have been implemented.

Sincerely,

MERCEDES-BENZ USA, LLC

/s/ Ken Enders

By Ken Enders,
Vice President Marketing

CC: W. Anderson
R. Crolic

EXHIBIT 10.17

NISSAN

DEALER SALES & SERVICE AGREEMENT

THIS AGREEMENT is entered into effective the day last set forth below by and between the Nissan Division of NISSAN NORTH AMERICA, INC., a California corporation, hereinafter called Seller, and the natural person or entity identified as "Dealer" in the Final Article of this Agreement.

INTRODUCTION

The purpose of this Agreement is to establish Dealer as an authorized dealer of Nissan Products and to provide for the sale and servicing of Nissan Products in a manner that will best serve the interests of Seller, Dealer, other Authorized Nissan Dealers and owners and purchasers of Nissan Products. This Agreement sets forth: the rights which Dealer will enjoy as an Authorized Nissan Dealer; the responsibilities which Dealer assumes in consideration of its receipt of these rights; and the respective conditions, rights and obligations of Seller and Dealer that apply to Seller's grant to Dealer of such rights and Dealer's assumption of such responsibilities.

This is a personal services Agreement. In entering into this Agreement and appointing Dealer as provided below, Seller is relying upon the personal qualifications, expertise, reputation, integrity, experience, ability and representations of the individual(s) named herein as Principal Owner(s) and Executive Manager.

Achievement of the purposes of this Agreement is premised upon mutual understanding and cooperation between Seller and Dealer. Dealer has entered into this Agreement in reliance upon Seller's integrity and expressed intention to deal fairly with Dealer and the consuming public. Seller has entered into this Agreement in reliance upon Dealer's integrity and ability and expressed intention to deal fairly with Seller and the consuming public.

It is the responsibility of Seller to market Nissan Products throughout the Territory. It is the responsibility of Dealer to actively promote the retail sale of Nissan Products and to provide courteous and efficient service of Nissan products. The success of Seller and Dealer will depend on how well they each fulfill their respective responsibilities under this Agreement. It is recognized that: Nissan North America, Inc. (hereinafter called "Manufacturer") will endeavor to provide motor vehicles that offer outstanding value to the consuming public; Seller will endeavor to establish a national network of Authorized Nissan Dealers that can provide effective sales and service effort at the retail level; and Dealer will endeavor to fulfill its responsibilities through aggressive, sound, ethical selling practices and through conscientious regard for customer service.

Seller and Dealer shall refrain from engaging in conduct or activities which might be detrimental to or reflect adversely upon the reputation of Seller, Manufacturer, Dealer or Nissan Products and shall engage in no discourteous, deceptive, misleading or unethical practices or activities.

For consistency and clarity, terms which are used frequently in this Agreement have been defined in Section 1 of the Standard Provisions. All terms used herein which are defined in the Standard Provisions shall have the meaning stated in said Standard Provisions. These definitions should be read carefully for a proper understanding of the provisions in which they appear.

To achieve the purposes referred to above, Seller and Dealer agree as follows:

ARTICLE FIRST: Appointment of Dealer

Subject to the conditions and provisions of this Agreement, Seller:

(a) appoints Dealer as an Authorized Nissan Dealer and grants Dealer the non-exclusive right to buy from Seller those Nissan Products specified in Dealer's current Product Addendum hereto, for resale, rental or lease at or from the Dealership Locations established and described in accordance with Section 2 of the Standard Provisions; and

(b) grants Dealer a non-exclusive right, subject to and in accordance with Section 6.K of the Standard Provisions, to identify itself as an Authorized Nissan Dealer, to display the Nissan Marks in the conduct of its Dealership Operations and to use the Nissan Marks in the advertising, promotion and sale of Nissan Products in the manner provided in this Agreement.

ARTICLE SECOND: Assumption of Responsibilities by Dealer

Dealer hereby accepts from Seller its appointment as an Authorized Nissan Dealer and, in consideration of its appointment and subject to the other conditions and provisions of this Agreement, hereby assumes the responsibility for:

(a) establishing and maintaining at the Dealership Locations the Dealership Facilities in accordance with Section 2 of the Standard Provisions;

(b) actively and effectively promoting the sale at retail (and, if Dealer elects, the leasing and rental) of Nissan Vehicles within Dealer's Primary Market Area in accordance with Section 3 of the Standard Provisions;

(c) servicing Nissan Vehicles and for selling and servicing Genuine Nissan Parts and Accessories in accordance with Section 5 of the Standard Provisions;

(d) building and maintaining consumer confidence in Dealer and in Nissan Products in accordance with Section 5 of the Standard Provisions; and

(e) performance of the additional responsibilities set forth in this Agreement, including those specified in Section 6 of the Standard Provisions.

ARTICLE THIRD: Ownership

(a) OWNERS. This Agreement has been entered into by Seller in reliance upon, and in consideration of, the personal qualifications, expertise, reputation, integrity, experience, ability and representations with respect thereto of the Principal Owner(s) named in the Final Article of this Agreement and in reliance upon Dealer's representations concerning the ownership of Dealer as follows:

(i) Dealer represents and agrees that the person(s) named as Principal Owner(s) in the Final Article of this Agreement, and only those person(s), shall be the Principal Owner(s) of Dealer;

(ii) Dealer represents and agrees that the person(s) named as Other Owner(s) in the Final Article of this Agreement, and on1y those person(s), shall be the Other Owner(s) of Dealer.

(b) HOLDING COMPANY. Seller requires that a natural person be named as the Principal Owner(s) of Dealer because Seller relies on the personal qualifications, expertise, reputation, integrity, experience, ability and representations of such individuals. If one or more of the owner(s) of Dealer is a corporation, partnership or other entity and not a natural person (hereinafter called "Holding Company"), Dealer and Seller agree that the natural persons listed in the Holding Company Addendum of this Agreement as owners of the Holding Company shall be deemed to be the Principal Owner(s) and Other Owner(s) of Dealer, as the case may be and that the terms and conditions of this Agreement, including without limitation the provisions of this Article Third and Sections 12, 14 and 15 of the Standard Provisions, shall apply to the owner(s) of the Holding Company as well as to Dealer. Dealer represents to Seller and agrees that the Holding Company is owned as indicated in the Holding Company Addendum to this Agreement.

(c) CHANGES IN OWNERSHIP. In view of the fact that this is a personal services agreement and in view of its objectives and purposes, this Agreement and the rights and privileges conferred on Dealer hereunder are not assignable, transferable or salable by Dealer, and no property right or interest is or shall be deemed to be sold, conveyed or transferred to Dealer under this Agreement. Dealer agrees that any change in the ownership of Dealer specified herein requires the prior written consent of Seller, excepting only changes in the record or beneficial ownership interests of Other Owner(s) not effecting a change in majority control or interest. Dealer shall give Seller prior notice of any proposed change in said ownership requiring the consent of Seller and immediate notice of the death or incapacity of any Principal Owner. No such change and no assignment of this Agreement or of any right or interest herein, shall be effective against Seller unless and until embodied in an appropriate amendment to or assignment of this Agreement, as the case may be, duly executed and delivered by Seller and by Dealer. Seller shall not, however, unreasonably withhold its consent to any such change. Seller shall have no obligation to transact business with any person who is not named either as a Principal Owner or Executive Manager of Dealer hereunder or otherwise to give effect to any proposed sale or transfer of the ownership or management of Dealer prior to having concluded the evaluation of such a proposal as provided in Section 15 of the Standard Provisions.

ARTICLE FOURTH: Management

(a) EXECUTIVE MANAGER. Seller and Dealer agree that the retention by Dealer of qualified management is of critical importance to the successful operation of Dealer and to the achievement of the purposes and objectives of this Agreement. This Agreement has been entered into by Seller in reliance upon, and in consideration of, the personal qualifications, expertise, reputation, integrity, experience, ability and representations with respect thereto of the person named as Executive Manager in the Final Article of this Agreement and on Dealer's representation to Seller and agreement that the person identified as Executive Manager shall be Dealer's executive manager, shall have full managerial authority for the Dealership Operations, and shall continually provide his or her personal services in operating the dealership and will be physically present at the Dealership Facilities.

(b) CHANGES IN MANAGEMENT. In view of the fact that this is a personal services Agreement and in view of its objectives and purposes, Dealer agrees that any change in the Executive Manager from that specified in the Final Article of this Agreement requires the prior written consent of Seller. Dealer shall give Seller prior notice of any proposed change in Executive Manager and immediate notice of the death or incapacity of any Executive Manager. No change in Executive Manager shall be effective unless and until embodied in an appropriate amendment to this Agreement duly executed and delivered by Seller and by Dealer. Subject to the foregoing, Dealer shall make its own, independent decisions concerning the hiring and firing of its employees including without limitation, its Executive Manager.

To enable Seller to evaluate and respond to Dealer concerning any proposed change in Executive Manager, Dealer agrees to provide, in the form requested by Seller and in a timely manner, all

applications and information customarily requested by Seller to evaluate the proposed change. While Seller shall not unreasonably withhold its consent to any such change, it is agreed that any successor Executive Manager must possess personal qualifications, expertise, reputation, integrity, experience and ability which are, in the opinion of Seller, satisfactory. Seller will determine whether, in its opinion, the proposed change is likely to result in a successful dealership operation with capable management that will satisfactorily perform Dealer's obligations under this Agreement. Seller shall have no obligation to transact business with any person who is not named as an Executive Manager of Dealer hereunder prior to having concluded its evaluation of such person.

(c) EVALUATION OF MANAGEMENT. Dealer and Seller understand and acknowledge that the personal qualifications, expertise, reputation, ability, integrity, experience and ability of the Executive Manager and his or her ability to effectively manage Dealer's day-to-day Dealership Operations is critical to the success of Dealer in performing its obligations under this Agreement. Seller may from time to time develop standards and/or procedures for evaluating the performance of the Executive Manager and of Dealer's personnel generally. Seller may, from time to time, evaluate the performance of the Executive Manager and will advise Dealer and the Executive Manager of the results of such evaluations, and Dealer shall promptly take such action as may be required to correct any deficiencies in the Executive Manager's performance to the reasonable satisfaction of Seller.

ARTICLE FIFTH: Additional Provisions

The additional provisions set forth in the attached "Nissan Dealer Sales and Service Agreement Standard Provisions," bearing form number NDA-4S/9-88 are hereby incorporated in and made a part of this Agreement. The Notice of Primary Market Area, Dealership Facilities Addendum, Product Addendum, Dealer Identification Addendum, Holding Company Addendum, if applicable, and all Guides referred to in this Agreement (including references contained in the Standard Provisions referred to above) are hereby incorporated in and made a part of this Agreement. Dealer further agrees to be bound by and comply with: the Warranty Manual; Seller's Manuals or Instructions heretofore or hereafter issued by Seller to Dealer; any amendment, revision or supplement to any of the foregoing; and any other manuals heretofore or hereafter issued by Seller to Dealer.

ARTICLE SIXTH: Termination of Prior Agreements

This Agreement cancels, supersedes and annuls all prior contracts, agreements and understandings except as stated herein, all negotiations, representations and understandings being merged herein. No waiver, modification or change of any of the terms of this Agreement or change or erasure of any printed part of this Agreement or addition to it (except filling of blank spaces and lines) will be valid or binding on Seller unless approved in writing by the

President or an authorized Vice-President of Seller.

ARTICLE SEVENTH: Term

This Agreement shall have a term commencing on the effective date hereof and continuing until terminated by either party in accordance with Section 12 of the Standard Provisions.

ARTICLE EIGHTH: License of Dealer

If Dealer is required to secure or maintain a license for the conduct of its business as contemplated by this Agreement in any state or jurisdiction where any of its Dealership Operations are to be conducted or any of its Dealership Facilities are located, this Agreement shall not be valid until and unless Dealer shall have furnished Seller with written notice specifying the date and number, if any, of such license or licenses issued to Dealer, Dealer shall notify Seller immediately in writing if Dealer shall

fail to secure or maintain any and all such licenses or renewal thereof or, if such license or licenses are suspended or revoked, specifying the effective date of any such suspension or revocation.

ARTICLE NINTH: Execution of Agreement

This Agreement, and any Addendum or amendment or notice with respect thereto, shall be valid and binding on Seller only when it bears the signature of either the President or an authorized Vice-President of Seller and, when such signature is a facsimile, the manual countersignature of an authorized employee of Seller and a duplicate original thereof is delivered personally or by mail to the main Dealership Location. This Agreement shall bind Dealer only when it is signed by: a duly authorized officer or executive of Dealer if a corporation; one of the general partners of Dealer if a partnership; or Dealer if an individual.

ARTICLE TENTH: Special Conditions

SEE ATTACHED PUBLIC OWNERSHIP AND HOLDING COMPANY ADDENDA, WHICH ARE INCORPORATED BY THIS REFERENCE INTO THIS AGREEMENT FOR ALL PURPOSES.

Dealer PRECISION NISSAN, INC., is a(an) SELECT ONE) individual partnership [X] corporation incorporated or formed under the laws of the State of Florida doing business as D/B/A/ Courtesy Nissan of Tampa ("Dealer"). Dealer is located in Tampa, FL.

The Principal Owner(s) of Dealer are as follows:

NAME	RESIDENCE	PERCENTAGE INTEREST
Jeffrey I. Wooley	1000 Lindelaan Tampa, FL 33618	0%

The Other Owner(s) of Dealer are as follows:

NAME	RESIDENCE	PERCENTAGE INTEREST
Asbury Automotive Tampa, L.P.	9210 Adamo Drive Tampa, FL 33619	100%

The Executive Manager of Dealer is as follows:

NAME	RESIDENCE	PERCENTAGE INTEREST
Peter R. Hawley	1783 Barn Own Way Palm Harbor, FL 34683	0%

IN WITNESS THEREOF, the parties hereto have executed this Agreement in triplicate as of February 1st, 2000 at Carson, California.

DEALER:

PRECISION NISSAN, INC. D/B/A COURTESY NISSAN OF TAMPA

By /s/ Jeffrey I. Wooley Jeffrey I. Wooley Title: Dealer Principal	SELLER: NISSAN DIVISION NISSAN NORTH AMERICA, INC.
EFFECTIVE DATE: 2-1-2000	By /s/ J.E. Connelly
EXPIRATION DATE: 1-31-2005	J.E. Connelly Title: Vice President and General Manager
Working Capital Guide Requirement: As per executed	By /s/ William O. Bosley
Net Worth Guide Requirement: Business Plan. New Vehicle Floor Plan: Form # NDA-4P/9-88	William O. Bosley Title: Regional Vice President, Southeast Region

NISSAN PUBLIC OWNERSHIP ADDENDUM

This Nissan Public Ownership Addendum (the "Addendum") is entered into effective the date last set forth below by Nissan North America, Inc. ("Nissan" or "Seller") and Precision Nissan, Inc. ("Dealer"). In consideration of the agreements and mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. THE PUBLIC OWNERSHIP ADDENDUM

The Public Ownership Addendum is an addendum to, supplements and modifies the Nissan Dealer Sales and Service Agreement between Nissan and Dealer (the "Dealer Agreement"), including the Standard Provisions thereto (the "Standard Provisions"). To the extent that this Addendum conflicts with the Dealer Agreement, the Addendum controls and shall govern the relationship between the parties. The Dealer Agreement, to the extent not modified or amended, remains in full force and effect.

2. DEFINITIONS

The parties agree that the following terms, as used in the Addendum and the Dealer Agreement shall be defined exclusively as set forth below.

"NISSAN PRODUCTS" shall mean Nissan Vehicles, Genuine Parts and Accessories, Nissan Security+Plus and such other products and services offered by Nissan to Dealer and designated in writing by Nissan as a Nissan Product.

"DEALER PRINCIPAL" shall mean the person named in the Final Article of the Dealer Agreement as "Principal Owner" upon whose personal qualifications, expertise, integrity, experience, ability and representations Nissan has relied in entering into this Addendum, and any successor approved in writing by Nissan. For purposes of this Addendum, the terms "Dealer Principal" and "Principal Owner" are used interchangeably.

"BUSINESS PLAN" shall mean the written plan meeting Nissan's approval that is prepared and executed by the Dealer and that contains Dealer's plan and commitment to develop its business throughout the PMA, including but not limited to, its plan and commitment with respect to organizational, operational, financial, succession and other issues, as well as certain standards on which its performance hereunder will be evaluated.

3. OWNERSHIP

This Agreement has been entered into by Nissan in reliance upon the commitment, representation, and agreement of Dealer to provide the personal services of Dealer Principal and Executive Manager; and in reliance upon the representations and agreements of Dealer as follows: i) Dealer represents that Asbury Automotive Group, L.L.C. owns 51% of Asbury Automotive Tampa, L.P., and Asbury Automotive Group, L.L.C. will, at all times during the term of this Addendum, exercise full management and control of Asbury Automotive Tampa, L.P.; ii) Dealer represents that Asbury Automotive Tampa, L.P. owns 100% of Dealer and will, at all times during the term of this Addendum, exercise full management and control of Dealer.

In view of the fact that the Dealer Agreement and this Addendum is a personal services agreement, and in view of its objectives and purposes, this Addendum and the rights and privileges conferred on Dealer hereunder are not assignable, transferable or salable; and no property right or interest herein is or shall be deemed to be sold, conveyed or transferred. Dealer agrees, on behalf of itself, Asbury Automotive Group, L.L.C., and Asbury Automotive Tampa, L.P., that any change in the ownership of Dealer other than specified herein requires the prior written consent of Nissan, if Dealer desires to remain an Authorized Nissan Dealer. Dealer agrees that, without the prior written consent of Nissan, which consent shall not be unreasonably withheld: i) No sale, pledge, hypothecation or other transfer of any of the capital stock or ownership interest of Dealer or Asbury Automotive Tampa, L.P. will be made. ii) Dealer or Asbury Automotive Tampa, L.P. will not be merged with or into, or consolidated with, any other entity without Nissan's prior written consent, nor will the principal assets necessary for the performance of Dealer's obligations under this Addendum or the Dealer Agreement be sold, transferred or assigned without Nissan's prior, written consent. Dealer and Asbury Automotive Tampa, L.P. represent that no ownership interest in Dealer or Asbury Automotive Tampa, L.P. will be transferred by Dealer or Asbury Automotive Tampa, L.P. directly or indirectly to any automobile manufacturer, automobile distributor, or potential competitor of Seller, or any affiliate of any of the foregoing.

If any person or entity acquires more than 20% of Asbury Automotive Group, L.L.C.'s common stock issued and outstanding at any time, and Nissan determines that such person or entity does not have interests compatible with those of Nissan, or is otherwise not qualified to have an ownership interest in a Nissan dealership (an "Adverse Person"), Dealer must terminate the Dealer Agreement or transfer Dealer's principal assets or 100% of the outstanding stock of Dealer to a third party acceptable to Nissan unless, within 90 days after notification of Nissan's determination, the Adverse Person's ownership interest is reduced to less than 20%.

The parties to this Addendum expressly agree that, while changes in the ownership of Asbury Automotive Group, L.L.C. and Asbury Automotive Tampa, L.P. may not be entirely within the control of Dealer, in light of the personal services nature of the Dealer Agreement and Nissan's substantial interest in the owners of its dealers and distribution network, and in consideration of Nissan's willingness to enter into this Public Ownership Addendum with Dealer, any transaction involving the ownership and stock of Asbury Automotive Group, L.L.C. and Asbury Automotive Tampa, L.P. which violates the provisions of this Section 3 of this Addendum shall constitute a substantial and material breach of the Dealer Agreement and this Addendum and grounds for termination of the Dealer Agreement and this Addendum. Subject to the other provisions of this addendum, a change in the direct or indirect ownership of Asbury Automotive Tampa, L.P. that does not violate the Agreement or this Addendum does not constitute grounds for termination of the Dealer Agreement under Section 12.A.2. of the Standard provisions to the Agreement.

4. MANAGEMENT

The Dealer Agreement and this Addendum have been entered into in reliance on the following representations and agreements of Dealer that: i) The Dealer Principal of Dealer will, subject to any other obligations set forth in the Dealer Agreement and this Addendum, devote his/her professional efforts to the business operations of Dealer and the entity for which he/she is

responsible; ii) Executive Manager will devote his full time and professional efforts to the affairs of Dealer; iii) The Officers and Directors of Dealer are set forth in Schedule "A".

Nissan and Dealer agree that the retention by Dealer of qualified management is of critical importance to the successful operation of Dealer and to the achievement of their mutual purposes and objectives. The Dealer Agreement and Addendum have been entered into by Nissan in reliance upon, and in consideration of, among other things, the following representations and agreements of Asbury Automotive Group, L.L.C., Asbury Automotive Tampa, L.P. and Dealer, that: i) The Dealer Principal and the Executive Manager shall have full and complete control over the Dealership Operations, subject to the powers of the Board of Directors of Dealer, to manage the business and affairs of Dealer, and at all times the Dealer Principal shall be a member of the Board of Directors of Dealer and the Executive Manager shall be an officer of Dealer; ii) The Board of Directors of Dealer shall delegate the day to day management of the Dealership Operations to the Executive Manager. The Board of Directors of Dealer will not exercise any extraordinary powers or interfere unduly in the day-to-day Dealership Operations; iii) Executive Manager, subject to any other obligations set forth

in the Dealer Agreement, shall be physically present at the Dealership Facilities on a full-time basis; iv) Nissan may from time to time develop standards and/or procedures for evaluating the performance of Dealer. Nissan may, from time to time, evaluate the performance of the Dealer and will advise Dealer, the Dealer Principal and the Executive Manager of the results of such evaluations.

5. TERM

This Addendum and the Dealer Agreement shall have a term commencing on its effective date and continuing for a term of five years unless sooner terminated in accordance with the provisions of the Dealer Agreement and this Addendum. Should Dealer be in full compliance with its obligations under the Dealer Agreement and this Addendum at the end of this term, Dealer will be offered a new Dealer Agreement and Public Ownership Addendum, in the form then in use by Nissan.

6. BUSINESS PLAN

Dealer and Nissan shall periodically execute Business Planning Worksheets in the form currently in use by Nissan that describes how Dealer will fulfill its sales, service, customer relations, marketing and other commitments hereunder. The Business Plan is subject to Nissan's approval, is an essential part of the Public Ownership Addendum [or CMO Addendum] and is hereby incorporated in and made a part of this Addendum.

The Business Plan shall include the following required components: i) a New Vehicle Sales Plan; ii) Sales & Profit Forecast; iii) Dealer's Investment Worksheet; iv) Succession Plans, including the identity of the proposed successors to dealer, dealer principal (principal owner) and/or executive manager; and v) any other standards or plans as agreed upon between Nissan and Dealer. The standards on which Dealer's sales performance will be evaluated will include (i) market share objectives for Nissan products set by the parties, and (ii) sales penetration achieved by Dealer in each of the various segments in which Nissan vehicles compete.

In addition to the above required components, Nissan may request that additional components be included in the Business Plan such as organization and management structure and staffing, market area plan, goals, objectives, sources of capital, and/or any other information deemed necessary by Nissan dependent upon the circumstances of the Dealer.

Dealer shall review and update its Business Plan annually, or more often if needed, and submit it to Nissan for review and approval. If Nissan determines that changes to the proposed Business Plan are necessary, Dealer will make such changes and resubmit the proposed Business Plan to Nissan. The updated business plan shall (i) analyze Dealer's performance relative to the objectives, standards, and plans set forth in the Business Plan for the preceding year or other period, (ii) identify any deficiencies in Dealer's performance, and (iii) specify the steps that Dealer will take to remedy such deficiencies.

If, based on the evaluation thereof made by Nissan, Dealer shall fail to substantially fulfill its responsibilities with respect to: i) the implementation of the plans set forth in the Business Plan, including but not limited to any deviation therefrom; ii) the performance of its sales or other obligations based on the standards established therefor in the Business Plan; or iii) any other material responsibilities assumed by Dealer, Nissan will notify Dealer of such failure and will review with Dealer the nature and extent of such failure and the reasons which, in Nissan's opinion, account for such failure. Thereafter, Nissan will provide Dealer with a reasonable opportunity to correct the failure. If Dealer fails to make substantial progress towards remedying such failure before the expiration of such period, Nissan may terminate the Dealer Agreement, such termination to be effective at least sixty (60) days after notice is given.

7. OTHER DEALER RESPONSIBILITIES

A. BRANDING AND BUSINESS NAME: Dealer shall actively and effectively promote the "Nissan" name. Under no circumstances shall the name "Nissan" be subordinated to or promoted less aggressively than any other name (e.g. "Asbury") by Dealer.

B. FINANCIAL AND OPERATIONAL REPORTING: Dealer shall furnish to Nissan annual reviewed financial statements and, upon demand, shall furnish annual certified financial statements, and otherwise disclose to Nissan in a format satisfactory to Nissan the financial and operational results of Dealer's Nissan business.

C. EXAMINATION AND AUDIT: Nissan shall be entitled, at all reasonable times during regular business hours and upon advance notice, to examine, audit and make and take copies of all records, accounts and supporting data of Dealer, ASBURY AUTOMOTIVE TAMPA, L.P. AND ASBURY AUTOMOTIVE GROUP, L.L.C. relating to the business, ownership or operations of Dealer.

D. DISCLOSURE OF FINANCIAL INFORMATION TO AFFILIATED COMPANIES: Nissan shall be entitled to disclose to and receive from affiliated companies, including but not limited to Nissan Motor Acceptance Corporation, all financial statements and reports provided by Dealer, ASBURY AUTOMOTIVE TAMPA, L.P. and/or ASBURY AUTOMOTIVE GROUP, L.L.C.

8. DISPUTE RESOLUTION PROCESS

The parties acknowledge that, at the state and federal level, various courts and agencies would, in the absence of this Paragraph 8, be available to them to resolve claims or controversies which might arise between them. The parties agree that it is inconsistent with their relationship for either to use courts or governmental agencies to resolve such claims or controversies.

THEREFORE, CONSISTENT WITH THE PROVISIONS OF THE UNITED STATES ARBITRATION ACT (9 U.S.C. SEC. 1 ET SEQ.), THE PARTIES TO THIS AGREEMENT AGREE THAT THE DISPUTE RESOLUTION PROCESS OUTLINED IN THIS SECTION, WHICH INCLUDES MEDIATION AND BINDING ARBITRATION, SHALL BE THE EXCLUSIVE MECHANISM FOR RESOLVING ANY DISPUTE, CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR TO THE RELATIONSHIP BETWEEN THE PARTIES, INCLUDING BUT NOT LIMITED TO CLAIMS UNDER ANY STATE OR FEDERAL STATUTES (HEREINAFTER "DISPUTES"). SECTION 16 OF THE STANDARD PROVISIONS IS DELETED IN ITS ENTIRETY.

There are two steps in the Dispute Resolution Process: Mediation and Binding Arbitration. All Disputes must first be submitted to Mediation, unless that step is waived by written agreement of the parties. Mediation is conducted before an independent mediator. The parties will participate and present their positions to each other and the mediator in an effort to resolve their disagreement, pursuant to JAMS/Endispute program developed for use by Nissan and Nissan authorized dealers.

If a dispute has not been resolved after Mediation, or if Dealer and Nissan have agreed in writing to waive Mediation, the Dispute will be settled by Binding Arbitration. SPECIFICALLY, THE PARTIES AGREE TO RESOLVE ALL SUCH DISPUTES BY BINDING ARBITRATION CONDUCTED IN ACCORDANCE WITH THE NISSAN DEALER/DISTRIBUTOR RULES AND PROCEDURES OF JAMS/ENDISPUTE, WITH THE PREVAILING PARTY TO RECOVER ITS COSTS AND ATTORNEY'S FEES FROM THE OTHER PARTY. ALL ARBITRATION AWARDS ARE BINDING AND NONAPPEALABLE, EXCEPT AS OTHERWISE PROVIDED IN THE UNITED STATES ARBITRATION ACT. JUDGMENT UPON ANY SUCH AWARD MAY BE ENTERED AND ENFORCED IN ANY COURT HAVING JURISDICTION.

9. RELEASE

Dealer hereby releases Nissan from any and all claims and causes of action that they or any of them may have against Nissan for money damages or other relief relating to or arising out of any event occurring prior to the execution of the Addendum, except for any accounts payable by Nissan to Dealer in connection with the provision of any services under the Dealer Agreement and any claim described in Section 11.A.1 of the Standard Provisions. In connection with this release, Dealer expressly acknowledges and waives their respective rights under California Civil Code, Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF

EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

10. EXCLUSIVITY AND RIGHT OF FIRST REFUSAL

A. EXCLUSIVITY: The additional provisions set forth in Attachment "A" - "Exclusivity Provisions" - are hereby incorporated in and made a part of this Addendum and Dealer Agreement.

B. RIGHT OF FIRST REFUSAL: The additional provisions set forth in Attachment "B" - "Right of First Refusal" - are hereby incorporated in and made a part of this Addendum and Dealer Agreement.

11. SPECIAL CONDITIONS

IN WITNESS WHEREOF, the parties have executed this Nissan Addendum in triplicate as of 2-1-2000, at Carson, California.

DEALER:	NISSAN DIVISION
Precision Nissan, Inc.	NISSAN NORTH AMERICA, INC.
D/B/A/ Courtesy Nissan of Tampa	

By: /s/ Jeffrey I. Wooley	By: /s/ J.E. Connelly
Name: Jeffrey I. Wooley	Name: J.E. Connelly
Title: Dealer Principal	Title: Vice President General Manager, Nissan Division
	By: /s/ William O. Bosley
	Name: William O. Bosley
	Title: Southeast Region Regional Vice President

HOLDING COMPANY ADDENDUM TO NISSAN DEALER
SALES AND SERVICE AGREEMENT

Pursuant to Article Third (b) of the Nissan Dealer Sales & Service Agreement (the "Agreement") in effect between the Authorized Nissan Dealer named below and Nissan North America, Inc. ("Seller"), Dealer represents and agrees the following Principal Owner(s) of Dealer named in the Final Article of the Agreement which is(are) a corporation, partnership, or other entity and not a natural person, is(are) owned as follows:

NAME OF OWNER: PRECISION NISSAN, INC. a Corporation, formed under the laws of the State of Florida.

PRINCIPAL OWNER(S)/SETTLOR(S):

NAME	ADDRESS	PERCENTAGE INTEREST
Precision Enterprises Tampa, Inc.	Three Landmark Square, Suite 500 Stamford, CT 06091	100%

NAME OF OWNER: Precision Enterprises Tampa, Inc. a Corporation, formed under the laws of the State of Florida.

PRINCIPAL OWNER(S)/SETTLOR(S):

NAME	ADDRESS	PERCENTAGE INTEREST
Asbury Automotive Tampa, LP, Inc.	Three Landmark Square, Suite 500 Stamford, CT 06091	100%

NAME OF OWNER: Asbury Automotive Tampa LP a Limited Partnership, formed under the laws of the State of Delaware.

PRINCIPAL OWNER(S)/SETTLOR(S):

NAME	ADDRESS	PERCENTAGE INTEREST
Asbury Villanova II	Three Landmark Square,	99%

Suite 500
Stamford, CT 06091

Asbury Automotive Tampa GP, LLC	Three Landmark Square, Suite 500 Stamford, CT 06091	1%

NAME OF OWNER: Asbury Automotive Tampa GP, LLC a Limited Liability Company, formed under the laws of the State of Delaware.

PRINCIPAL OWNER(S)/SETTLOR(S):

NAME	ADDRESS	PERCENTAGE INTEREST
Asbury Villanova II	Three Landmark Square, Suite 500 Stamford, CT 06091	100%

NAME OF OWNER: Asbury Villanova II a Limited Liability Company, formed under the laws of the State of Delaware.

PRINCIPAL OWNER(S)/SETTLOR(S):

NAME	ADDRESS	PERCENTAGE INTEREST
Asbury Automotive Group LLC	Three Landmark Square, Suite 500 Stamford, CT 06091	100%

This Holding Company Addendum cancels and supersedes any previous Holding Company Addendum between Dealer and Seller. This Holding Company Addendum is effective as of August 31, 2000.

DEALER:

PRECISION NISSAN, INC.
Name

Doing Business as Courtesy Nissan of Tampa

By: /s/ Jeffrey I. Wooley
Jeffrey I. Wooley
Dealer Principal

South Tampa — FL
City — State

2445
Dealer Code

SELLER:
NISSAN DIVISION
NISSAN NORTH AMERICA, INC.

By: /s/ W. J. Kirrane
W.J. Kirrane
Vice President and
General Manager

By: /s/ Brad Bradshaw
Brad Bradshaw
Regional Vice President,
Southeast Region

(FILE THIS ADDENDUM WITH CURRENT SALE & SERVICE AGREEMENT)

EXHIBIT 10.18

TOYOTA DEALER AGREEMENT

This is an Agreement between Gulf States Toyota, Inc. (DISTRIBUTOR), and Escude-T, L.L.C. (DEALER), a(n) [_] individual, [_] partnership, [_] corporation. If a corporation, DEALER is duly incorporated in the State of Delaware and doing business as Mark Escude Toyota.

PURPOSES AND OBJECTIVES OF THIS AGREEMENT

DISTRIBUTOR sells Toyota Products which are manufactured or approved by Toyota Motor Corporation (FACTORY) and imported and/or sold to DISTRIBUTOR by Toyota Motor Sales, U.S.A., Inc. (IMPORTER). It is of vital importance to DISTRIBUTOR that Toyota Products are sold and serviced in a manner which promotes consumer confidence and satisfaction and leads to increased product acceptance. Accordingly, DISTRIBUTOR has established a network of authorized Toyota dealers, operating at approved locations and pursuant to certain standards, to sell and service Toyota Products. DEALER desires to become one of DISTRIBUTOR's authorized dealers. Based upon the representations and promises of DEALER, set forth herein, DISTRIBUTOR agrees to appoint DEALER as an authorized Toyota dealer and welcomes DEALER to DISTRIBUTOR's network of authorized dealers of Toyota Products.

This Agreement sets forth the rights and responsibilities of DISTRIBUTOR as seller and DEALER as buyer of Toyota Products. DISTRIBUTOR enters into this Agreement in reliance upon DEALER's integrity, ability, assurance of personal services, expressed intention to deal fairly with the consuming public and with DISTRIBUTOR, and promise to adhere to the terms and conditions herein. Likewise, DEALER enters into this Agreement in reliance upon DISTRIBUTOR's promise to adhere to the terms and conditions herein. DISTRIBUTOR and DEALER shall refrain from conduct which may be detrimental to or adversely reflect upon the reputation of the FACTORY, IMPORTER, DISTRIBUTOR, DEALER or Toyota Products in general. The parties acknowledge that the success of the relationship between DISTRIBUTOR and DEALER depends upon the mutual understanding and cooperation of both DISTRIBUTOR and DEALER.

I. RIGHTS GRANTED TO THE DEALER

Subject to the terms of this Agreement, DISTRIBUTOR hereby grants DEALER the non-exclusive right:

A. To buy and resell the Toyota Products identified in the Toyota Product Addendum hereto which may be periodically revised by IMPORTER;

B. To identify itself as an authorized Toyota dealer utilizing approved signage at the location(s) approved herein;

C. To use the name Toyota and the Toyota marks in the advertising, promotion, sale and servicing of Toyota Products in the manner herein provided.

DISTRIBUTOR reserves the unrestricted right to sell Toyota Products and to grant the privilege of using the name Toyota or the Toyota Marks to other dealers or entities, wherever they may be located.

II. RESPONSIBILITIES ACCEPTED BY THE DEALER

DEALER accepts its appointment as an authorized Toyota dealer and agrees to:

A. Sell and promote Toyota Products subject to the terms and conditions of this Agreement;

B. Service Toyota Products subject to the terms and conditions of this Agreement;

C. Establish and maintain satisfactory dealership facilities at the location(s) set forth herein; and

D. Make all payments to DISTRIBUTOR when due.

III. TERM OF AGREEMENT

This Agreement is effective this 14th day of April, 2000, and shall continue for a period of two (2) years, and shall expire on April 13, 2000, unless ended earlier by mutual agreement or terminated as provided herein. This Agreement may not be continued beyond its expiration date except by written consent of DISTRIBUTOR and IMPORTER.

IV. OWNERSHIP OF DEALERSHIP

This Agreement is a personal service Agreement and has been entered into by DISTRIBUTOR in reliance upon and in consideration of DEALER's representation that only the following named persons are the Owners of DEALER, that such persons will serve in the capacities indicated, and that such persons are committed to achieving the purposes, goals and commitments of this Agreement:

OWNERS' NAMES	TITLE	PERCENT OF OWNERSHIP
Asbury Automotive Arkansas Holding Company		100%
Dealership Holdings, L.L.C.		

V. MANAGEMENT OF DEALERSHIP

DISTRIBUTOR and DEALER agree that the retention of qualified management is of critical importance to satisfy the commitments made by DEALER in this Agreement. DISTRIBUTOR, therefore, enters into this Agreement in reliance upon DEALER's representation that Kurt J. Obermeyer, and no other person, will exercise the function of General Manager, be in complete charge of DEALER's operations, and will have authority to make all decisions on behalf of DEALER with respect to DEALER's operations. DEALER further agrees that the General Manager shall devote his or her full efforts to DEALER's operations.

VI. CHANGE IN MANAGEMENT OR OWNERSHIP

This is a personal service contract. DISTRIBUTOR has entered into this

Agreement because DEALER has represented to DISTRIBUTOR that the Owners and General Manager of DEALER identified herein possess the personal qualifications, skill and commitment necessary to ensure that DEALER will promote, sell and service Toyota products in the most effective manner, enhance the Toyota image and increase market acceptance of Toyota Products. Because DISTRIBUTOR has entered into this Agreement in reliance upon these representations and DEALER's assurances of the active involvement of such persons in DEALER operations, any change in ownership, no matter what the share or relationship between parties, or any changes in General Manager from the person specified herein, requires the prior written consent of DISTRIBUTOR, which DISTRIBUTOR shall not unreasonably withhold.

DEALER agrees that factors which would make DISTRIBUTOR's withholding of consent reasonable would include, without limitation, the failure of a new Owner or General Manager to meet DISTRIBUTOR's standards with regard to financial capability, experience and success in the automobile dealership business.

VII. APPROVED DEALER LOCATIONS

In order that DISTRIBUTOR may establish and maintain an effective network of authorized Toyota dealers, DEALER agrees that it shall conduct its Toyota operation only and exclusively in facilities and at locations herein designated and approved by DISTRIBUTOR. DISTRIBUTOR hereby designates and approves the following facilities as the exclusive location(s) for the sale and servicing of Toyota Products and the display of Toyota Marks:

NEW VEHICLE SALES AND SHOWROOM	USED VEHICLE DISPLAY AND SALES
955 I-20 S. Frontage Road Jackson, MS 39204	955 I-20 S. Frontage Road Jackson, MS 39204
SALES AND GENERAL OFFICE	**BODY AND PAINT**
955 I-20 S. Frontage Road Jackson, MS 39204	N/A
PARTS	**SERVICE**
955 I-20 S. Frontage Road Jackson, MS 39204	955 I-20 S. Frontage Road Jackson, MS 39204

OTHER FACILITIES

DEALER may not, either directly or indirectly, display Toyota Marks or establish or conduct any dealership operations contemplated by this Agreement, including the display, sale and servicing of Toyota Products, at any location or facility other than those approved herein without the prior written consent of DISTRIBUTOR. DEALER may not modify or change the usage or function of any location or facility approved herein or

otherwise utilize such locations or facilities for any functions other than the approved function(s) without the prior written consent of DISTRIBUTOR.

VIII. PRIMARY MARKET AREA

DISTRIBUTOR will assign DEALER a geographic area called a Primary Market Area ("PMA"). The PMA is sued by DISTRIBUTOR to evaluate DEALER's performance of its obligations, among other things. DEALER agrees that it has no exclusive right to any such PMA. DISTRIBUTOR may add new dealers, relocate dealers, or adjust DEALER's PMA as it reasonably determines is necessary. DEALER's PMA is set forth on the PMA Addendum hereto.

Nothing contained in this Agreement, with the exception of SECTION XIV(B), shall limit or be construed to limit the geographical area in which, or the persons to whom, DEALER may sell or promote the sale of Toyota products.

IX. STANDARD PROVISIONS

The "Toyota Dealer Agreement Standard Provisions" are incorporated herein and made part of this Agreement as if fully set forth herein.

X. ADDITIONAL PROVISIONS

In consideration of DISTRIBUTOR's agreement to appoint DEALER as an authorized Toyota dealer, DEALER further agrees:

1. Attached hereto and incorporated herein is a document entitled addendum to paragraph X.

XI. EXECUTION OF AGREEMENT

Notwithstanding any other provision herein, the parties to this Agreement, DISTRIBUTOR and DEALER, agree that this Agreement shall be valid and binding only if it is signed:

A. On behalf of DEALER by a duly authorized person;

B. On behalf of DISTRIBUTOR by the President and/or an authorized General Manager, if any, of DISTRIBUTOR; and

C. On behalf of IMPORTER, solely in connection with its limited undertaking herein, by President of IMPORTER.

XII. CERTIFICATION

By their signatures hereto, the parties agree that they have read and understand this Agreement, including the Standard Provisions incorporated herein, are committed to its purposes and objectives and agree to abide by all of its terms and conditions.

Escude-T, L.L.C. d/b/a Mark Escude Toyota DEALER
(Dealer Entity Name)

Date: 1-06-2000 By: /s/ Mark C. Escude PRESIDENT
Signature Title

Date: By:
Signature Title

Date: By:
Signature Title

Gulf States Toyota, Inc. DISTRIBUTOR
(Distributor Name)

Date: By: /s/ Toby N. Hynes PRESIDENT
Toby N. Hynes Title

Date: By:
Signature Title

Undertaking by IMPORTER: In the event of termination of this Agreement by virtue of termination or expiration of DISTRIBUTOR's contract with IMPORTER, IMPORTER, through its designee, will offer DEALER a new agreement of no less than one year's duration and containing the terms of the Toyota Dealer Agreement then prescribed by IMPORTER.

TOYOTA MOTOR SALES, U.S.A., INC.

Date: Apr. 14, 2000 By: /s/ Yoshiki Inaba PRESIDENT
Yoshiki Inaba Signature Title

EXHIBIT 10.19

EMPLOYMENT AGREEMENT OF C.V. NALLEY

EMPLOYMENT AGREEMENT dated as of March 1, 2000 between ASBURY AUTOMOTIVE ATLANTA L.L.C., a Delaware limited liability company ("Employer"), and C.V. NALLEY, III; an individual residing in the State of Georgia ("Employee").

In consideration of the agreements, provisions and covenants herein contained, Employer and Employee hereby agree as follows:

1. TERM. Employer hereby employs Employee, and Employee hereby accepts such Employment, under and subject to all of the terms, conditions and provisions hereof, for a term beginning on the date hereof and continuing for a period of five years thereafter (the "Employment Term").

2. DUTIES. During the Employment Term, Employee will be employed as the President and Chief Executive Officer of Employer, (a wholly owned subsidiary of Asbury Automotive Group, L.L.C., a Delaware limited liability company), and shall be responsible for conducting the day-to-day operational and management activities of Employer, with such additional responsibilities as may be reasonably determined from time to time by or under the authority of the Board of Directors of Employer for so long as such responsibilities are consistent with Employee's executive position as President and Chief Executive Office of Employer. Employee will devote all of Employee's skill, knowledge and full working time (reasonable vacation time and absence for sickness or similar disability excepted) solely and exclusively to the conscientious performance of such duties. Employee hereby represents that Employee's employment hereunder and compliance by Employee with the terms and conditions of this Agreement will not conflict with or result in the breach of any agreement to which Employee is a party or by which Employee may be bound.

3. COMPENSATION. During the Employment Term, Employer will pay to Employee a Base Salary of $500,000 per year, payable in accordance with Employer's normal payroll accounting methods and at its customary intervals. Employee shall also receive an annual bonus equal to twenty percent (20%) of that portion of Employer's Net Income Before Taxes that exceeds $14,500,000; PROVIDED, HOWEVER, that in no event will any such annual, bonus exceed $1,000,000. "Net Income Before Taxes" for the purpose of the foregoing sentence means Employer's net income before income taxes, any LIFO adjustment, any gain or loss from the sale of assets (tangible or intangible) and goodwill amortization relating to the acquisition by Asbury Automotive Group of the former "Nalley Companies" for the fiscal year in respect of which such bonus is calculated) derived from the businesses of Employer, as determined from the financial statement of Employer approved by Board of Directors of Employer for such fiscal year (which net income shall be calculated prior to and without giving effect to any annual bonus payable hereunder and any annual management fee to Asbury Automotive Group, but after the payment of salary to Employee as set forth above). Employer shall also provide to Employee during the Employment Term such employee fringe benefits as from time to time are approved by the Board of Directors, which in any event shall consist at least of employee fringe benefits equivalent to those provided to other executive employees of

Employer. In addition; the bonus Employee shall be entitled to receive hereunder shall be subject to an annual revision on a mutually agreeable basis between Employee and Employer, taking into consideration any additional new businesses or franchises entered into or acquired by Employer, and an annual improvement factor in Net Income Before Taxes.

4. TERMINATION. (a) Employer may terminate this Agreement for cause. As used herein the term, "for cause" shall mean any of the following on the part of Employee: (i) any act of fraud or misappropriation involving the business, assets or opportunities of Employer, provided that any competitive activity permitted by Section 5 of the Agreement shall not constitute misappropriation involving the business, assets or opportunities of Employer for the purposes hereof, (ii) any act of intentional public misconduct injurious to the business and/or reputation of Employer, (iii) intentional failure or refusal to perform on a repeated basis the duties of the President and Chief Executive Officer of Employer contemplated by Section 2, of (iv) conviction of a felony or other offence involving moral turpitude. If terminated for cause in accordance with the provisions of this Section, Employee shall be entitled to all the accrued and unpaid salary compensation payable to him pursuant to Section 3 through the effective date of termination. Employee may also be terminated without cause. If Employee is terminated without cause, he shall be entitled to a lump sum payment equal to the salary portion of his compensation under the Agreement through the unexpired portion of the

original term of this Agreement, plus a percentage of the bonus (if any) that otherwise would have been payable to Employee under Section 3 hereof with respect to the year of termination equal to the percentage of such year that has passed through the date of termination.

(b) In the event of Employee's death or mental or physical disability (as determined by an independent physician selected by Employer) during the term of this Agreement, the compensation payable to Employee pursuant to Section 3 through the date of his death or disability, PLUS a percentage of the bonus (if any) that otherwise would have been payable to Employee under Section 3 hereof with respect to the year of termination equal to the percentage of such year that has passed through the date of death or disability, shall be paid to Employee or his legal representative, as applicable.

(c) If this Agreement is terminated and Employee ceases to be the President and Chief Executive Officer of Employer as set forth above, Employer shall promptly provide written notification of such facts to each automobile and truck manufacturer that is party to a Sales and Service Agreement (or the equivalent) with Employer.

5. NO COMPETITION. (a) Employee, without the prior written consent of Employer, shall not (and shall cause his spouse, children and their affiliates not to), either during the Employment Term and, if Employee voluntarily resigns or is terminated "for cause" hereunder, for two years subsequent to the end of the Employment Term, directly or indirectly, as a proprietor, director, officer, employee, partner, stockholder, consultant, owner or otherwise, render services to, acquire any interest in, or options or other rights to acquire any interest in, or participate in the affairs of any business, regardless of location, which is competitive with the business of Employer (a "Competitive Enterprise"); PROVIDED, HOWEVER, that the foregoing shall not be deemed to prohibit

Employee from (i) acquiring solely as an investment, securities of such Person so long as (x) Employee does not own or have the right to acquire securities of such Person that constitute more than 2.5% of the equity of such Person, on an outstanding or a fully diluted basis, and (y) Employee does not participate in any way in the management of such Person and is not employed by such Person, (ii) serving as a director of any Person Competitive Enterprise, (iii) owning the interest that Employee owns on the date hereof in Fairfax Imports, Inc., and Nalley Brunswick Automobiles, Inc., (iv) operating any business in which Employee acquires a direct interest pursuant to Section 4.06 of the operating Agreement, (v) continuing the current business of Nallay Western Life Insurance Company and Kenwood Insurance Company Ltd. (it being agreed and understood, however, that all future finance and insurance business after the date Insurance Company or Kenwood Insurance Company Ltd.), and (vi) continuing the current business of Nalley Equipment Leasing, Ltd. until the expiration of the current leases held thereby. In addition, Employee's children (notwithstanding the foregoing) shall be permitted to engage in Competitive Enterprises (and Employee shall be permitted to make loans to such Competitive Enterprises) as long as (i) the "Nalley" name is not used directly or indirectly in connection with such Competitive Enterprises and (ii) such Competitive Enterprises shall not solicit, hire or employ employees or former employees of Employer or its affiliates at any time while such employees are employees of Employer or its affiliates, or within six months thereafter.

(b) It is the desire and intent of the parties that the provision of this Section 5 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular portion of this Section 5 shall be adjudicated to be invalid or unenforceable, this Section 5 shall be deemed amended to modify or delete therefrom the portion thus adjudicated to be invalid or unenforceable, such modification or deletion to apply only with respect to the operation of this paragraph in the particular jurisdiction in which such adjudication is made. It is agreed and understood by the parties hereto that the non-competition undertaking by Employee (with respect to himself and with respect to his spouse, children and their affiliates) set forth above is a material part of the consideration provided by Employee for the compensation Employee earns pursuant to Section 3 (and for the Company to consummate the transactions contemplated by the Contribution Agreement). Accordingly, if and to the extent this paragraph is applicable and all or any part of this Section 5 is deemed invalid, unenforceable, modified or deleted, the compensation provided for in Section 3 shall be reduced by a reasonable amount to compensate for such invalidity unenforceability, modification or deletion (as the case may be), and Employee shall reimburse Employer for any previous overpayments under Section 3, as so reduced, if and to the extent applicable.

6. DISCLOSURE OF INFORMATION. Employee recognizes and acknowledges that Employer and its affiliates' trade secrets and confidential or proprietary

information, including such trade secrets or information as may exist from time to time, and information as to the identity of customers of Employer and its affiliates, and other similar items ("Confidential Information"), are valuable, special and unique assets of Employer's business, access to and knowledge of which are essential to the performance

of the duties of Employee hereunder. Employee will not, in whole or in part, disclose, at any time either during or subsequent to his employment with the Company, such Confidential Information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, except as required by Employee's duties to Employer and except to Employer's agents, employees and similar representatives who are aware of the confidential nature thereof and are bound by a duty of confidentiality with respect thereto, nor shall Employee make use of any such Confidential Information for his own purposes or for the benefit of any person, firm, corporation or other entity (except Employer) under any circumstances; PROVIDED, HOWEVER, that Employee may disclose (i) information to the extent that he shall be directed by court order or otherwise required by law and (ii) this Agreement in an action to enforce his rights hereunder, provided that in either case Employee will use his best efforts to have such Confidential Information be deemed "confidential" in any such proceedings. Notwithstanding anything in the foregoing to the contrary, the restrictions in this Section shall no longer apply to any trade secret or confidential proprietary information that is an asset solely of businesses that Employee acquires a direct interest in pursuant to the operation of Section 4.06 of the Operating Agreement and after the time such interest is acquired by Employee. Information that is publicly available or otherwise becomes available to Employee other than because of the disclosure thereof in violation of this Agreement (or any other confidentiality obligation of any person, firm, corporation or other entity to Employer) shall not be subject to the restrictions of this Section 6.

7. INJUNCTIVE RELIEF. Employee understands and agrees that the services to be provided to Employer under this Agreement are unique and of special value to Employer, and that a breach on the part of Employee of Sections 5 or 6 hereof could or will cause irreparable injury and damage to Employer that will not be adequately compensable in money damages, and that injunctive relief is appropriate and contemplated as a remedy therefor, in addition to any other remedy available to Employer. For this reason, Employee hereby consents to the issuance of an injunction in favor of Employer by any court of competent jurisdiction enjoining any breach of Section 5 or 6 hereof. Nothing herein shall be construed as prohibiting Employer from pursuing any other remedies for such breach or threatened breach.

8. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties and cancels and supersedes all other agreements, written or oral, express or implied, between them relating to the Employer's employment of Employee.

9. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws o f the State of Delaware (without regard to conflict of laws doctrines).

10. AMENDMENTS AND WAIVERS. The parties herein may, by written agreement signed by the parties, modify any of the parties, modify any of the covenants or agreements or extend the time for the performance of any of the obligations contained in this Agreement or in any document delivered pursuant to this Agreement. Any party hereto may waive, by written instrument signed by such party, compliance by the other party, with any of the other party's obligations contained in this Agreement.

11.NO WAIVER OF RIGHTS. No failure or delay on the part of any party in the exercise of any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude other or further exercise thereof or of any other right or power. The waiver by any party or parties hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies existing under this Agreement or cumulative and are not exclusive of any rights or remedies otherwise available.

12. LIMITED RIGHTS OF EMPLOYEE AND THIRD PARTIES. Neither Employee nor any beneficiary of Employee Shall under any circumstances have any option or right to require payments hereunder otherwise than in accordance with the terms hereof. Except as otherwise provided by law, neither Employee nor any such

beneficiary shall have the power in any matter to anticipate, alienate, assign, charge or encumber any payments contemplated by this Agreement, and all rights and benefits of Employee or such beneficiary shall be for the sole personal benefit of Employee or such beneficiary, as the case may be, and no other person shall acquire any right, title or interest hereunder by reason of any sale, assignment, transfer, claim or judgement or bankruptcy proceedings against Employee or such beneficiary.

13. SUBMISSION TO JURISDICTION. Any and all suits, legal actions or proceedings against any party hereto arising out of this Agreement shall be bought in any United States federal court sitting in the State of Delaware or any other court of appropriate jurisdiction setting in the State of Delaware, as the party bringing such suite may elect in its sole discretion and each party hereby submits to and accepts the exclusive jurisdiction of such courts for the purpose of such suit, legal action or proceeding, each party hereto waives personal service of any summons, complaint or other process and agrees that service thereof may be made by certified or registered mail. Each party hereto hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any such suit, legal action or proceeding in any such court and hereby further waives any such suit, legal action or proceeding in any such court and hereby further waives any claim that any such suit, legal action or proceeding brought in any such court has been brought in an inconvenient forum.

14. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

15. PRIOR EMPLOYMENT AGREEMENT. This Agreement will supercede and replace in is entirety that certain Employment Agreement dated as of February 20, 1997 between Employer and Employee.

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

ASBURY ATLANTA AUTOMOTIVE L.L.C.

BY /s/ Thomas A. Decker

Name: Thomas A. Decker
Title: Executive

/s/ C.V. NALLEY, III

C.V. NALLEY, III

EXHIBIT 10.20

EMPLOYMENT AGREEMENT OF DAVID MCDAVID, SR.

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of May 1, 1998 (this "Agreement"), between ASBURY TEXAS MANAGEMENT L.L.C., a Delaware limited liability company (the "Company"), and Ben David McDavid, Sr. ("Employee").

W I T N E S S E T H :

WHEREAS, the Company owns and operates certain retail motor vehicle dealerships located in the State of Texas (the "BUSINESS");

WHEREAS, the Company desires to enter into this Agreement with Employee; and

WHEREAS, Employee desires to have the Company agree to employment and agrees to be bound by the covenants contained herein;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein and for other good and valuable consideration, the Company and Employee hereby agree as follows:

1. AGREEMENT TO EMPLOY. Upon the terms and subject to the conditions of this Agreement, the Company hereby employs Employee as its President and Chief Executive Officer and Employee hereby accepts employment in such capacity by the Company.

2. TERMS; POSITION AND RESPONSIBILITIES.

(a) TERM OF EMPLOYMENT. The employment of Employee pursuant hereto shall commence on the date of this Agreement (the "EFFECTIVE DATE"), and shall remain in effect

for an initial term expiring on the fifth anniversary of the Effective Date (the "TERM") unless sooner terminated pursuant to the provisions of Section 6 hereof.

(b) POSITION AND RESPONSIBILITIES. During the Term, Employee shall be responsible for the operation and management of the Company. Without limiting the generality of the foregoing, pursuant to the Limited Liability Company Agreement of the Company, dated as of November 21, 1997, as amended from time to time (the "OPERATING AGREEMENT"), Employee shall have the power and authority to take (or authorize other officers, employees or agents of the Company to take) all actions on behalf of the Company (without the need for the consent or approval of any member of the Company or any other person) that are within the ordinary course of business of the Company, unless the Board of Directors of the Company (the "BOARD") shall have previously restricted (specifically or generally) such power and authority. In addition, but without limiting the generality of the foregoing, Employee shall perform such duties and exercise such powers as are incident to the office of the President and Chief Executive Officer of a corporation organized under the Delaware General Corporation law. Employee shall report to the Board. Employee shall devote such time, consistent with his past practice, as is reasonably necessary to run the Company. Employer expressly acknowledges that Employee has other businesses, investments and interests which are not subject to this Agreement and that Employee will engage in other businesses during the Term.

3. COMPENSATION. As full compensation for all services to be rendered by Employee in the capacities referred to in the Agreement, the Company shall pay to the Employee during the Term the salary and bonuses provided in this Section 3.

(a) BASE SALARY. Employee shall receive an annual base salary of $500,000, payable in arrears in equal monthly installments.

(b) INCENTIVE COMPENSATION. Employee shall be entitled to participate in the annual incentive compensation program established by the

Company.

4. BENEFITS. During the Term:

(a) GENERAL. The Company will provide life insurance, medical insurance, disability insurance and other benefits comparable to those provided to the Company's other senior executive officers;

(b) VACATION. Employee shall be entitled to vacation consistent with his responsibility for the operation and management of the Company;

(c) CERTAIN CLUB DUES. The Company shall reimburse Employee for annual dues, not to exceed $4,560, for membership in one country club selected by Employee; and

(d) AUTOMOBILE. The Employee (and his family) shall be entitled to the use of two demonstrator automobiles selected from the inventory of the Business.

5. EXPENSES. The Company shall reimburse Employee for reasonable travel, lodging, meal and out-of-pocket expenses incurred by him in connection with his performance of services hereunder upon submission of evidence, satisfactory to the Board, of the incurrence and purpose of each such expense.

6. TERMINATION OF EMPLOYMENT.

(a) TERMINATION DUE TO DEATH OR DISABILITY. Employee's employment shall automatically terminate upon his death or Disability. For purposes of this Agreement, "Disability" shall mean a physical or mental disability or infirmity that prevents the performance by Employee of his duties hereunder lasting (or likely to last, based on competent medical evidence presented to the Board) for a continuous period of nine months or longer. The reasoned and

good faith judgment of the Board as to Disability shall be final and shall be based on written advice of an independent physician jointly selected by the Board and Employee.

(b) TERMINATION BY THE BOARD FOR CAUSE. Employee's employment with the Company may be terminated for "Cause" by the Board. "Cause" shall mean (I) the willful failure by Employee to substantially perform his material duties and continuance of such failure for more than 20 days after the Company notifies Employee in writing that he is failing to substantially perform his duties, (II) Employee's engaging in gross misconduct that is materially injurious to the Company, criminal conduct, fraud, dishonesty or tortious misconduct, in any such case, in connection with the performance of Employee's duties, (III) Employee's conviction of, or entering a plea of NOLO CONTENDERE to, any crime that constitutes a felony or involves moral turpitude, (IV) the material breach by Employee of any written covenant or agreement with the Company or any of its affiliates not to disclose any information pertaining to the Company or any of its affiliates, including without limitation the covenant set forth in Section 8 hereof or (V) the breach by Employee of any written covenant or agreement with the Company or any of its affiliates not to compete or interfere with the Company or any of its affiliates, including without limitation the covenants set forth in Sections 7 and 9 hereof.

(c) TERMINATION WITHOUT CAUSE. Employee's employment with the Company may be terminated "WITHOUT CAUSE" by the Board. A termination "Without Cause" shall mean a termination of employment by the Board other than due to death or Disability as described in Section 6(a) or Cause as defined in Section 6(b).

(d) TERMINATION BY EMPLOYEE. Employee may terminate his employment for "Good Reason". "GOOD REASON" shall mean a termination of employment by Employee within 30 days following (i) any material diminution by the Board in Employee's duties or job title, except in connection with

termination of Employee's employment for Cause as provided in Section 6(b) or death or Disability as provided in Section 6(a), (II) any requirement by the Board that Employee be based outside the Dallas/Fort Worth metropolitan area or (III) the failure of the Company timely to pay Employee's salary, bonus or benefits, PROVIDED that (X) Employee shall have given the Company written

notice of the circumstances constituting Good Reason and the Company shall have failed to cure such circumstances within 20 days, (Y) Employee shall not have caused the occurrence constituting Good Reason through the exercise of his authority as an officer of the Company and (Z) nothing in this paragraph shall limit the right of Employee to recover damages or otherwise to enforce his rights under this Agreement.

(e) NOTICE AND EFFECT OF TERMINATION. Any termination of Employee's employment by the Board pursuant to Section 6(a) (in the case of Disability), 6(b) or 6(c), or by Employee pursuant to Section 6(d), shall be communicated by a written "Notice of Termination" addressed to Employee. A "NOTICE OF TERMINATION" shall mean a notice stating that Employee's employment hereunder has been or will be terminated, indicating the specific termination provisions in this Agreement relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination of employment.

(f) PAYMENTS UPON CERTAIN TERMINATION.

(i) TERMINATION WITHOUT CAUSE OR FOR GOOD REASON. (A) In the event of a termination of Employee's employment with the Company by the Board Without Cause or a termination by Employee of his employment with the Company for Good Reason, in either case, prior to the last day of the Term, the Company shall pay to Employee his base salary at the annual base rate in effect immediately prior to the Date of Termination (as defined in Section 6(g) below) for the period from the Date of Termination through the last day of the Term, PLUS any performance-based cash bonus for the portion

of the calendar year preceding Employee's Date of Termination as the Board in its sole discretion determines to have been earned by Employee, PROVIDED that the Company may, at any time, pay to Employee in a single lump sum an amount equal to the Board's good faith determination of the present values of the installments of the base salary remaining to be paid to Employee, as of the date of such lump sum payment, calculated using a discount rate equal to the then prevailing interest rate payable on senior indebtedness of an issuer rated "B" by Moody's Investors Service or Standard & Poor's (or the then-equivalent rating) having a term as close as practicable to the period from the date of termination of employment through the last day of the term.

(B) In addition, for so long as Employee is receiving (or, but for the lump sum payment referred to in the proviso to section 6(f)(i)(A), would receive) his base salary pursuant to the preceding sentence, Employee will continue to receive the benefits to which he was entitled pursuant to Section 4(a) as of the Date of Termination, and Employee will be entitled to any vested benefits under any employee benefit plans and, subject to the terms of the applicable stock option plan and stock option agreement, to exercise then exercisable and vested stock options. If for any reason at any time the Company is unable to treat Employee as being or having been an employee of the Company under any benefits plan in which he is entitled to participate and as a result thereof Employee receives reduced benefits under such plan during the period that Employee is continuing to receive his full base salary, the Company shall provide Employee with such benefits by direct payment or at the Company's option by making available equivalent benefits from other sources. During the period that Employee continues to receive his full base salary pursuant to Section 6(f)(i)(A), Employee shall not be entitled to receive incentive compensation and shall not be entitled

to participate in any of the Company's employee benefit plans that are introduced after the Date of Termination, except that an appropriate adjustment shall be made if such new employee benefit plan is a replacement for or amendment to an employee benefit plan in effect as of the Date of Termination.

(ii) TERMINATION UPON DEATH OR DISABILITY. If Employee's employment shall terminate upon his death or Disability, the Company shall pay Employee his full base salary through the Date of Termination at the annual base rate in effect immediately prior to the Date of Termination, PLUS any performance-based cash bonus for the portion of the calendar year preceding Employee's Date of Termination as the Board in its discretion determines to have been earned by Employee, PROVIDED that in

the case of Employee's Disability, the provisions of Section 6(f)(i)(B) shall apply to Employee as if Section 6(f)(i)(A) were otherwise applicable.

(iii) TERMINATION FOR CAUSE OR VOLUNTARY TERMINATION BY EMPLOYEE. If the Board shall terminate Employee's employment for Cause or if Employee shall voluntarily terminate his employment with the Company for other than Good Reason, he shall be paid his full base salary through the Date of Termination at the annual base rate in effect immediately prior to the Date of Termination, PROVIDED that Employee shall not be paid any performance-based cash bonus for the portion of the calendar year preceding Employee's Date of Termination.

(g) DATE OF TERMINATION. As used in this Agreement, the term "DATE OF TERMINATION" shall mean (I) if Employee's employment is terminated by his death, the date of his death, (II) if Employee's employment is terminated by the Board for Cause, the date on which Notice of Termination is given as contemplated by Section 6(e), and (III) if Employee's employment is terminated by the Board Without

Cause, due to Employee's Disability or by Employee for Good Reason, 30 days after the date on which Notice of Termination is given as contemplated by Section 6(e) or, if no such Notice is given, 30 days after the date of termination of employment.

(h) LIMITATION. Anything in this Agreement to the contrary notwithstanding, Employee's entitlement to or payments under Section 6(f) or under any other plan or agreement shall be limited to the extent necessary so that no payment to be made to Employee on account of termination of his employment with the Company will be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), as then in effect, but only if, by reason of such limitation, Employee's net after tax benefit shall exceed the net after tax benefit if such reduction were not made. "Net after tax benefit" shall mean (I) the sum of all payments and benefits that Employee is then entitled to receive under Section 6(f) hereof or under any other plan or agreement that would constitute a "parachute payment" within the meaning of Section 280G of the Code, less (II) the amount of federal income tax payable with respect to the payments and benefits described in clause (i) above calculated at the maximum marginal income tax rate for each year in which such payments and benefits shall be paid to Employee (based upon the rate in effect for such year as set forth in the Code at the time of the first payment of the foregoing), less (III) the amount of excise tax imposed with respect to the payments and benefits described in clause (i) above by Section 4999 of the Code. Any limitation under this Section 6(h) of Employee's entitlement to payments shall be made in the manner and in the order directed by Employee. Upon Employee's request and if the Company qualifies under Section 280G of the Code, the Company will use its best efforts to obtain the vote of more than 75% of all of the voting interests of the Company held by persons other than Employee to approve Employee's entitlement or payments under Section 6(f) or under any other plan or agreement and to waive the restrictions of this Section 6(h).

7. COVENANT NOT TO COMPETE. (a) So long as Employee's employment hereunder shall continue, or as otherwise expressly consented to, approved or otherwise permitted by the Company in writing, and to the fullest extent permitted under applicable law, Employee shall not, directly or indirectly engage in, participate in, represent in any way or be connected with, as an officer, director, partner, owner, employee, agent, independent contractor, consultant, proprietor or stockholder (except for the ownership of a less than 5% stock interest in a publicly traded corporation) or otherwise, any business or activity within the State of Texas or any state in which the Company or its affiliates are engaged in the retail motor vehicle dealership business (or a related business), competing with the Business or with the businesses of such affiliate; or

(b) If the employment of Employee hereunder is terminated, the following provisions shall apply:

(i) The provisions of Section 7(a) shall continue in effect during the Term and for a period of two (2) years following the expiration of the Term regardless of the Date of Termination; and

(ii) During the remainder of the Term and the two (2) year period described under Section 7(b)(i), Employee shall disclose in writing to the Company the name, address and type of business conducted by any proposed new employer of Employee if requested in writing by the Company.

8. UNAUTHORIZED DISCLOSURE. (a) During and after the Term, without the written consent of the Board or a person authorized thereby, (I) Employee shall not disclose to any person (other than an employee or director of the Company or its affiliates, or a person to whom disclosure is reasonably necessary, appropriate or customary in connection with the performance by Employee of his duties under this Agreement) or use to compete with the Company or any of its affiliates any confidential or proprietary information,

knowledge or data that is not theretofore publicly known and in the public domain obtained by him while in the employ of the Company with respect to the Company or any of its affiliates or with respect to any products, improvements, customers, methods of distribution, sales, prices, profits, costs, contracts (including, without limitation the terms and provisions of this Agreement), suppliers, business prospects, business methods, techniques, research, trade secrets or know-how of the Company or any of its affiliates (collectively, "PROPRIETARY INFORMATION"), and (II) Employee shall use best efforts to keep confidential any such Proprietary Information and to refrain from making any such disclosure, in each case except as may be required by law or as may be required in connection with any judicial or administrative proceedings or inquiry.

(b) The covenant contained in this Section 8 shall survive the termination of Employee's employment pursuant to this Agreement and shall be binding upon Empoyee's heirs, successors and legal representatives.

9. NON-SOLICITATION OF EMPLOYEES. During the Term and thereafter until two years after the Date of Termination (the "NON-SOLICITATION RESTRICTION PERIOD"), Employee shall not, directly or indirectly, for his own account or the account of any other person or entity with which he shall become associated in any capacity or in which he shall have any ownership interest, (A) solicit for employment or employ any person who, at any time during the preceding 12 months, is or was employed by or otherwise engaged (in a manner that would be interfered with by such solicitation or employment) to perform services for the Company or any of its affiliates, regardless of whether such employment or engagement is direct or through an entity with which such person is employed or associated, or otherwise intentionally interfere with the relationship of the Company or any of its affiliates with any person or entity who or which is at the time employed by or otherwise engaged to perform services for the Company or any such affiliate or (B) induce any employee of the Company or any of its

affiliates to engage in any activity which Employee is prohibited from engaging in under Sections 7, 8, 9 and 10 hereof or to terminate his or her employment with the Company or such affiliate.

10. RETURN OF DOCUMENTS. In the event of the termination of Employee's employment for any reason, Employee will deliver to the Company all documents and data of any nature pertaining to his work with the Company and its affiliates, and he will not take with him any documents or data of any description or any reproduction thereof, or any documents containing or pertaining to any Proprietary Information.

11. INJUNCTIVE RELIEF WITH RESPECT TO COVENANTS. Employee acknowledges and agrees that the covenants and obligations of Employee with respect to non-competition, non-disclosure, non-solicitation, confidentiality and the property of the Company and its affiliates relate to special, unique and extraordinary matters and that, notwithstanding any other provision of this Agreement to the contrary, a violation of any of the terms of such covenants and obligations will cause the Company and its affiliates irreparable injury for which adequate remedies are not available at law. Therefore, Employee expressly agrees that the Company and its affiliates (which shall be express third-party beneficiaries of such covenants and obligations) shall be entitled to an injunction (whether temporary or permanent), restraining order or such other equitable relief (including the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Employee from committing any violation of the covenants and obligations contained in Sections 7, 8, 9 and 10 hereof. These injunctive remedies are cumulative and in addition to any other rights and remedies the Company or any such affiliate may have at law or in equity. Further, the Employee represents that his experience and capabilities are such that the provisions of Sections 7, 8, 9 and 10 hereof will not prevent him from earning his livelihood.

12. ASSUMPTION OF AGREEMENT. The Company will require any successor (by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance reasonably satisfactory to Employee, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Employee to compensation from the Company in the same amount and on the same terms as Employee would be entitled hereunder if the Company terminated his employment Without Cause as contemplated by Section 6, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "COMPANY" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 12 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

13. ENTIRE AGREEMENT. Except as otherwise expressly provided herein, this Agreement and the Operating Agreement constitute the entire agreements among the parties hereto with respect to the subject matter hereof, and all promises, representations, understandings, arrangements and prior agreements relating to such subject matter (including those made to or with Employee by any other person or entity) are merged herein and superseded hereby and thereby.

14. INDEMNIFICATION. The Company agrees that it shall indemnify and hold harmless Employee to the fullest extent permitted by the applicable law and the Operating Agreement from and against any and all liabilities, costs, claims and expenses including, without limitation, all costs and expenses incurred in defense of litigation, including attorneys' fees, arising out of the employment of Employee

hereunder, except to the extent arising out of or based upon the gross negligence or willful misconduct of Employee.

15. MISCELLANEOUS.

(a) BINDING EFFECT. This Agreement shall be binding on and inure to the benefit of the Company and their successors and permitted assigns. This Agreement shall also be binding on and inure to the benefit of Employee and his heirs, executors, administrators and legal representatives. If Employee's employment is terminated by reason of his death, all amounts payable by the Company pursuant to Section 6(f)(ii) (or if Employee shall die after his employment has terminated, any remaining amount of salary and incentive

compensation payable by the Company pursuant to Section 6(f)(i)) shall be paid in accordance with the terms of this Agreement to Employee's devisee, legatee, or other designee or, if there be no such designee, to his estate.

(b) GOVERNING LAW. (i) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REFERENCE TO PRINCIPLES OF CONFLICT OF LAWS THEREUNDER. ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS AGAINST ANY PARTY HERETO ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT IN ANY UNITED STATES FEDERAL COURT SITTING IN THE STATE OF DELAWARE OR ANY OTHER COURT OF APPROPRIATE JURISDICTION SITTING IN THE STATE OF DELAWARE, AS THE PARTY BRINGING SUCH SUIT MAY ELECT IN ITS SOLE DISCRETION, AND EACH PARTY HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH PARTY HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN ANY SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAM THAT ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(ii) EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (W) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (X) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (Y) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (Z) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 15(b)

(c) TAXES. The Company may withhold from any payments made under this Agreement all federal, state, city or other applicable taxes as shall be required pursuant to any law, governmental regulation or ruling.

(d) AMENDMENTS. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by the Board or a person authorized thereby and is agreed to in writing by Employee and such officer as may be specifically designated by the Board. No waiver by any party hereto at any time of any breach by any other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between or among the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions. No agreements or representations, oral or otherwise, express or implied, with

respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement or the agreements listed in Section 13 above.

(e) SEVERABILITY. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

(f) NOTICES. Any notice or other communication required or permitted to be delivered under this Agreement shall be (I) in writing, (II) delivered personally, by nationally recognized overnight courier service or by certified or registered mail, first-class postage prepaid and return receipt requested, (III) deemed to have been received on the date of delivery or on the third business day after the mailing thereof, and (IV) addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(A) if to the Company, to it:

c/o Asbury Automotive Group L.L.C.

One Tower Bridge
Suite 1440
Conshohocken, Pennsylvania 19428
ATTENTION: Thomas R. Gibson
Telephone: (610) 260-9800
Fax: (610) 260-9804

with a copy to:

Ripplewood Holdings L.L.C.
One Rockefeller Plaza, 32nd Floor
New York, New York 10020
ATTENTION: Timothy C. Collins
Telephone: (212) 582-6700
Fax: (212) 582-4110

(B) if to Employee, to him at the address listed on the signature page hereof

with a copy to:

Kelsoe, Anderson & Khoury, P.C.
5830 Alpha Road, Suite 101
Dallas, Texas 75240
ATTENTION: Robert L. Kelsoe, Esq.
Telephone: (972) 661-2227
Fax: (972) 233-4971

Copies of any notices or other communications given under this Agreement shall also be given to:

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
ATTENTION: Robert F. Quaintance, Jr., Esq.
Telephone: (212) 909-6451
Fax: (212) 909-6836

(g) SURVIVAL. Sections 7, 8, 9, 10, 11, 12, 14 and, if Employee's employment terminates in a manner giving rise to a payment under Section 6(f), Sections 6(f) and (h) shall survive the termination of this Agreement and the termination of the employment of Employee.

(h) COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(i) HEADINGS. The section and other headings contained in this Agreement are for the convenience of the parties only and are not intended to be a part hereof or to affect the meaning or interpretation hereof.

(j) EMPLOYEE'S RECUSAL. Employee shall recuse himself from all deliberations of the Board regarding this

Agreement, Employee's employment by the Company or related matters.

IN WITNESS WHEREOF, the Company has duly executed this Agreement by its authorized representatives and Employee has hereunto set his hand, in each case effective as of the date first above written.

ASBURY TEXAS MANAGEMENT L.L.C.

By: [SIGNATURE]

Name:
Title:

Employee:

/s/ Ben David McDavid, Sr.

Ben David McDavid, Sr.

Address:

Fax:

Tel:

Attest

[SIGNATURE]

Name:

EXHIBIT 10.21

EMPLOYMENT AGREEMENT OF LUTHER COGGIN

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of October 30, 1998 (this "AGREEMENT"), among ASBURY AUTOMOTIVE JACKSONVILLE, L.P., a Delaware limited partnership ("PARENT"), COGGIN AUTOMOTIVE CORP., a Florida corporation (the "COMPANY"), and Luther Coggin ("EXECUTIVE").

W I T N E S S E T H

WHEREAS, Parent, through its wholly-owned subsidiary, the Company, and through other affiliates owns and operates certain retail motor vehicle dealerships located in the State of Florida (the "BUSINESS");

WHEREAS, Parent and the Company desire to enter into this Agreement with Executive; and

WHEREAS, Executive desires to have Parent and the Company agree to employment and agrees to be bound by the covenants contained herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein and for other good and valuable consideration, Parent, the Company and Executive hereby agree as follows:

1. AGREEMENT TO EMPLOY. Upon the terms and subject to the conditions of this Agreement, Parent shall cause the Company to employ, and the Company hereby employs Executive and Executive hereby accepts employment by the Company.

2. TERM; POSITION AND RESPONSIBILITIES.

(a) TERM OF EMPLOYMENT. The employment of Executive pursuant hereto shall commence on the date of this Agreement (the "EFFECTIVE DATE"), and shall remain in effect for an initial term expiring on the fifth anniversary of the Effective Date (the "TERM") unless sooner terminated pursuant to the provisions of Section 6 hereof. Parent, the Company and Executive shall discuss in good faith the extension of the Term and, if the Company and Executive mutually agree to extend the Term, seek to finalize the

mutually agree to extend the Term, seek to finalize the terms of such extension at least 90 days prior to the end of the Term.

(b) POSITION AND RESPONSIBILITIES. During the Term, Executive will be employed as the Chairman and Chief Executive Officer of the Company (and all automotive operations of Asbury, whether conducted directly by the Company or through other affiliates of Parent) and, in addition, in such other executive capacity or capacities for the company and Parent as may be determined from time to time by or under the authority of the Board of Directors of the Company (the "BOARD"), and he will devote substantially all of his skill, knowledge and working time to the conscientious performance of such duties, except (i) for reasonable vacation time and absence for sickness or similar disability and (ii) such time, reasonably determined by Executive, as may be devoted to the fulfillment of civic and personal responsibilities. Executive hereby represents that his employment hereunder and compliance by him with the terms and conditions of this Agreement will not conflict with or result in the breach of any agreement to which he is a party or by which he may be bound.

3. COMPENSATION. As full compensation for all services to be rendered by Executive in the capacities referred to in the Agreement, Executive shall receive an annual base salary of $250,000, payable in arrears in equal monthly installments. The annual base salary hereunder shall be subject to increase (but not decrease) each year in accordance with the change in the Cost of Living Index. The "COST OF LIVING INDEX" means the consumer price index for all Urban Consumers published by the Department of Labor, or if such index is no longer available, such other generally available index measuring changes in consumer purchasing power designated by the Company. In addition, Executive shall be entitled to participate in any stock option or similar program of the Company, Parent or its other subsidiaries, on an equitable basis, if adopted.

4. BENEFITS. During the Term:

(a) GENERAL. The Company will provide life insurance, medical insurance, disability insurance and other benefits comparable to those provided

to the Company's other senior executive officers (and to senior executive officers of Parent and its other subsidiaries, if more desirable);

(b) VACATION. Executive shall be entitled to four weeks of paid vacation per year;

(c) CERTAIN CLUB DUES. The Company shall reimburse Executive for annual dues in an amount not to exceed $25,000, for membership in country clubs, business clubs and airline clubs selected by Executive and reimbursement of admission costs to cultural and sporting events; and

(d) AUTOMOBILE. Executive (and his family) shall be entitled to the use of two demonstrator automobiles and one demonstrator truck selected in his reasonable discretion, consistent with prior practice, from the inventory of the Business. In addition, Executive shall be entitled to select, in his reasonable discretion from the readily available inventory of the Business, three demonstrator automobiles for use by his children, consistent with prior practice, PROVIDED that such right and benefit shall terminate upon the direct or indirect initial public offering of equity securities by the Company, Parent or any of its other subsidiaries or any respective successors thereto.

5. EXPENSES. The Company shall reimburse Executive for reasonable travel, lodging and meal expenses incurred by him in connection with his performance of services hereunder upon submission of evidence, satisfactory to the Board, of the incurrence and purpose of each such expense.

6. TERMINATION OF EMPLOYMENT

(a) TERMINATION DUE TO DEATH OR DISABILITY. Executive's employment shall automatically terminate upon his death or the Board's determination of his Disability. For purposes of this Agreement, "DISABILITY" shall mean a physical or mental disability or infirmity that prevents the performance by Executive of his duties hereunder lasting (or likely to last, based on competent medical evidence presented to the Board) for a continuous period of sick months or longer. The reasoned and good faith judgment of the Board as to Disability shall be final and shall be based on such competent medical evidence as shall be presented to it by Executive or by any physician or group of physicians or other competent medical experts employed by Executive or the Company to advise the Board.

(b) TERMINATION BY THE BOARD FOR CAUSE. Executive's employment with the Company may be terminated for "CAUSE" by the Board. "CAUSE" shall mean (i) the willful failure by Executive to substantially perform his duties and continuance of such failure for more than 20 days after the Company notifies Executive in writing that he is failing to substantially perform his duties, PROVIDED that such writing shall set forth the facts and circumstances giving rise to such claim, (ii) Executive's engaging in serious misconduct (including, without limitation, any criminal, fraudulent or dishonest conduct) that is injurious to the Company or any of its affiliates or subsidiaries, (iii) Executive's conviction of, or entering a plea of NOLO CONTENDERE, to, any crime that constitutes a felony (exclusive of (x) traffic-related offenses, and (y) environmental, labor and other offenses related to the operation of the Business where Executive is adjudged to have acted in good faith in what he reasonably believed to be the best interest of the Company) or involves moral turpitude, or (iv) the breach by Executive of any written covenant or agreement with the Company or any of its affiliates not to disclose any information pertaining to the Company or any of its affiliates (except where such disclosure by Executive is made in good faith in what he reasonably believes to be the best interest of the Company) or not to compete or interfere with t he Company or any of its affiliates, including without limitation the covenants set forth in Sections 7, 8, 9 and 10 hereof.

(c) TERMINATION WITHOUT CAUSE. Executive's employment with the Company may be terminated "Without Cause" by the Board. A termination "WITHOUT CAUSE" shall mean a termination of employment by the Board other than due to death or Disability as described in Section 6(a) or Cause as defined in Section 6(b).

(d) TERMINATION BY EXECUTIVE. Executive may terminate his employment for "Good Reason". "GOOD REASON" shall mean a termination of employment by Executive within 30 days following (i) any material diminution by the Board in Executive's duties or job title, except in connection with termination of Executive's employment for Cause as provided in Section 6(b) or death or

Disability as provided in Section 6(a), (ii) any requirement by the Board that Executive be based outside the Jacksonville metropolitan area or (iii) the failure of the Company timely to pay

Executive's salary, bonus or benefits, PROVIDED that (i) Executive shall have given the Company written notice of the circumstances constituting Good Reason and the Company shall have failed to cure such circumstances within 20 days, and (ii) Executive shall not have caused the occurrence constituting Good Reason through the exercise of his authority as an officer of the Company.

(e) NOTICE AND EFFECT OF TERMINATION. Any termination of Executive's employment by the Board pursuant to Section 6(a) (in the case of Disability), 6(b) or 6(c), or by Executive pursuant to Section 6(d), shall be communicated by a written "Notice of Termination" addressed to Executive or the Company, as appropriate. A "NOTICE OF TERMINATION" shall mean a notice stating that Executive's employment hereunder has been or will be terminated, indicating the specific termination provisions in this Agreement relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination of employment.

(f) PAYMENTS UPON CERTAIN TERMINATIONS.

(i) TERMINATION WITHOUT CAUSE OR FOR GOOD REASON. (A) In the event of a termination of Executive's employment with the Company by the Board Without Cause or a termination by Executive of his employment with the Company for Good Reason, in either case, prior to the last day of the Term, the Company shall pay to Executive (x) his base salary at the annual base rate in effect immediately prior to the Date of Termination (as defined in Section 6(g) below) during the Severance Period, LESS (y) the total compensation (whether received as salary, consulting fee or otherwise and calculated on a pre-tax basis) accrued, earned or received by Executive from any new employer, client or contractor during the Severance Period, PROVIDED that the Company may, at any time and at its discretion, pay to Executive in a single lump sum an amount equal to the Board's good faith determination of the present values of the installments of the base salary remaining to be paid to Executive, as of the date of such lump sum payment, calculated using a discount rate equal to the then prevailing interest rate payable on direct obligations of the U.S. Treasury having a term as close as practicable to the period from the date of

termination of employment through the last day of the Severance Period. "SEVERANCE PERIOD" means the greater of (x) a period beginning on the date on which Notice of Termination is given as contemplated by Section 6(e) or, if no such Notice is given, the date of termination of employment (the "NOTICE DATE") and continuing until the fifth anniversary of the Effective Date and (y) one year.

(B) In addition, during the Severance Period, Executive will continue to recieve the benefits to which he was entitled pursuant to Section 4(a) as of the Date of Termination. If for any reason at any time the company is unable to treat Executive as being or having been an employee of the Company under any benefits plan in which he is entitled to participate and as a result thereof Executive receives reduced benefits under such plan during the period that Executive is continuing to receive his full base salary, the Company shall provide Executive with such benefits by direct payment or at the Company's option by making available equivalent benefits from other sources. During the Severance Period, Executive shall not be entitled to participate in any of the Company's employee benefit plans that are introduced after the Date of Termination, except that an appropriate adjustment shall be made if such new employee benefit plan is a replacement for or amendment to an employee benefit plan in effect as of the Date of Termination.

(ii) TERMINATION UPON DEATH OR DISABILITY. If Executive's employment shall terminate upon his death or Disability, the Company shall pay Executive his full base salary through the Date of Termination at the annual base rate in effect immediately prior to the Date of Termination, PROVIDED that in the case of Executive's Disability, the provisions of Section 6(f)(i)(B) shall also apply to Executive as if Section 6(f)(i)(A) were otherwise applicable.

(iii) TERMINATION FOR CAUSE OR VOLUNTARY TERMINATION BY EXECUTIVE.

If the Board shall terminate Executive's employment for Cause or if Executive shall voluntarily terminate his employment with the Company for other than Good Reason, he shall be paid his full base salary through the Date of Termination at the

annual base rate in effect immediately prior to the Date of Termination.

(g) DATE OF TERMINATION. As used in this Agreement, the term "DATE OF TERMINATION" shall mean (i) if Executive's employment is terminated by his death, the date of his death, (ii) if Executive's employment is terminated by the Board for Cause, the date on which Notice of Termination is given as contemplated by Section 6(e), and (iii) if Executive's employment is terminated by the Board Without Good Reason, 30 days after the date on which Notice of Termination is given as contemplated by Section 6(e) or, if no such Notice is given, 30 days after the date of termination of employment.

(h) LIMITATION. Anything in this Agreement to the contrary notwithstanding, Executive's entitlement to or payments under Section 6(f) or under any other plan or agreement shall be limited to the extent necessary so that no payment to be made to Executive on account of termination of his employment with the Company will be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "CODE"), as then in effect, but only if, by reason of such limitation, Executive's net after tax benefit shall exceed the net after tax benefit if such reduction were not made. "NET AFTER TAX BENEFIT" shall mean (i) the sum of all payments and benefits that Executive is then entitled to receive under Section 6(f) hereof or under any other plan or agreement that would constitute a "parachute payment" within the meaning of Section 280G of the Code, less (ii) the amount of federal income tax payable with respect to the payments and benefits described in clause (i) above calculated at the maximum marginal income tax rate for each year in which such payments and benefits shall be paid to Executive (based upon the rate in effect for such year as set forth in the Code at the time of the first payment of the foregoing), less (iii) the amount of excise tax imposed with respect to the payments and benefits described in clause (i) above by Section 4999 of the Code. Any limitation under this Section 6(h) of Executive's entitlement to payments shall be made in the manner and in the order directed by Executive. Upon Executive's request and if the Company qualifies under Section 280G of the Code, the Company will use its best efforts to obtain the vote of more than 75% of all of the voting interests of the Company

held by person other than Executive to approve Executive's entitlement or payments under Section 6(f) or under any other plan or agreement and to waive the restrictions of this Section 6(h).

7. COVENANT NOT TO COMPETE. (a) So long as Executive's employment hereunder shall continue, or as otherwise expressly consented to, approved or otherwise permitted by the Company in writing, and to the fullest extent permitted under applicable law, Executive shall not, directly or indirectly engage in, participate in, represent in any way or be connected with, as an officer, director, partner, owner, employee, agent, independent contractor, consultant, proprietor or stockholder (except for the ownership of a less than 5% stock interest in a publicly traded corporation) or otherwise, any business or activity within the State of Florida or within 80 miles of any retail motor vehicle dealership business (or a related business) owned by the Company or its affiliates, competing with the Business, or with the businesses of such affiliate. Notwithstanding the foregoing, no Business owned or operated by Executive and no activity engaged in by Executive at Closing which constitutes an Excluded Asset (as defined in the Purchase Agreement defined below) shall be deemed to violate the terms of this Section 7(a).

(b) Upon the termination of Executive's employment hereunder (other than pursuant to a termination that is subject' to the provisions of Section 6(f)(i), the following provisions shall apply:

(i) The provisions of section 7(a) shall continue in effect for the longer of five years after the Effective Date and two years after the Date of Termination; and

(ii) During the period described, under Section 7(b)(i), Executive shall disclose in writing to the Company the name, address and type of business conducted by any proposed new employer of Executive within ten business days of commencing employment with the new employer.

8. UNAUTHORIZED DISCLOSURE. (a) During and after the Term, without the written consent of the Board or a person authorized thereby, (i) Executive shall not dis-

close to any person (other than an employee or director of the Company or its affiliates, or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Executive of his duties under this Agreement) or use to compete with the Company or any of its affiliates any confidential or proprietary information, knowledge or data that is not theretofore publicly known and in the public domain obtained by him while in the employ of the Company with respect to the Company or any of its affiliates or with respect to any products, improvements, customers, methods of distribution, sales, prices, profits, costs, contracts (including, without limitation the terms and provisions. of this Agreement), suppliers, business prospects, business methods, techniques, research, trade secrets or know-how of the Company or any of its affiliates (collectively, "PROPRIETARY INFORMATION"), and (ii) Executive shall use reasonable best efforts to keep confidential any such Proprietary Information and to refrain from making any such disclosure, in each case except as may be required by law or as may be required in connection with any judicial or administrative proceedings or inquiry.

(b) The covenant contained in this Section 8 shall survive the termination of Executive's employment pursuant to this Agreement and shall be binding upon Executive's heirs, successors and legal representatives.

9. NON-SOLICITATION OF EMPLOYEES. During the period commencing on the Effective Date and ending on the date that is the later of five years after the Effective Date and two years after the Date of Termination (the "NON-SOLICITATION RESTRICTION PERIOD), Executive shall not, Directly or indirectly, for his own account or the account of any other person or entity with which he shall become associated in any capacity or in which he shall have any ownership "interest, (a) without the prior written consent of the Board, solicit for employment or employ any person (other than Executive's current secretary/assistant) who, at any time during the preceding 12 months, is or was employed by or otherwise engaged (in a manner that would be interfered with by such solicitation or employment) to perform services for the Company or any of its affiliates (and whose annual income from all of such entities exceeds, in the aggregate, $25,000), regardless of whether such employment or engagement is direct or through an entity with which such person is employed or associated, or otherwise

Intentionally interfere with the relationship of the Company or any of its affiliates with any person or entity who or which is at the time employed by or otherwise engaged to perform services for the Company or any such affiliate (and whose annual income from all of such entities exceeds, in the aggregate, $25,000) or (b) induce any employee of the Company or any of its affiliates to engage in any activity which Executive is prohibited from engaging in under Sections 7, 8, 9 and 10 hereof or to terminate his or her employment with the Company or such affiliate.

10. RETURN OF DOCUMENTS. In the event of the termination of Executive's employment for any reason, Executive will, deliver to the Company all documents and data of any nature pertaining to his work with the Company and its affiliates, except for documents relating to Executive's employment, benefits, taxes and other personal matters), and he will not take with him any documents or data of any description or any reproduction thereof, or any documents containing or pertaining to any Proprietary Information.

11. INJUNCTIVE RELIEF WITH RESPECT TO COVENANT. Executive acknowledges and agrees that the covenants and obligations of, Executive with respect to non-competition, non-disclosure, non-solicitation, confidentiality and the property of the Company and its affiliates relate to special, unique and extraordinary matters and that, notwithstanding any other provision of this Agreement to the contrary, a violation of any of the terms of such covenants and obligations will cause the Company and its affiliates irreparable injury for which adequate remedies are not available at law. Therefore, Executive expressly agrees that the Company, Parent and their affiliates (which shall be express third-party beneficiaries of such covenants and obligations) shall be entitled to an injunction (whether temporary or permanent), restraining order or such other equitable relief (including the requirement to post bond) as a court of competent jurisdiction may deem necessary or, appropriate to, restrain Executive

from committing any violation, of the covenants and obligations contained in Sections 7, 8, 9 and l0 hereof. These injunctive remedies are cumulative and in addition to any ether rights and remedies the Company, Parent or any such affiliate may have at law or in equity. Further, the Executive represents that his experience and capabilities are such that the provisions of

Sections 7, 8, 9 and 10 hereof will not prevent him from earning his livelihood.

12. ASSUMPTION OF AGREEMENT. The Company and Parent will require any successor (by purchaser, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or Parent, respectively, by agreement in form and substance reasonably satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company or Parent, as the case may be, would be required to perform it if no such succession had taken place. Failure of the Company or Parent, as the case may be, to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled hereunder if the Company terminated his employment Without Cause as contemplated by Section 6, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 12 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

13. ENTIRE AGREEMENT. Except as otherwise expressly provided herein, this Agreement, the Purchase and Contribution Agreement, dated as of November 25, 1997 (as amended, the "PURCHASE AGREEMENT"), among Parent, Luther Coggin and the other persons named therein, and the First Amended and Restated Limited Partnership Agreement of Asbury Automotive Jacksonville, L.P., dated as of June [ ], 1998, constitute the entire agreements among the parties hereto with respect to the subject matter hereof, and all promises, representations, understandings, arrangements and prior agreements relating to such subject matter (including those made to or with Executive by any other person or entity) are merged herein and superseded hereby and thereby.

14. INDEMNIFICATION. The Company agrees that it shall indemnify, defend and hold harmless Executive to the fullest extent permitted by applicable law from and against any and all liabilities, costs, claims and expenses

including, without limitation, all costs and expenses incurred in defense of litigation, including attorneys' fees, arising out of the employment of Executive hereunder, except to the extent arising out of or based upon the gross negligence or willful misconduct of Executive.

15. MISCELLANEOUS.

(a) BINDING EFFECT. This Agreement shall be binding on and inure to the benefit of the Company, Parent and their respective successors and permitted assigns. This Agreement shall also be binding on and inure to the benefit of Executive and his heirs, executors, administrators and legal representatives. If Executive's employment is terminated by reason of his death, all amounts payable by the Company pursuant to Section 6(f)(ii) (or if Executive shall die after his employment has terminated, any remaining amount of salary payable by the Company pursuant to Section 6(f)(ii)) shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee, or other designee or, if there be no such designee, to his estate.

(b) GOVERNING LAW. (i) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE Of FLORIDA WITHOUT REFERENCE TO PRINCIPLES OF CONFLICT OF LAWS THEREUNDER. ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS AGAINST ANY PARTY HERETO ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT IN ANY UNITED STATES FEDERAL COURT SITTING IN THE STATE OF FLORIDA OR ANY OTHER COURT OF APPROPRIATE JURISDICTION SITTING IN THE STATE OF FLORIDA, AS THE PARTY BRINGING SUCH SUIT MAY ELECT IN ITS SOLE DISCRETION, AND EACH PARTY HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH PARTY HERETO WAIVES

PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN ANY SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(ii) EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (W) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (X) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (Y) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (Z) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 15(b).

(c) TAXES. The Company may withhold from any payments made under this Agreement all federal, state, city or other applicable taxes as shall be required pursuant to any law, governmental regulation or ruling.

(d) AMENDMENTS. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by the Board or a person authorized thereby and is agreed to in writing by Executive, Parent and such officer of the Company as may be specifically designated by the Board. No waiver by any party hereto at any time of any breach by any other party hereto of, on compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between or among the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

(e) SEVERABILITY. In the event that any one or more of the provisions of this Agreement shall be or become

invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

(f) NOTICES. Any notice or other communication required or permitted to be delivered under this Agreement shall be (i) in writing, (ii) delivered personally, by nationally recognized overnight courier service or by certified or registered mail, first-class postage prepaid and return receipt requested, (iii) deemed to have been received on the date of delivery or on the third business day after the mailing thereof, and (iv) addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(A) if to Parent or the Company, to it:

c/o Coggin Automotive Group
P.O. Box 16469
Jacksonville, Florida 32245-6469
ATTENTION: Luther Coggin
Telephone: (904) 992-4110
Fax: (904) 992-9161

with a copy to:

c/o Asbury Automotive Group L.L.C.
One Tower Bridge
Suite 1440
Conshohocken, Pennsylvania 19428
ATTENTION: Thomas R. Gibson
Telephone: (610) 260-9800

Fax: (610) 260-9804

-and to-

Ripplewood Holdings L.L.C.
One Rockefeller Plaza, 32nd Floor
New York, New York 10020
ATTENTION: Timothy C. Collins
Telephone: (212) 582-6700
Fax: (212) 582-4110

(B) if to Executive, to him at the address listed on the signature page hereof

with a copy to:

Mitchell W. Leglier, P.A.
One Independent Drive, Suite 3104
Jacksonville, Florida 32202
ATTENTION: Mitchell W. Leglier, Esq.
Telephone: (904) 791-9111
Fax: (904) 791-9333

Copies of any notices or other communications given under this Agreement shall also be given to:

Debevoise & Plimpton
875 Third Avenue
New York, New York 10022
ATTENTION: Robert F. Quaintance, Jr. Esq.
Andrew L. Sommer, Esq.
Telephone: (212) 909-6451
Fax: (212) 909-6836

(g) SURVIVAL. Section 7, 8, 9, 10, 11, 12, 14 and, if Executive's employment terminates in a manner giving rise to a payment under Section 6(f), Sections 6(f) and (h) shall survive the termination of this Agreement and the termination of the employment of Executive.

(h) COUNTERPARTS. This agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(i) HEADINGS. The section and other headings contained in this Agreement are for the convenience of the parties only and are not intended to be a part hereof or to affect the meaning or interpretation hereof.

(j) EXECUTIVE'S RECUSAL. Executive shall recuse himself from all deliberations of the Board and the general partner of Parent regarding this Agreement, Executive's employment by the Company or related matters.

IN WITNESS WHEREOF, Parent and the Company have duly executed this Agreement by their respective authorized representatives and Executive has hereunto set his hand, in each case effective as of the date first above written.

ASBURY AUTOMOTIVE JACKSONVILLE,
L.P.

By: ASBURY AUTOMOTIVE JACKSONVILLE,
GP L.L.C.

By: /s/ Ian K. Snow

Name: Ian K. Snow
Title: Vice President

COGGIN AUTOMOTIVE CORP.

By: /s/ C.B. Tomm

Name: C.B. Tomm
Title: President & Chief Operating Officer

Executive:

/s/ Luther Coggin

Luther Coggin

Address: P.O. Box 16469

Jacksonville, FL 32245-6469

Fax:

Tel:

Attest:

/s/ Mark J. Cooper

Name: Mark J. Cooper

EXHIBIT 21.1

ASBURY AUTOMOTIVE GROUP, INC.
LIST OF SUBSIDIARIES

ARKANSAS PLATFORM	STATE OF INCORPORATION OR ORGANIZATION
Asbury Automotive Arkansas Dealership Holdings L.L.C.	Delaware
Asbury Automotive Arkansas L.L.C.	Delaware
Asbury MS Wimber L.L.C.	Delaware
Hope CPD L.L.C.	Delaware
Hope FLM L.L.C.	Delaware
Nashville Motors L.L.C.	Delaware
NP FLM L.L.C.	Delaware
NP MZD L.L.C.	Delaware
NP VKW L.L.C.	Delaware
Premier LM L.L.C.	Delaware
Premier NSN L.L.C.	Delaware
Premier Pon L.L.C.	Delaware
Prestige Bay L.L.C.	Delaware
Prestige Toy L.L.C.	Delaware
TXK CPD, L.P.	Delaware
TXK FRD, L.P.	Delaware
TXK L.L.C.	Delaware
ATLANTA PLATFORM	
Asbury Atlanta AC L.L.C.	Delaware
Asbury Atlanta Chevrolet L.L.C.	Delaware
Asbury Atlanta Hon L.L.C.	Delaware
Asbury Atlanta Jaguar L.L.C.	Delaware
Asbury Atlanta Lex L.L.C.	Delaware
Asbury Automotive Atlanta L.L.C.	Delaware
Atlanta Real Estate Holdings L.L.C.	Delaware
Spectrum Insurance Services L.L.C.	Delaware
Asbury Atlanta AU L.L.C.	Delaware
Asbury Atlanta Infiniti L.L.C.	Delaware
JACKSONVILLE PLATFORM	
AF Motors, L.L.C.	Delaware
ALM Motors, L.L.C.	Delaware
ANL, L.P.	Delaware
Asbury Automotive Central Florida, L.L.C.	Delaware
Asbury Automotive Deland, L.L.C.	Delaware
Asbury Automotive Jacksonville GP L.L.C.	Delaware
Asbury Automotive Jacksonville, L.P.	Delaware
Asbury Deland Imports 2, L.L.C.	Delaware
Asbury Jax Holdings, L.P.	Delaware
Asbury Jax Management L.L.C.	Delaware
Asbury-Deland Imports, L.L.C.	Delaware
Avenues Motors, LTD.	Florida
Bayway Financial Services, L.P.	Delaware
C&O Properties, Ltd.	Florida
CFP Motors, LTD.	Florida
CH Motors, LTD.	Florida

CHO Partnership, LTD.	Florida
CN Motors, LTD.	Florida
Coggin Automotive Corp.	Florida
Coggin Cars L.L.C.	Delaware
Coggin Chevrolet L.L.C.	Delaware
Coggin Management, L.P.	Delaware
CK Chevrolet, L.L.C.	Delaware
CK Motors, L.L.C.	Delaware
CP-GMC Motors, LTD.	Florida
CSA Imports L.L.C.	Delaware
Coggin Orlando Properties L.L.C.	Delaware

MISSISSIPPI PLATFORM

Escude-D L.L.C.	Delaware
Escude-M L.L.C.	Delaware
Escude-MO L.L.C.	Delaware
Escude-NN L.L.C.	Delaware
Escude-NS L.L.C.	Delaware
Escude-T L.L.C.	Delaware
Asbury MS Gray-Daniels L.L.C.	Delaware
Asbury MS Metro L.L.C.	

NON PLATFORM

Asbury - Everest Holdings L.L.C.	Delaware
Asbury Automotive Management Services L.L.C.	Delaware
Asbury Insurance Company, LTD.	Cayman Islands

NORTH CAROLINA PLATFORM

Asbury Automotive North Carolina Dealership Holdings L.L.C.	Delaware
Asbury Automotive North Carolina L.L.C.	Delaware
Asbury Automotive North Carolina Management L.L.C.	Delaware
Asbury Automotive North Carolina Real Estate Holdings L.L.C.	Delaware
Camco Finance II L.L.C.	Delaware
Camco Finance L.L.C.	Delaware
Crown Acura/Nissan, LLC	North Carolina
Crown Battleground, LLC	North Carolina
Crown CHH L.L.C.	Delaware
Crown CHV L.L.C.	Delaware
Crown Dodge, LLC	North Carolina
Crown FFO Holdings L.L.C.	Delaware
Crown FFO L.L.C.	Delaware
Crown Fordham L.L.C.	Delaware
Crown GAC L.L.C.	Delaware
Crown GAU L.L.C.	Delaware
Crown GBM L.L.C.	Delaware
Crown GDO L.L.C.	Delaware
Crown GHO L.L.C.	Delaware
Crown GKI L.L.C.	Delaware
Crown GMI L.L.C.	Delaware

Crown GNI L.L.C.	Delaware
Crown GPG L.L.C.	Delaware
Crown GVO L.L.C.	Delaware
Crown Honda, LLC	North Carolina
Crown Honda-Volvo, LLC	North Carolina
Crown Mitsubishi, LLC	North Carolina
Crown Motorcar Company L.L.C.	Delaware
Crown Raleigh L.L.C.	Delaware
Crown RIA L.L.C.	Delaware
Crown RIB L.L.C.	Delaware
Crown RIM L.L.C.	Delaware
Crown RIS L.L.C.	Delaware
Crown Royal Pontiac, LLC	North Carolina
Crown RPG L.L.C.	Delaware
Crown Used Car Mall L.L.C.	Delaware
Crown Wendover L.L.C.	Delaware
RER Properties, LLC	North Carolina
RWIJ Properties	North Carolina

OREGON PLATFORM

Asbury Automotive Oregon L.L.C.	Delaware
Asbury Automotive Oregon Management L.L.C.	Delaware
Damerow Ford Co.	Oregon
Thomason Auto Credit Northwest, Inc.	Oregon
Thomason Dam L.L.C.	Delaware
Thomason FRD L.L.C.	Delaware
Thomason Hon L.L.C.	Delaware
Thomason Hund L.L.C.	Delaware
Thomason Maz L.L.C.	Delaware
Thomason Niss L.L.C.	Delaware
Thomason on Canyon, L.L.C.	Oregon
Thomason Sub L.L.C.	Delaware

Thomason Suzu L.L.C.	Delaware
Thomason TY L.L.C.	Delaware
Thomason Zuk L.L.C.	Delaware

ST. LOUIS PLATFORM

Asbury Automotive St. Louis, L.L.C.	Delaware
Asbury St. Louis Cadillac L.L.C.	Delaware
Asbury St. Louis Gen L.L.C.	Delaware
Asbury St. Louis Lex L.L.C.	Delaware
Asbury St. Louis LR L.L.C.	Delaware

TAMPA PLATFORM

Asbury Automotive Brandon, L.P.	Delaware
Asbury Automotive Tampa GP L.L.C.	Delaware
Asbury Automotive Tampa, L.P.	Delaware
Asbury Tampa Management L.L.C.	Delaware
Precision Computer Services, Inc.	Florida
Precision Enterprises Tampa, Inc.	Florida

Precision Infiniti, Inc.	Florida
Precision Motorcars, Inc.	Florida
Precision Nissan, Inc.	Florida
Tampa Hund, L.P.	Delaware
Tampa Kia, L.P.	Delaware
Tampa LM, L.P.	Delaware
Tampa Mit, L.P.	Delaware
Tampa Suzu, L.P.	Delaware
WMZ Brandon Motors, L.P.	Delaware
WMZ Motors, L.P.	Delaware
WTY Motors, L.P.	Delaware
Dealer Profit Systems L.L.C.	Delaware

TEXAS PLATFORM

Asbury Automotive Texas Holdings L.L.C.	Delaware
Asbury Automotive Texas L.L.C.	Delaware
Asbury Texas Management L.L.C.	Delaware
McDavid Auction, L.P.	Delaware
McDavid Austin-Acra, L.P.	Delaware
McDavid Communications, L.P.	Delaware
McDavid Grande, L.P.	Delaware
McDavid Houston-Hon, L.P.	Delaware
McDavid Houston-Kia, L.P.	Delaware
McDavid Houston-Niss, L.P.	Delaware
McDavid Houston-Olds, L.P.	Delaware
McDavid Irving-Hon, L.P.	Delaware
McDavid Irving-PB&G, L.P.	Delaware
McDavid Irving-Zuk, L.P.	Delaware
McDavid Outfitters, L.P.	Delaware
McDavid Plano-Acra, L.P.	Delaware
Plano Lincoln-Mercury, Inc.	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated March 23, 2001 (except with respect to matters discussed in Note 17, as to which the date is July 2, 2001) on the consolidated balance sheets of Asbury Automotive Group L.L.C. and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, members' equity and cash flows for each of the three years in the period ended December 31, 2000, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Stamford, Connecticut
October 11, 2001

Exhibit 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated June 15, 2001 on the combined balance sheet of the Business Acquired by Asbury Automotive Group L.L.C. (Hutchinson Automotive Group) as of December 31, 1999, and the related combined statements of income, shareholders' equity and cash flows for the period from January 1, 2000, through June 30, 2000, and for each of the two years in the period ended December 31, 1999, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Stamford, Connecticut
October 11, 2001

Exhibit 23.3

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated April 26, 2001 on the combined statements of income, shareholders' equity, and cash flows of the Business Acquired by Asbury Automotive Oregon L.L.C. (Thomason Auto Group) for the period from January 1, 1999 through December 9, 1999, and for the year ended December 31, 1998, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

New York, New York
October 11, 2001

Exhibit 23.4

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated July 18, 2001 on the combined statements of income, shareholders' equity, and cash flows of the Business Acquired by Asbury Automotive Arkansas L.L.C. referred to as "the McClarty Combined Entities" for the period from January 1, 1999 through November 17, 1999, and for the year ended December 31, 1998, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Little Rock, Arkansas
October 11, 2001

Exhibit 23.5

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated July 18, 2001 on the combined statements of income, shareholders' equity, and cash flows of the Business Acquired by Asbury Automotive North Carolina L.L.C. (Crown Automotive Group) for the period from January 1,1999 through April 6, 1999, and for the year ended December 31, 1998, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

New York, New York
October 11, 2001

Exhibit 23.6

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated January 29, 1999 on the combined statements of income, shareholders' equity and cash flows of Coggin Automotive Corp and Affiliates for the period from January 1, 1998 through October 30, 1998, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Jacksonville, Florida
October 11, 2001

Exhibit 23.7

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated April 14, 1999 on the combined statements of income, shareholders' equity and cash flows of J.I.W. Enterprises, Inc. for the period from January 1, 1998 through September 17, 1998, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Roseland, New Jersey
October 11, 2001

Exhibit 23.8

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated March 19, 1999 on the combined statements of income, shareholders' equity and cash flows of David McDavid Auto Group for the period from January 1, 1998 through April 30, 1998, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Roseland, New Jersey
October 11, 2001

EXHIBIT 23.9

CONSENT OF DIXON ODOM, P.L.L.C.

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the use in this Registration Statement (No. 333-65998) on Form S-1 of our report dated January 23, 1998, except for Note M, as to which the date is August 10, 2001, relating to the combined financial statements of Nalley Chevrolet, Inc. and affiliated entities, and to the reference to our Firm under the captions "Selected Consolidated Financial Data" and "Experts".

/s/ Dixon Odom, P.L.L.C.
Atlanta, Georgia
October 11, 2001