SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2002

Commission file number:

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

Delaware	01-0609375
(State or Other Jurisdiction of Incorporation or Organization)	I.R.S. Employer Identification No.)

Three Landmark Square, Suite 500, Stamford, Connecticut 06901, (203) 356-4400

(Address of, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 3 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date (applicable only to corporate registrants).

The number of shares of common stock outstanding as of August 12, 2002 was 34,000,000.

ASBURY AUTOMOTIVE GROUP, INC.
June 30, 2002 Form 10-Q Quarterly Report

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Item 1. Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.

CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except for share data)

ASSETS	June 30, 2002 (unaudited)	December 31, 2001
CURRENT ASSETS:		
Cash and cash equivalents	$ 67,143	$ 60,506
Contracts-in-transit	85,160	93,044
Current portion of restricted marketable securities	1,455	1,410
Accounts receivable (net of allowance of $2,499 and $2,375)	89,888	81,347
Inventories	526,108	496,054
Deferred income taxes	8,838	-
Prepaid and other current assets	26,550	25,253
Total current assets	805,142	757,614
PROPERTY AND EQUIPMENT, net	262,803	256,402
GOODWILL, net	396,223	392,856
RESTRICTED MARKETABLE SECURITIES	5,849	6,807
OTHER ASSETS	62,543	51,334
Total assets	$1,532,560	$1,465,013
LIABILITIES AND STOCKHOLDERS'/MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable	$ 456,500	$ 451,375
Short-term debt	10,167	10,000
Current maturities of long-term debt	42,418	35,789
Accounts payable	40,040	33,573
Deferred income taxes	-	3,876
Accrued liabilities	72,732	75,384
Total current liabilities	621,857	609,997
LONG-TERM DEBT	445,098	492,548
DEFERRED INCOME TAXES	29,327	1,370
OTHER LIABILITIES	20,044	13,191
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS'/MEMBERS' EQUITY:		
Preferred stock, $.01 par value, 10,000,000 shares authorized	-	-
Common stock, $.01 par value, 90,000,000 shares authorized, 34,000,000 issued and outstanding	340	-
Additional paid-in capital	413,584	-
Contributed capital	-	305,363
Retained earnings	2,501	40,888
Accumulated other comprehensive income (loss)	(191)	1,656
Total stockholders'/members' equity	416,234	347,907
Total liabilities and stockholders'/members' equity	$1,532,560	$1,465,013

See Notes to Consolidated Financial Statements.

ASBURY AUTOMOTIVE GROUP, INC.

CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except per share data)
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2002	2001	2002	2001
REVENUES:				
New vehicle	$ 682,201	$ 634,823	$1,313,227	$1,204,428
Used vehicle	311,981	280,608	598,430	561,079
Parts, service and collision repair	131,251	119,350	255,405	235,782
Finance and insurance, net	29,346	25,792	55,910	48,932
Total revenues	1,154,779	1,060,573	2,222,972	2,050,221
cost of sales:				
New vehicle	624,845	584,235	1,203,539	1,107,768
Used vehicle	284,541	256,186	543,529	511,826
Parts, service and collision repair	63,658	57,389	122,237	113,770
Total cost of sales	973,044	897,810	1,869,305	1,733,364
GROSS PROFIT	181,735	162,763	353,667	316,857
OPERATING EXPENSES:				
Selling, general and administrative	139,650	124,561	272,590	241,432
Depreciation and amortization	6,034	7,662	11,862	14,702
Income from operations	36,051	30,540	69,215	60,723
OTHER INCOME (EXPENSE):				
Floor plan interest expense	(4,620)	(7,575)	(8,957)	(16,484)
Other interest expense	(8,956)	(10,988)	(18,734)	(23,429)
Interest income	349	601	663	1,785
Net losses from unconsolidated affiliates	-	-	(100)	(1,000)
Other income (expense), net	55	416	(338)	853
Total other expense, net	(13,172)	(17,546)	(27,466)	(38,275)
Income before income taxes, minority interest, discontinued operations and extraordinary loss	22,879	12,994	41,749	22,448
INCOME TAX PROVISIONS:				
Income tax expense	9,106	1,578	11,300	2,746
Tax adjustment upon conversion from an L.L.C. to a corporation	-	-	11,553	-
MINORITY INTEREST IN SUBSIDIARY EARNINGS	-	359	-	502
Income before discontinued operations and extraordinary loss	13,773	11,057	18,896	19,200
DISCONTINUED OPERATIONS	(993)	(64)	(955)	(97)
EXTRAORDINARY LOSS ON EARLY EXTINGUISHMENT OF DEBT	-	-	-	(1,433)
Net income	$ 12,780	$ 10,993	17,941	$ 17,670
PRO FORMA TAX (BENEFIT) EXPENSE:				
Pro forma income tax expense			5,299	
Tax adjustment upon conversion from an L.L.C. to a corporation			(11,553)	
Tax affected pro forma net income			$ 24,195	
EARNINGS PER SHARE:				
Basic	$.38		$.56	
Diluted	$.37		$.56	
TAX AFFECTED PRO FORMA EARNINGS PER SHARE:				
Basic			$.75	
Diluted			$.75	
WEIGHTED AVERAGE SHARES OUTSTANDING (in thousands):				
Basic	34,000		32,210	
Diluted	34,084		32,258	

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See Notes to Consolidated Financial Statements.

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ASBURY AUTOMOTIVE GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	For the Six Months Ended June 30, 2002	2001
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	$ 17,941	$ 17,670
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	11,862	14,702
Loss on disposal of discontinued operations, net of related taxes	345	-
Deferred income taxes	13,512	-
Extraordinary loss on early extinguishment of debt	-	1,433
Losses from unconsolidated affiliates	100	1,000
Amortization of deferred financing fees	2,128	1,910
Change in operating assets and liabilities, net of effects from acquisitions and divestiture of assets-		
Contracts-in-transit	7,884	(4,996)
Accounts receivable, net	(17,490)	(22,485)
Proceeds from the sale of accounts receivable	8,862	8,812
Inventories	(20,260)	54,660
Floor plan notes payable	3,032	(19,525)
Accounts payable and accrued liabilities	5,109	6,474
Other	948	(716)
Net cash provided by operating activities	33,973	58,939
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditures	(23,623)	(27,148)
Proceeds from the sale of assets	1,077	921
Proceeds from sale of discontinued operations	4,838	-
Acquisitions (net of cash acquired)	(9,402)	(8,139)
Equity investments	-	(1,200)
Proceeds from restricted marketable securities	913	392
Net issuance of finance contracts	(119)	(2,593)
Other investing activities	(1,700)	-
Net cash used in investing activities	(28,016)	(37,767)
CASH FLOW FROM FINANCING ACTIVITIES:		
Distributions to members	(11,681)	(8,954)
Contributions	800	-
Repayments of debt	(311,842)	(335,755)
Proceeds from borrowings	265,735	355,182
Proceeds from initial public offering, net	65,543	-
Payment of debt issuance costs	(7,875)	(12,530)
Net cash provided by (used in) financing activities	680	(2,057)
Net increase in cash and cash equivalents	6,637	19,115
CASH AND CASH EQUIVALENTS, beginning of period	60,506	47,241
CASH AND CASH EQUIVALENTS, end of period	$ 67,143	$ 66,356
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for-		
Interest (net of amounts capitalized)	$ 25,008	$ 38,900
Income taxes	$ 9,765	$ 2,068

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See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except share data)
(unaudited)

1. summary of significant accounting policies:

Basis of Presentation:

The consolidated balance sheet at June 30, 2002, the consolidated statements of income for the three-month and six-month periods ended June 30, 2002 and 2001, and the consolidated statements of cash flows for the six-month periods ended June 30, 2002 and 2001, are unaudited. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods were made. Certain items in the June 30, 2001 financial statements were reclassified to conform to the classification of the June 30, 2002 financial statements. Due to seasonality and other factors, the results of operations for interim periods are not necessarily indicative of the results that will be realized for the entire year.

Certain information and footnote disclosures, normally included in financial statements prepared in accordance with generally accepted accounting principles, were omitted. Accordingly, these consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2001 which are included in the Company's Form S-4 filing for its Senior Subordinated Notes issuance.

All significant intercompany balances and transactions have been eliminated in consolidation.

Recent Accounting Pronouncements-

In April 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Correction." This Statement eliminates extraordinary accounting treatment for reporting gain or loss on debt extinguishment, and amends other existing authoritative pronouncements to make various technical corrections. The provisions of this Statement are effective for the Company with the beginning of fiscal year 2003. Upon adoption of this statement, the Company will reclassify to recurring operations, debt extinguishments reported as extraordinary items in prior period ($1,433 for the six months ended June 30, 2001).

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This Statement requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan. Adoption of this Statement is required with the beginning of fiscal year 2003. The Company has not yet completed the evaluation of the impact of adopting this Statement.

2. INITIAL PUBLIC OFFERING:

On March 14, 2002, the Company completed an initial public offering ("IPO") of 4,500,000 shares of its common shares at a price of $16.50 per share. The IPO proceeds received, net of underwriting discount and expenses, were $62.5 million. Pursuant to the terms of the Company's $550 million Committed Credit Facility, 80% of the net IPO proceeds were used to repay debt under this facility. The remaining net proceeds will be used for working capital, future platform or dealership acquisitions and general corporate purposes.

Upon the closing of the IPO on March 19, 2002, Asbury Automotive Group L.L.C. became a wholly-owned subsidiary of Asbury Automotive Group, Inc. Membership interests in the limited liability company were exchanged for 29,500,000 shares of common stock in the new corporation on the basis of 295,000 shares of common stock for each 1% membership interest.

3. INVENTORIES:

Inventories consisted of the following:

	June 30, 2002	December 31, 2001
New vehicles	$389,631	$381,011
Used vehicles	96,331	74,885
Parts, accessories and other	40,146	40,158
	$526,108	$496,054

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Effective March 19, 2002, the Company changed its method of valuing certain inventories which were on the last-in, first-out ("LIFO") cost method to the specific identification and the first-in, first-out ("FIFO") cost method. The Company believes that the specific identification and FIFO methods of inventory valuation provide a more meaningful presentation of its financial position since these methods reflect a better matching of revenue and expense and most clearly reflect periodic income.

The effect of the change in accounting principle was to decrease net income for the year ended December 31, 2001 by $355. The change has been applied to prior years through restating the financial statements presented for 2001. The effect of the change was to increase members' equity as of December 31, 2001, by $4,356.

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

	For the Three Months Ended June 30, 2002	For the Six Months Ended June 30, 2002
Net income applicable to common shares:		
Continuing operations	$13,773	$18,896
Discontinued operations	(993)	(955)
	$12,780	$17,941
Earnings per share:		
Basic-		
Continuing operations	$0.41	$0.59
Discontinued operations	(0.03)	(0.03)
	$0.38	$0.56
Diluted-		
Continuing operations	$0.40	$0.59
Discontinued operations	(0.03)	(0.03)
	$0.37	$0.56
Common shares and common share equivalents:		
Weighted-average shares outstanding	34,000	32,210
Basic shares	34,000	32,210
Shares issuable with respect to additional common share equivalents (stock options)	84	48
Diluted equivalent shares	34,084	32,258

5. INCOME TAXES:

Effective March 19, 2002, the Company converted to a corporation and is now subject to federal, state and local income taxes. In connection with the IPO and in accordance with SFAS No. 109 "Accounting for Income Taxes," the Company recorded a one-time, non-recurring charge of $11,553 for deferred taxes upon the exchange of the limited liability company interest in Asbury Automotive Group L.L.C. for the Company's stock. This charge relates to a net deferred tax liability associated with the difference between the financial statement and tax basis of the assets and liabilities of the Company at the conversion date. Prior to the conversion to a corporation, Asbury Automotive Group L.L.C. was comprised primarily 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. In addition, Asbury Automotive Group L.L.C. had nine subsidiaries that were already corporations and followed the provisions of SFAS No. 109. The tax provision for the six months ended June 30, 2002 relates to income from continuing operations of the Company's preexisting corporations (noted above) for the six months ended June 30, 2002, and income from continuing operations for the remainder of the Company's subsidiaries for the period from March 19, 2002 through June 30, 2002.

The tax effects of these temporary differences representing deferred tax assets (liabilities) result principally from the following as of June 30, 2002:

Reserves and accruals not deductible until paid	$8,982
Goodwill amortization	(15,338)
Depreciation	(12,219)
Other	(1,914)
Net deferred tax liability	($20,489)

The net deferred tax assets (liabilities) are comprised of the following:

Deferred tax assets:	
Current	$13,592
Long term	39
Deferred tax liabilities:	
Current	(4,754)
Long term	(29,366)
Net deferred tax liability	($20,489)

The following reconciles the statutory corporate federal income tax rate for the three months ended June 30, 2002:

Statutory federal income tax rate	35.0%
State income tax, net of federal tax effect	4.0
Other, net	0.8
Effective tax rate	39.8%

6. INTANGIBLE ASSETS AND GOODWILL:

On June 30, 2001, the FASB issued SFAS No. 142 "Goodwill and Other Intangibles." SFAS No. 142 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 statement requires that by June 30, 2002, a company must establish its fair value benchmarks in order to test for impairment. The Company adopted this statement effective January 1, 2002. Such adoption did not result in an impairment of goodwill, based on the fair value based test; however, changes in the facts and circumstances relating to the Company's goodwill and other intangible assets could result in an impairment of intangible assets in the future.

Intangible assets consist of the following (included in other assets on the accompanying consolidated balance sheets):

	As of June 30, 2002	
	Cost	Accumulated Amortization
Amortizable intangible assets-		
Noncompete agreements	$ 5,331	($3,036)
Licensing agreements	1,750	(490)
Lease agreements (amortization is included in rent expense)	6,527	(3,592)
	$13,608	($7,118)
Unamortizable intangible assets-		
Franchise rights	$6,000	
Amortization expense-		
For the three months ended June 30, 2002		$534
For the six months ended June 30, 2002		$1,039
Estimated amortization expense- For the years ended December 31:		
2003		$1,689
2004		849
2005		462
2006		443
2007		409

The changes in the carrying amount of goodwill for the period ended June 30, 2002 are as follows:

Balance as of December 31, 2001	$392,856
Additions	5,318
Goodwill associated with discontinued operations	(1,951)
Balance as of June 30, 2002	$396,223

Goodwill amortization expense for the three- and six-month periods ended June 30, 2001 was $2,514 and $5,042, respectively. Income before income taxes, minority interest, discontinued operations and extraordinary loss would have been $15,508 and $27,490 for the three and six months ended June 30, 2001, respectively, if goodwill was not amortized in 2001.

7. STOCKHOLDERS'/MEMBERS' EQUITY:

	Common Stock	Additional Paid-in Capital	Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2001	$ -	$ -	$305,363	$40,888	$1,656	$347,907
Contributions	-	-	800	-	-	800
Distributions	-	-	(11,681)	-	-	(11,681)
Net income	-	-	-	17,941	-	17,941
Change in fair value of interest rate swaps, net of $120 tax effect	-	-	-	-	(1,847)	(1,847)
Stock and stock option compensation	-	571	-	-	-	571
Proceeds from initial public offering, net	45	62,498	-	-	-	62,543
Reclassification of members' equity due to the exchange of membership interests for shares of common stock	295	350,515	(294,482)	(56,328)	-	-
Balance, June 30, 2002	$340	$413,584	$ -	$ 2,501	($191)	$416,234

8. FINANCIAL INSTRUMENTS:

During the second quarter of 2002, the Company cancelled its three interest rate swap agreements with a financial institution having a combined notional principal of $300 million. The swap agreements had been designated and qualified as cash flow hedges of the Company's forecasted variable interest rate payments. Upon cancellation of the swaps, the Company realized a $202 loss, net of tax benefit, in other comprehensive income (loss) which will be reclassified to earnings as interest expense, over the original term of the related indebtedness, through November 2003.

9. COMPREHENSIVE INCOME:

	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
Net income	$12,780	$10,993	$17,941	$17,670
Other comprehensive income:				
Change in fair value of interest rate swaps	(3,472)	-	(1,985)	-
Income tax benefit	1,357	-	127	-
	(2,115)	-	(1,858)	-
Reclassification adjustment of loss on interest rate swaps included in net income	18	-	18	-
Income tax benefit	(7)	-	(7)	-
	11	-	11	-
Comprehensive income	$10,676	$10,993	$16,094	$17,670

10. DISCONTINUED OPERATIONS:

Effective January 1, 2002, the Company adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of" and the accounting and reporting provisions of Accounting Principles Board Opinion (APB) No. 30, "Reporting the Results of Operations -

Reporting the Effects of the Disposal of a Segment Business and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 144 establishes a single accounting model for assets to be disposed of by sale whether previously held and used or newly acquired. SFAS No. 144 retains the provisions of APB No. 30 for presentation of discontinued operations in the income statement, but broadens its application to include a component of an entity which has separately identifiable cash flows. During the first six months of 2002, the Company divested four dealerships, one each in Oregon and North Carolina and two in Mississippi. As a result of adopting this statement, the results of these operations are accounted for as discontinued operations in the consolidated statements of income. A summary of statement of income information relating to the discontinued operations is as follows:

Statement of Income:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2002	2001	2002	2001
Revenues	$ 52	$16,987	$2,766	$34,205
Cost of sales	80	14,437	2,558	29,024
Gross profit	(28)	2,550	208	5,181
Operating expenses	37	2,493	762	4,921
Income (loss) from operations	(65)	57	(554)	260
Other, net	(24)	(121)	(56)	(357)
Net loss	(89)	(64)	(610)	(97)
Loss on disposition of discontinued operations, net of related taxes	(904)	-	(345)	-
Discontinued operations	$(993)	$ (64)	$ (955)	$ (97)

11. LONG-TERM DEBT:

On June 5, 2002, the Company issued 9% Senior Subordinated Notes in the aggregated principle amount of $250,000 receiving net proceeds of $242,125. The costs related to the issuance of the notes were capitalized and are amortized to interest expense over the term of the notes. The net proceeds from the notes issuance were utilized to repay certain indebtedness under the Company's Committed Credit Facility. The Company will pay interest on the notes on June 15 and December 15 of each year. The first such payment will be made on December 15, 2002. The notes will mature on June 15, 2012. At any time on or after June 15, 2007, the Company may, at its option, choose to redeem all or a portion of the notes at the redemption prices set forth in the note indenture. On or before June 15, 2005, the Company may, at its option, use the net proceeds of one or more equity offerings to redeem up to 35% of the aggregate principal amount of the notes at the redemption price set forth in this offering circular. At any time before June 15, 2007, the Company may, at its own option, choose to redeem all or a portion of the notes at a price equal to 100% of their principal amount plus the make-whole premium set forth in the note indenture.

The notes will be guaranteed by substantially all of the Company's current subsidiaries and all of Asbury's future domestic restricted subsidiaries that have outstanding, incur or guarantee any other indebtedness. The notes and the subsidiary guarantees will rank behind all of the Company's and the subsidiary guarantors' current and future indebtedness, other than trade payables, except any future indebtedness that expressly provides that it ranks equally with, or is subordinated in right of payment to, the notes and subsidiary guarantees. The notes will rank equally with all of Asbury's and the subsidiary guarantors' future senior subordinated indebtedness. The notes will be effectively subordinated to all debt of the Company's subsidiaries that do not guarantee the notes.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Three Months Ended June 30, 2002, Compared to Three Months Ended June 30, 2001

Net income from continuing operations for the three months ended June 30, 2002 was $13.8 million or $0.41 per share basic and $0.40 per share diluted. Income before income taxes, minority interest and discontinued operations of $22.9 million during the three months ended June 30, 2002 was up 48% over the same period last year, after adjusting for the elimination of goodwill amortization. Tax effective pro forma net income and per share amounts have not been provided for the prior year quarter as the Company believes that such comparisons with the current year quarter would not be meaningful due to changes in its tax status.

Revenues-

Revenues of $1.155 billion for the three months ended June 30, 2002, represented a $94.2 million or 9% increase over the three months ended June 30, 2001. The majority of the increase was from acquisitions as same store retail revenues (excluding fleet and wholesale) were up $4.1 million or 0.4%.

New vehicle retail revenues were up $48.9 million or 8%, and 0.4% on a same store basis. New vehicle retail units were up 4% during the quarter and down 3% on a same store basis in part due to weaker sales in the Texas and Oregon markets. Average selling prices were up 4% over the same quarter last year, principally due to the shift in mix to higher priced cars, light trucks and sport utility vehicles ("SUV's").

Used vehicle retail revenues were up $18.4 million or 8%, but down 2% on a same store basis. Used vehicle retail units were up 5% during the quarter and down 5% on a same store basis as manufacturer incentives contributed to stronger than expected trends in new vehicles at the expense of used vehicles and to a lesser extent, the tightening of credit standards made it more difficult for certain customers to obtain financing. As a result of the tightening of credit standards, together with the introduction of more certified used vehicles, average selling prices were up 3% over the same quarter last year.

Parts, service and collision repair revenues were up $11.9 million or 10% in the current quarter versus the same quarter last year and up 4% on a same store basis. This improvement is primarily attributable to increased customer pay business, driven by expanded product offerings, such as tires, quick service centers and paintless dent repair.

Finance and insurance ("F&I") revenues during the three months ended June 30, 2002 increased $3.6 million or 14% over the same period last year, while F&I per vehicle retailed ("PVR") was $726 during the second quarter of 2002, an 9% improvement over the second quarter of 2001. On a same store basis, F&I revenues were up 7% over the prior period. These results principally reflect enhanced processes, strict adherence to menu selling (a program where all F&I products and services as well as prices are presented to customers up front) and several corporate initiatives such as our preferred lender program.

Gross Profit-

Gross profit for the quarter ended June 30, 2002, increased $19.0 million or 12% over the quarter ended June 30, 2001. Same store retail gross profit (the Company's preferred productivity measurement) was up 4%.

Gross profit as a percentage of revenues for the current quarter was 15.7% as compared to 15.3% for the same quarter last year. The Company experienced margin improvements in new vehicle retail and used vehicle retail, which increased to 8.5% and 11.9%, respectively, principally due to the change in sales mix as mentioned above to higher margin vehicles. Parts, service and collision repair margins decreased to 51.5% primarily due to a shift to lower margin, higher volume service products.

Operating Expenses-

Selling, general and administrative ("SG&A") expenses for the quarter ended June 30, 2002, increased $15.1 million or 12% over the quarter ended June 30, 2001. SG&A expenses as a percentage of revenues increased to 12.1% in the second quarter of 2002 from 11.7% in the second quarter of 2001. Contributing to this increase was increased variable compensation related to higher gross profit margins, increased insurance and advertising costs and start-up expenses related to the Price 1 Auto Store used car pilot program ($1.5 million). (The Price 1 Auto Store used car pilot program is a six-month, five-store pilot in Houston, Texas to sell used vehicles on Wal-Mart parking lots. Both the Company and Wal-Mart intend to evaluate the program at the end of the pilot.) In last year's quarter, we incurred $4.1 million of charges related to severance payments and the repurchase of a carried interest. Depreciation and amortization decreased $1.6 million to $6.0 million as goodwill amortization of $2.5 million in the three months ended June 30, 2001 did not recur in the current quarter due to elimination of such amortization pursuant to SFAS No. 142. This was partially offset by increased amortization related to Price 1 of $0.6 million.

Other Income (Expense)-

Floor plan interest expense decreased to $4.6 million for the quarter ended June 30, 2002 from $7.6 million for the quarter ended June 30, 2001. This decline was primarily due to lower interest rates in 2002 versus 2001. Other interest expense decreased by $2.0 million from the prior year, also principally due to lower interest rates.

Income Tax Provision-

During the three months ended June 30, 2002, the Company's tax rate for the quarter of approximately 39.8%, is based on the estimated effective tax rate for the year. During the three months ended June 30, 2001, income tax was provided in accordance with SFAS No. 109 on only the "C" corporations owned directly or indirectly by Asbury Automotive Group L.L.C. during that period.

Discontinued Operations-

The $1.0 million loss from discontinued operations in the second quarter this year resulted primarily from a loss on the real estate associated with a disposed dealership.

Six Months Ended June 30, 2002, Compared to Six Months Ended June 30, 2001

Tax affected pro forma net income for the six months ended June 30, 2002 was $24.2 million or $0.75 per share basic and diluted. These pro forma results (i) exclude a non-recurring charge of $11.6 million related to the establishment of a net deferred tax liability associated with the Company's conversion to a corporation and (ii) include a pro forma tax charge of $5.3 million as if the Company was a corporation for the entire period. Actual net income was $17.9 million, or $0.56 per share basic and diluted.

Income before income taxes, minority interest, discontinued operations and extraordinary loss of $41.7 million during the six months ended June 30, 2002 was up 52% over the same period last year, after adjusting for the elimination of goodwill amortization. Tax affected pro forma net income and per share amounts have not been provided for the prior year as the Company believes that such comparisons with the current year quarter would not be meaningful due to changes in its tax status.

Revenues-

Revenues of $2.223 billion for the six months ended June 30, 2002, represented a $172.8 million or 8% increase over the six months ended June 30, 2001, again mostly from acquisitions as same store retail revenues (excluding fleet and wholesale) were up $18.6 million or 1%.

New vehicle retail revenues grew $108.4 million or 9%, and 2% on a same store basis. New vehicle retail units were up 5% during the first six months of 2002 and down 2% on a same store basis, in part due to soft Texas and Oregon markets. Average selling prices were up 4% over the first half last year, principally due to the shift in mix to higher priced cars, light trucks and SUV's.

Used vehicle retail revenues were up $27.5 million or 6%, but down 3% on a same store basis. Used vehicle retail units were up 3% during the first six months of 2002 and down 6% on a same store basis as manufacturer incentives contributed to stronger than expected trends in new vehicles at the expense of used vehicles. As a result of the introduction of more certified used vehicles, average selling prices were up 3% over the same period last year.

Parts, service and collision repair revenues were up $19.6 million or 8% in the current year versus the same period last year and up 2% on a same store basis. This improvement is primarily attributable to increased customer pay business, driven by expanded product offerings, such as tires, quick service centers and paintless dent repair.

F&I revenues during the six months ended June 30, 2002 increased $7.0 million or 14% over the same period last year. On a same store basis, F&I revenues were up 9% over the prior period, while F&I PVR was $717 during the first half of 2002, a 10% improvement over the first half of 2001. These results principally reflect enhanced processes, stricter adherence to menu selling and several corporate initiatives such as our preferred lender program.

Gross Profit-

Gross profit for the six months ended June 30, 2002, increased $36.8 million or 12% over the six months ended June 30, 2001. Same store retail gross profit (the Company's preferred productivity measurement) was up 4%.

Gross profit as a percentage of revenues for the current year was 15.9% as compared to 15.5% for the same period last year as the Company experienced margin improvements across all product lines. New vehicle and used vehicle retail margins increased to 8.4% and 12.0%, respectively, principally due to the change in sales mix as mentioned above to higher margin vehicles. Parts, service and collision repair margins increased to 52.1% due to a slight shift towards the higher margin service business.

Operating Expenses-

Selling, general and administrative ("SG&A") expenses for the six months ended June 30, 2002, increased $31.2 million or 13% over the six months ended June 30, 2001. SG&A expenses as a percentage of revenues increased to 12.3% in the first half of 2002 from 11.8% in the first half of 2001. Contributing to this increase was increased variable compensation related to higher gross profit margins, increased insurance and advertising costs and start-up expenses related to the Price 1 Auto Store used car pilot program ($2.2 million). During last year, we incurred $4.1 million of charges related to severance payments and the repurchase of a carried interest. Depreciation and amortization decreased $2.8 million to $11.9 million as goodwill amortization of $5.0 million in the six months ended June 30, 2001 did not recur in the current year due to elimination of such amortization pursuant to SFAS No. 142. This was offset by increased depreciation principally due to capital expenditures made in 2001 and by increased amortization related to Price 1 of $0.8 million.

Other Income (Expense)-

Floor plan interest expense decreased to $9.0 million for the six months ended June 30, 2002 from $16.5 million for the six months ended June 30, 2001. This decline was primarily due to lower interest rates in 2002 versus 2001 and slightly lower new vehicle inventory levels in the current year. Other interest expense decreased by $4.7 million from the prior year principally due to lower interest rates, partially offset by increased borrowings used to fund acquisitions completed after January 1, 2001. Net losses from unconsolidated affiliates for the six months ended June 30, 2002, and June 30, 2001, were related to the Company's share of losses in an automotive finance company. Other income (expense) in the first half of 2002 reflected certain non-operating expenses associated with the IPO of $0.6 million, while the first half of 2001 included a gain on an interest rate swap transaction of $0.4 million.

Income Tax Provision-

During the six months ended June 30, 2002, the Company recorded, in accordance with SFAS No. 109, a one-time non-recurring charge of $11.6 million related to the establishment of a net deferred tax liability, in connection with the Company's conversion from a limited liability company to a corporation. This liability represented the difference between the financial statement and tax basis of the assets and liabilities of the Company at the conversion date. The Company's pro forma tax rate for the first half of 2002 approximately 39.8%, is based on the estimated effective tax rate for the year. During the first half of 2001, income tax was provided in accordance with SFAS No. 109 on only the "C" corporations owned directly or indirectly by Asbury Automotive Group L.L.C. during that period.

Extraordinary Loss on Early Extinguishment of Debt-

In connection with the repayment of certain term notes with borrowings under the Committed Credit Facility (as defined below), the Company incurred prepayment penalties and wrote off the unamortized portion of deferred financing fees, aggregating $1.4 million in the first half of 2001.

Discontinued Operations-

The $1.0 million loss from discontinued operations in the six months ended June 30, 2002 resulted primarily from a loss on the real estate associated with a disposed dealership. Liquidity and Capital Resources

Liquidity and Capital Resources

The Company requires 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 the Committed Credit Facility and the Floor Plan Lines (as defined below), and mortgage notes. As of June 30, 2002, the Company had cash and cash equivalents of $67.1 million.

Senior Subordinated Notes-

On June 5, 2002, the Company issued 9% Senior Subordinated Notes in the aggregated principle amount of $250,000 receiving net proceeds of $242,125. The costs related to the issuance of the notes were capitalized and are amortized to interest expense over the term of the notes. The net proceeds from the notes issuance were utilized to repay certain indebtedness under the Company's Committed Credit Facility. The Company will pay interest on the notes on June 15 and December 15 of each year. The first such payment will be made on December 15, 2002. The notes will mature on June 15, 2012. At any time on or after June 15, 2007, the Company may, at its option, choose to redeem all or a portion of the notes at the redemption prices set forth in the note indenture. On or before June 15, 2005, the Company may, at its option, use the net proceeds of one or more equity offerings to redeem up to 35% of the aggregate principal amount of the notes at the redemption price set forth in this offering circular. At any time before June 15, 2007, the Company may, at its own option, choose to redeem all or a portion of the notes at a price equal to 100% of their principal amount plus the make-whole premium set forth in the note indenture.

The notes will be guaranteed by substantially all of the Company's current subsidiaries and all of Asbury's future domestic restricted subsidiaries that have outstanding, incur or guarantee any other indebtedness. The notes and the subsidiary guarantees will rank behind all of the Company's and the subsidiary guarantors' current and future indebtedness, other than trade payables, except any future indebtedness that expressly provides that it ranks equally with, or is subordinated in right of payment to, the notes and subsidiary guarantees. The notes will rank equally with all of Asbury's and the subsidiary guarantors' future senior subordinated indebtedness. The notes will be effectively subordinated to all debt of the Company's subsidiaries that do not guarantee the notes.

Credit Facilities-

The Company has a three-year committed financing agreement (the "Committed Credit Facility") with total availability of $550 million. Earlier this year, the Company extended the maturity of the Committed Credit Facility to January 2005. The Committed Credit Facility is primarily used to finance acquisitions. Borrowings under the Committed Credit Facility bear interest at variable rates based on LIBOR plus a specified percentage depending on the attainment of certain leverage ratios and the outstanding balance. As of June 30, 2002, approximately $452.5 million remained available to the Company for additional borrowings under the Committed Credit Facility.

Floor Plan Financing-

The Company has uncommitted floor plan financing lines of credit for new and used vehicles (the "Floor Plan Lines"). The Floor Plan Lines do not have specified maturities and bear interest at variable rates based on LIBOR or the prime rate with total availability of $750 million. As of June 30, 2002, the Company had $456.5 million outstanding under its floor plan financing agreements.

Cash Flow-

Cash flow from operations totaled $34.0 million for the six months ended June 30, 2002, as net income plus non-cash items of $44.7 million, and increases in accounts payables and accruals and floor plan notes payable of $6.3 million and $3.0 million, respectively, offset an increase in inventories of $20.3 million. Net cash flow used in investing activities was $28.0 million, as spending for capital expenditures and acquisitions were offset by proceeds from the dispositions of certain franchises. Net cash flow from financing activities was $0.7 million, as net proceeds from the IPO and the Subordinated Debt Refinancing, were offset by a net reduction in borrowings, distributions to members and payment of debt issuance costs related to the Subordinated Debt Refinancing.

Cash flow from operations totaled $58.9 million for the six months ended June 30, 2001, as net income plus non-cash items of $36.8 million, a decrease in inventories of $54.7 million and an increase in accounts payables and accruals of $6.5 million, offset an increase in floor plan notes payable of $19.5 million and a net increase in accounts receivable and contracts-in-transit of $18.7 million. Net cash flow used in investing activities was $37.8 million, principally related to capital expenditures of $27.1, acquisitions of $8.1

million and a net increase in finance contracts of $2.6 million. Net cash flow used in financing activities was $2.1 million due to payment of member distributions of $9.0 million offset by a net increase in borrowings of $6.9 million.

Capital Expenditures-

Capital spending for the six months ended June 30, 2002 and 2001 was $23.6 million and $27.1 million, respectively. Capital spending other than from acquisitions is expected to be approximately $60 million during the year ended December 31, 2002, and will be primarily related to operational improvements and manufacturer-required spending to upgrade existing dealership facilities

Recent Accounting Pronouncements-

In April 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Correction." This Statement eliminates extraordinary accounting treatment for reporting gain or loss on debt extinguishment, and amends other existing authoritative pronouncements to make various technical corrections. The provisions of this Statement are effective for the Company with the beginning of fiscal year 2003. Upon adoption of this statement, the Company will reclassify to recurring operations, debt extinguishments reported as extraordinary items in prior periods.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This Statement requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan. Adoption of this Statement is required with the beginning of fiscal year 2003. The Company has not yet completed the evaluation of the impact of adopting this Statement.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

The Company is exposed to market risk from changes in interest rates on a significant portion of its outstanding indebtedness. Given amounts outstanding at June 30, 2002, a 1% change in variable interest rates would result in a change of approximately $2.3 million to our annual non-floor plan interest expense. Based on floor plan amounts outstanding at June 30, 2002, a 1% change in variable interest rates would result in a $4.6 million change to annual floor plan interest expense.

Interest Rate Swaps

During the second quarter of 2002 and in connection with the Subordinated Debt Refinancing, the Company terminated three swap agreements, having a combined total notional principal amount of $300 million, all maturing in November 2003. In connection with these terminations, the Company incurred a $0.2 million loss, which is being amortized over the remainder of the original agreements.

. . .

Forward Looking Information

This report contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements include statements relating to goals, plans and projections regarding the Company's financial position, results of operations, market position, product development and business strategy. These statements are based on management's current expectations and involve significant risks and uncertainties that may cause results to differ materially from those set forth in the statements. These risks and uncertainties include, among other things, market factors, the Company's relationships with vehicle manufacturers and other suppliers, risks associated with the Company's substantial indebtedness, risks related to pending and potential future acquisitions, general economic conditions both nationally and locally and governmental regulations and legislation. There can be no guarantees the Company's plans for future operations will be successfully implemented or that they will prove to be commercially successful. These and other risk factors are discussed in the Company's registration statements on Form S-1 declared effective on March 13, 2002 and Form S-4 declared effective on July 22, 2002. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

PART II - OTHER INFORMAITON

Item 2. Application of Proceeds from Initial Public Offering and Senior Subordinated Note Issuance

Of the $62.5 million of net proceeds received by the Company from its initial public offering, the Company applied $50.4 million to repay borrowings under its Committed Credit Facility and retained $12.1 million for working capital, future acquisitions and general corporate purposes.

Of the $242.1 million of net proceeds received by the Company from its Senior Subordinated Notes issuance, all was applied to repay borrowings under its Committed Credit Facility.

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

4 - Indenture, relating to the issuance of $250 million aggregate principal amount of Senior Subordinated Notes due 2012 (incorporated by reference to the Registration Statement on Form S-4 (Registration Number 333-91340) filed June 27, 2002).

10 - Employment and Consulting Agreement of Thomas F. "Mack" McLarty, III.

99.1 - Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer)

99.2- Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer)

b. Reports on Form 8-K

Report filed May 17, 2002, under Item 4, related to the Company's removal of Arthur Andersen LLP as its independent public accountants on May 13, 2002. On May 16, 2002, the Company retained Deloitte & Touche LLP as the Company's new independent public accountants for the fiscal year 2002.

Report filed May 17, 2002, under Item 5, related to the issuance of a press release announcing a proposed private placement of $200 million principal amount of Senior Subordinated Notes.

Report filed May 31, 2002, under Item 5, related to the issuance of a press release announcing the Company's pricing of its $250 million private placement of Senior Subordinated Notes due 2012 with a 9% interest rate.

Report filed July 25, 2002, under Item 9, related to issuance of press release announcing earnings for the second quarter ending June 30, 2002.

SIGNATURES

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

Asbury Automotive Group, Inc.

(Registrant)

Date: August 12, 2002

/s/ Thomas F. Gilman

Thomas F. Gilman
Senior Vice President and Chief Financial Officer

Index to Exhibits

Exhibit Number	Description
10	Employment and Consulting Agreement of Thomas F. "Mack" McLarty, III.
99.1	Certificate pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer)
99.2	Certificate pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer)

Exhibit 10

EMPLOYMENT AND CONSULTING AGREEMENT

EMPLOYMENT AND CONSULTING AGREEMENT, dated as of May 1, 2002 (this "Agreement"), among ASBURY AUTOMOTIVE ARKANSAS L.L.C., a Delaware limited liability company (the "Company"), McLARTY COMPANIES, INC., an Arkansas corporation (the "Consulting Firm"), ASBURY AUTOMOTIVE GROUP L.L.C., a Delaware limited liability company ("Asbury Group") and Thomas F. McLarty, III ("McLarty").

WITNESSETH:

WHEREAS, the Company owns and operates certain retail motor vehicle dealerships located in the State of Arkansas (the "Business");

WHEREAS, the Company desires to employ McLarty, and McLarty desires to accept such employment with the Company, on the terms and conditions set forth in this Agreement;

WHEREAS, Asbury Group desires to retain the Consulting Firm for the consulting services of McLarty, and the Consulting Firm and McLarty desire to provide such consulting services to the Asbury Group, on the terms and conditions set forth in this Agreement; and

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein and for other good and valuable consideration, the parties hereto hereby agree as follows:

1. Agreements to Retain. (a) Upon the terms and subject to the conditions of this Agreement, the Company hereby employs McLarty, and McLarty hereby accepts such employment.

(b) Upon the terms and subject to the conditions of this Agreement, Asbury Group hereby retains the Consulting Firm for the purpose of causing McLarty to provide consulting services to Asbury Group, and McLarty and the Consulting Firm each hereby accepts the terms of retainer herein by Asbury Group.

2. Term: Services to be Provided. (a) Term of Agreement. The term of this Agreement shall commence on the date of this Agreement (the "Effective Date"), and shall remain in effect for an initial term expiring on the sixth anniversary of the Effective Date (the "Initial Term"); provided, that this Agreement may be sooner terminated with respect to the employment arrangement among the Company, the Consulting Firm and McLarty (the "Company Arrangements"), or with respect to the consulting arrangements among Asbury Group, the Consulting Firm and McLarty (the "Asbury Arrangements") (or both), pursuant, in each case, to the applicable provisions of Section 6 hereof. After the Initial Term, this Agreement may be renewed for additional one-year terms (each, an "Extended Term") upon the mutual written consent, in the case of the Company Arrangements, of the Company and McLarty, and in the case of the Asbury Arrangements, of Asbury Group, the Consulting Firm and McLarty. The period of time between the Effective Date and the termination of this Agreement pursuant to its terms is herein referred to, with respect to the Company Arrangements, as the "Company Term," and with respect to the Asbury Arrangements, as the "Asbury Term."

(b) Services to be Provided. (i) During the Company Term, McLarty agrees to provide to the Company, and, at the Company's request, to any direct or indirect subsidiary of the Company, part-time management services equivalent to those services that would be provided by a Chairman of a Delaware corporation. McLarty will serve as a part-time advisor to the Company's management and Board of Directors (the "Company Board"), devoting his skill, knowledge and working time, as necessary, to assist in the overall management of the Company and in addition, McLarty shall perform such other services, as may be determined from time to time by or under the authority of the Company Board or President and Chief Executive Officer of Asbury Group (the "CEO"). All such services will be referred to as the "Company Services." McLarty agrees to devote his skill, knowledge and working time sufficient to conscientiously perform the Company Services to his best ability, subject to the arrangements described in the following sentence. The Company acknowledges that McLarty is engaged in various businesses and other interests that require his time, effort and attention and that McLarty will continue to participate in these interests and others which require his time, effort and attention.

(ii) During the Asbury Term, the Consulting Firm will cause McLarty to provide, and McLarty agrees to provide, to Asbury Group, consulting services as may be determined from time to time by or under the authority of the Board of Directors of Asbury Group (the "Asbury Board") or the CEO which shall include, without limitation, acting as an ongoing intermediary between Asbury Group and automobile manufacturers. All such services will be referred to as the "Asbury Services". The Consulting Firm will cause McLarty, and McLarty agrees, to devote his skill, knowledge and working time sufficient to conscientiously perform the Asbury Services to his best ability, subject to the arrangements described in the last sentence of Section 2(b)(i), provided that in the event there is a conflict between the Asbury Services and the Company Services, the Company Services shall take precedence.

(iii) Each of the Consulting Firm and McLarty hereby represents that this Agreement and compliance by McLarty with the terms and conditions of this Agreement will not conflict with or result in the breach of any agreement to which either McLarty or the Consulting Firm is a party or by which he or it may be bound.

(iv) Authority of McLarty. The relationship of McLarty and the Company is that of employer and employee. McLarty shall have the power and authority to enter into contracts in the name of, and on behalf of, the Company or any of its subsidiaries. The relationship of Consulting Firm and McLarty to the Asbury Group is that of an independent contractor, and nothing contained in this Agreement shall be construed as creating a joint venture, partnership or employment arrangement among Consulting Firm, McLarty and Asbury Group. Neither the Consulting Firm nor McLarty shall have the power or authority to enter into contracts in the name of, or on behalf of, Asbury Group or any of its affiliates, except as may be expressly stated in a written delegation of such power or authority from Asbury Group. The Consulting Firm and McLarty (in both of his capacities as an employee of the Company and independent contractor of the Asbury Group) agree to discharge all obligations under federal, state, local or foreign law, regulation or order now or hereafter in force arising out of its or his provision of services hereunder.

3. Compensation and Consulting Fees. (a) In consideration for all Company Services to be rendered by McLarty to the Company, the Company shall pay McLarty an annual salary of $150,000 less applicable payroll deductions ("Company Salary"), payable in arrears in equal monthly installments.

(b) In consideration for all Asbury Services to be rendered by McLarty to Asbury Group, Asbury Group shall pay to the Consulting Firm during the Asbury Term an annual consulting fee of $350,000 ("Asbury Consulting Fee"), payable in arrears in equal monthly installments.

4. Benefits. During the Company Term, McLarty shall be entitled to participate in all life insurance, medical insurance, disability insurance and other benefits that are provided to Company employees, from time to time. During the Asbury Term, McLarty, as an independent contractor, will not be permitted to participate in any of the life insurance, medical insurance, disability insurance and other benefits that may be provided to employees of Asbury Group.

5. Expenses. (a) The Company shall reimburse McLarty for his reasonable travel, lodging and meal expenses incurred in connection with his performance of the Company Services upon submission of evidence, satisfactory to the CEO, of the incurrence and purpose of each such expense.

(b) Asbury Group shall reimburse the Consulting Firm for reasonable travel, lodging and meal expenses incurred by McLarty in connection with his performance of the Asbury Services upon submission of evidence, satisfactory to the CEO, of the incurrence and purpose of each such expense.

6. Termination of Agreement. (a) Termination Due to Death or Disability. McLarty's provision of Company Services and Asbury Services 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 McLarty of his duties hereunder lasting (or likely to last, based on competent medical evidence presented to the CEO, Company Board and the Asbury Board) for a continuous period of six months or longer. The reasoned and good faith judgment of the CEO, Company Board or Asbury Board as to Disability shall be final and shall be based on such competent medical evidence as shall be presented to it by McLarty or by any physician or group of physicians or other competent medical experts employed by McLarty or the Company to advise the CEO, Company Board or Asbury Board, as the case may be.

(b) Termination for Cause. (i) McLarty's provision of Company Services may be terminated for "Cause" by the Company Board or CEO.

(ii) McLarty's provision of Asbury Services may be terminated for "Cause" by the Asbury Board or CEO.

(iii) "Cause," with respect to the termination of the Company Services or the Asbury Services, shall mean (A) the willful failure by McLarty to substantially perform his duties with respect to the Company or Asbury Group, as the case may be, and continuance of such failure for more than 20 days after the Company or Asbury Group, as applicable, notifies McLarty and the Consulting Firm in writing that McLarty is failing to substantially perform his duties, which writing shall specify in reasonable detail sufficient to inform McLarty and the Consulting Firm of the duties that McLarty is alleged to have failed to substantially perform and the actions required to cure such failure, (B) McLarty's or the Consulting Firm's engaging in serious misconduct (including, without limitation, any criminal, fraudulent or dishonest conduct) that is injurious to the Company or Asbury Group, as applicable, or any of their respective affiliates or subsidiaries, (C) McLarty's or the Consulting Firm's conviction of, or entering a plea of nolo contendere to, any crime that constitutes a felony or involves moral turpitude, or (D) the breach by McLarty or Consulting Firm of any written covenant or agreement with the Company or Asbury Group, as applicable, or any of their respective affiliates not to disclose any information pertaining to the Company or Asbury Group, as applicable, or any of their respective affiliates or not to compete or interfere with the Company or Asbury Group, as applicable, or any of their respective affiliates, including without limitation the covenants set forth in Sections 7, 8, 9 and 10 hereof.

(c) Termination Without Cause. (i) McLarty's provision of Company Services may be terminated "Without Cause" by the Company Board or CEO.

(ii) McLarty's provision of Asbury Services may be terminated "Without Cause" by the Asbury Board or CEO.

(iii) A termination "Without Cause" shall mean, with respect to the termination of the Company Services of the Asbury Services, a termination of Company Services or Asbury Services by the CEO, Company Board or the Asbury Board, as applicable, other than due to death or Disability as described in Section 6(a) or Cause as defined in Section 6(b).

(d) Termination by McLarty. (i) McLarty may terminate his provision of Company Services for "Good Reason".

(ii) McLarty may terminate his provision of Asbury Services for "Good Reason".

(iii) "Good Reason" shall mean, with respect to the termination of the Company Services or the Asbury Services, a termination by McLarty of his provision of Company Services or Asbury Services, as applicable, within 30 days following, (A) any material diminution by the Company Board or the Asbury Board, as applicable, in McLarty's duties, except in connection with termination of McLarty's provision of services for Cause as provided in Section 6(b) or death or Disability as provided in Section 6(a); (B) any requirement by the Company Board or the Asbury Board, as applicable, that McLarty be based outside of the State of Arkansas; or (C) the failure of the Company or Asbury Group, as applicable, timely to pay McLarty's salary and benefits or the Consulting Firm's fees, provided that (x) McLarty shall have given the Company or Asbury Group, as applicable, written notice of such circumstances and the Company or Asbury Group, as applicable, shall have failed to cure such circumstances within 20 days, and (y) McLarty shall not have caused the occurrence constituting Good Reason through the exercise of his authority as an employee of the Company or consultant to Asbury Group, as applicable.

(e) Notice and Effect of Termination. Any termination of McLarty's provision of Company Services or Asbury Services, as applicable, by the CEO, Company Board or Asbury Board, as applicable, pursuant to Section 6(a) (in the case of Disability), 6(b) or 6(c), or by McLarty pursuant to Section 6(d), shall be communicated by a written "Notice of Termination" addressed to McLarty and the Consulting Firm, the Company or Asbury Group, as appropriate. A "Notice of Termination" shall mean, with respect to the Company or Asbury Group, as applicable, a notice stating that McLarty's provision of Company Services or Asbury Services, as applicable, 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 the termination of the provision of such services. At any time that McLarty's provision of Asbury Services is terminated, the Consulting Firm's obligation with respect to such services shall also be terminated.

(f) Payments Upon Certain Terminations of the Provision of Company Services.

(i) Termination Without Cause or for Good Reason. (A) In the event of a termination of McLarty's provision of Company Services by the CEO or Company Board Without Cause or a termination by McLarty of the provision of Company Services for Good Reason, in either case, prior to the last day of the Company Term, the Company shall continue to provide McLarty with medical insurance for a period of twelve (12) months after the Date of Termination (as defined in Section 6(h)) and shall pay to McLarty a lump sum in an amount equal to the Company Board's good faith determination of the present values of the Company Remaining Fee Amounts (as defined below), 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 the provision of Company Services through the last day of the Company Term. "Company Remaining Fee Amounts" means the Company Salary that would have been payable, monthly in arrears, between 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 the provision of Company Services, and the sixth anniversary of the Effective Date, assuming no increase in the Company Salary from the rate in effect immediately prior to the Date of Termination.

(ii) Termination Upon Death or Disability. If McLarty's provision of Company Services shall terminate upon his death or Disability, the Company shall pay McLarty two times the full Company Salary at the annual rate in effect immediately prior to the Date of Termination.

(iii) Termination for Cause or Voluntary Termination by McLarty. If the CEO or Company Board shall terminate McLarty's provision of Company Services for Cause or if McLarty shall voluntarily terminate his provision of Company Services for other than Good Reason, McLarty shall be paid the Company Salary through the Date of Termination at the annual rate in effect immediately prior to the Date of Termination.

(g) Payments Upon Certain Terminations of the Provision of Asbury Services.

(i) Termination Without Cause or for Good Reason. In the event of a termination of McLarty's provision of Asbury Services by the CEO or Asbury Board Without Cause, or in the event of a termination by McLarty of the provision of Asbury Services for Good Reason, in any case prior to the last day of the Asbury Term, no later than twenty (20) days following the Date of Termination, Asbury Group shall pay to the Consulting Firm a lump sum in an amount equal to the Asbury Board's good faith determination of the present values of the Asbury Remaining Fee Amounts (as defined below), 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 the provision of Asbury Services through the last day of the Asbury Term. "Asbury Remaining Fee Amounts" means the Asbury Consulting Fee that would have been payable, monthly in arrears, between 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 the provision of Asbury Services, and the sixth anniversary of the Effective Date, assuming no increase in the Asbury Consulting Fee from the rate in effect immediately prior to the Date of Termination.

(ii) Termination for Death or Disability. If McLarty's provision of Asbury Services shall terminate upon his death or Disability prior to the last day of the Asbury Term, no later than twenty (20) days following the Date of Termination, Asbury Group shall pay to the Consulting Firm in a single lump sum the full Asbury Consulting Fee as set forth in Section 3(b) for the year in which such termination occurred.

(iii) Termination for Cause or Voluntary Termination by McLarty. If the CEO or Asbury Board shall terminate McLarty's provision of Asbury Services for Cause or if McLarty shall voluntarily terminate his provision of Asbury Services for other than Good Reason, McLarty shall be paid the Asbury Consulting Fee through the Date of Termination at the annual rate in effect immediately prior to the Date of Termination.

(h) Date of Termination. As used in this Agreement, the term "Date of Termination" with respect to the Company Services or Asbury Services, as applicable, shall mean (i) if McLarty's provision of Company Services or Asbury Services is terminated by his death, the date of his death, (ii) if McLarty's provision of Company Services or Asbury Services is terminated by the CEO, Company Board or Asbury Board, as applicable, for Cause or by McLarty for Good Reason, the later of the date on which: (x) the Notice of Termination is given as contemplated by Section 6(e); and (y) the lapsing of the cure period described in Section 6(b) or 6(d), as applicable, and (iii) if McLarty's provision of Company Services or Asbury Services is terminated by the CEO, Company Board or Asbury Board, as applicable, Without Cause, due to McLarty's Disability or otherwise, whether or not Notice of Termination is given, thirty (30) days after the date of termination of such services.

7. Covenant Not to Compete. (a) So long as McLarty's provision of Company Services or Asbury Services hereunder shall continue, or as otherwise expressly consented to, approved or otherwise permitted by the Asbury Group or CEO in writing, and to the fullest extent permitted under applicable law, McLarty and the Consulting Firm 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 (the "Restricted Activities"), any business similar to the Business (as defined in the Exchange Agreement, dated as of August 4, 1998 (as amended by Amendment No. 1, dated as of February 23, 1999, among McLarty, the Company and the other persons named therein (the "Exchange Agreement")) within the State of Arkansas or within 80 miles of any business owned or controlled by the Company, Asbury Group or any of their respective affiliates, provided, further, that McLarty and the Consulting Firm shall not, directly or indirectly, engage in or be connected with any Restricted Activities for any business located anywhere in the United States or Canada that engages in the sale of used automobiles through an affiliation with a national retail chain; or

(b) If McLarty's provision of Company Services and Asbury Services hereunder is terminated, the following provisions shall apply:

(i) The provisions of Section 7(a) shall continue in effect for the longer of six years after the Effective Date or two years after the final Date of Termination;

(ii) During the period described under Section 7(b)(i), McLarty shall disclose in writing to the Company the name, address and type of business conducted by any proposed employer or contractor of McLarty within ten business days of commencing employment (or independent contract work) with such new employer or contractor. In addition, during the period described under Section 7(b)(i), but only to the extent that McLarty is entitled to and requests a payment under clause (iii) of this Section 7(b), McLarty shall promptly inform the Company in writing of receipt of any amount, up to an amount equal to one hundred percent (100%) of the sum of the Company Salary and the Asbury

Consulting Fee (the "Consulting Fees") per annum, described in sub clause (iii)(y) below; and

(iii) In the event of a termination of McLarty's provision of Company Services and Asbury Services: (A) pursuant to Section 6(b); or (B) voluntarily by McLarty for any reason other than Good Reason; or (C) due to expiration of both the Company Term and the Asbury Term and any extensions thereof, so long as this Section 7(b) shall apply, the Company shall pay McLarty on an annual basis the excess of: (x) an amount equal to one hundred percent (100%) of the Consulting Fees over (y) the total compensation (whether received as salary, consulting fee or otherwise and calculated on a pre-tax basis) accrued, earned or received by McLarty from any new employer, client or contractor during such period, provided that such excess shall be payable monthly in arrears, provided further, that the Company shall consider the amount described in clause (iii)(y) above to be at least one hundred percent (100%) of the Consulting Fees unless and until McLarty otherwise notifies the Company in writing;

provided, however, that the Company may at any time, in its sole discretion, terminate all obligations imposed on the Company, McLarty and Consulting Firm under this Section 7 by written notice to McLarty and Consulting Firm, provided, however, that any such termination shall not terminate any other non-competition agreement between the Company or its affiliates (including Asbury Group) and McLarty, provided, that notwithstanding such termination the Company shall continue to make any and all payments required by Section 6(f) hereunder. McLarty shall be under no obligation to accept any employment during the period for which McLarty receives continued payments pursuant to Section 7(b)(iii) or to otherwise attempt to mitigate the payment of such amounts by the Company and the Company waives any right to allege that McLarty has any duty to mitigate the payment of such amounts.

(c) For so long as McLarty is a member of the board of directors of Asbury Automotive Group, Inc., unless expressly consented to by the CEO in writing, McLarty and the Consulting Firm (a) shall not take advantage, directly or indirectly, of any business opportunity anywhere in the world in which AAG, Inc. would be interested if it was made aware of the opportunity (and will advise the CEO of any such opportunities which come to the attention of McLarty or the Consulting Firm) and (b)shall not, directly or indirectly, engage in, participate in, represent in any way or be connected with any Restricted Activities in any business similar to the Business (as defined in the Exchange Agreement) anywhere in the United States or Canada.

8. Unauthorized Disclosure. (a) During and after the Company Term and the Asbury Term, without the written consent of the Asbury Board or CEO, as applicable, or a person authorized thereby: (i) McLarty and the Consulting Firm shall not disclose to any person (other than an employee or director of the Company or Asbury Group, as applicable, or their respective affiliates, or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by McLarty of his duties under this Agreement) or use to compete with the Company or Asbury Group, as applicable, or any of their respective affiliates any confidential or proprietary information, knowledge or data that is not theretofore publicly known and in the public domain obtained by McLarty while providing Company Services or Asbury Services, as applicable, with respect to the Company or Asbury Group, as applicable, or any of their respective 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 Asbury Group or any of their respective affiliates (collectively, "Proprietary Information" of the Company or Asbury Group, as applicable); and (ii) McLarty and Consulting Firm 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 McLarty's and Consulting Firm's provision of Company Services or Asbury Services, as applicable, and shall be binding upon McLarty's and Consulting Firm's heirs, legal representatives, successors and assigns.

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 final Date of Termination (the "Non-Solicitation Restriction Period"), McLarty and Consulting Firm shall not, directly or indirectly, for their own account or the account of any other person or entity with which McLarty or Consulting Firm shall become associated in any capacity or in which either of them 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 to perform services for the Company or Asbury Group, or any of their respective 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 Asbury Group, or any of their respective 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 Asbury Group, as applicable, or any such affiliate; or (b) induce any employee of the Company or Asbury Group, or any of their respective affiliates to engage in any activity which McLarty or Consulting Firm is prohibited from engaging in

under Sections 7, 8, 9 and 10 hereof or to terminate his or her employment with the Company or Asbury Group, as applicable, or such affiliate.

10. Return of Documents. In the event of the termination of McLarty's provision of Company Services or Asbury Services for any reason, McLarty and Consulting Firm will deliver to the Company or Asbury Group, as applicable, all documents and data of any nature pertaining to his work with the Company or Asbury Group, as applicable, and their respective affiliates, and McLarty and Consulting Firm will not retain 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. McLarty and Consulting Firm acknowledge and agree that the covenants and obligations of each of them with respect to non-competition, non-disclosure, non-solicitation, confidentiality and the property of the Company or Asbury Group, as applicable, and their respective 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 or Asbury Group, as applicable, and their respective affiliates irreparable injury for which adequate remedies are not available at law. Therefore, McLarty and Consulting Firm expressly agree that the Company or Asbury Group, as applicable, and their respective 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 McLarty or Consulting Firm 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 Asbury Group or any such affiliate may have at law or in equity. Further, McLarty 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 Asbury Group will require any successor (by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or Asbury Group, respectively, by agreement in form and substance reasonably satisfactory to McLarty, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company or Asbury Group, as the case may be, would be required to perform it if no such succession had taken place. Failure of the Company or Asbury Group, as the case may be, to obtain such agreement prior to the effectiveness of any such succession shall constitute "Good Reason" in accordance with Section 6(d) of this Agreement.

13. Entire Agreement. Except as otherwise expressly provided herein, this Agreement, the Exchange Agreement and the LLC 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 McLarty or the Consulting Firm by any other person or entity) are merged herein and superseded hereby.

14. Miscellaneous. (a) Binding Effect. This Agreement shall be binding on and inure to the benefit of the Company, Asbury Group and their respective successors and permitted assigns. This Agreement shall also be binding on and inure to the benefit of McLarty and Consulting Firm and their respective heirs, executors, administrators, legal representatives, successors and assigns. If McLarty's provision of Company Services or Asbury Services is terminated by reason of his death, all amounts payable by the Company or Asbury Group pursuant to Section 6(f)(ii) or 6(g)(ii) (or if McLarty shall die after the provision of all service hereunder has terminated, any remaining amount payable by the Company pursuant to Section 6(f)(i)) shall be paid in accordance with the terms of this Agreement to McLarty's devisee, legatee, or other designee or, if there be no such designee, to his estate.

(b) Governing Law. (i)(A) THIS AGREEMENT (EXCEPT AS PROVIDED FOR IN SECTION l4(b)(i)(B) BELOW) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARKANSAS WITHOUT REFERENCE TO PRINCIPLES OF CONFLICT OF LAWS THEREUNDER. SUBJECT TO SECTION l4(b)(i)(B), 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 ARKANSAS OR ANY OTHER COURT OF APPROPRIATE JURISDICTION SITTING IN THE STATE OF ARKANSAS, 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 IRREVOCABL Y 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.

(B) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, THE PROVISIONS OF SECTIONS 7, 8, 9,10 AND 11 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 SECTIONS 7, 8, 9, 10 OR 11

HEREOF 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 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 14(b).

(c) Amendments. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by both the Company Board and the Asbury Board or a person authorized thereby and is agreed to in writing by McLarty, the Consulting Firm and such authorized officers or agents of the Company and Asbury Group, as applicable. 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.

(d) 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.

(e) 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 or Asbury Group, to it:

c/o Asbury Automotive Group L.L.C.
Three Landmark Square, Suite 500
Stamford, Connecticut 06901
Attention: General Counsel
Telephone: (203) 356-4400
Fax: (203) 356-4450

(B) if to McLarty or the Consulting Firm:

McLarty Companies, Inc.
350 Salem Rd., Suite 8A
Conway, AR 72032
Attention: Thomas F. McLarty, III
Telephone:
Fax:

with a copy to:

Wright, Lindsey & Jennings
200 West Capital Avenue
Suite 2200
Little Rock, AR 72201-3699
Attention: Kevin W. Kennedy, Esq.
Telephone: (501) 212-1394
Fax: (501) 376-9442

(f) Survival. In the event McLarty's provision of Company Services but not Asbury Services is terminated, Sections l(b), 2(a), 2(b)(ii), 2(b)(iii), 2(b)(iv), 3(b), 4, 5(b), 6, 7, 8, 9, 10, 11, 12, 13 and 14 shall survive the termination of the provision by McLarty of the Company Services. In the event McLarty's provision of Asbury Services but not Company Services is terminated, Sections 1(a), 2(a), 2(b)(i), 2(b)(iii), 2(b)(iv), 3(a), 4, 5(a), 6, 7, 8, 9, 10, 11, 12, 13 and 14 shall survive the termination of the provision by McLarty of the Asbury Services. In the event McLarty's provision of both Company Services and Asbury Services is terminated, Sections 7, 8, 9, 10, 11, 12, 13, 14 and, if McLarty's provision of Company Services and Asbury Services terminates in a manner giving rise to a payment under Section 6(f), Section 6(f) shall survive the termination of this Agreement and the termination of the provision of such services by McLarty.

(g) 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.

(h) 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.

(i) McLarty's Recusal. McLarty shall recuse himself from all deliberations of the Company Board and its Managing Member and the Asbury Board regarding this Agreement, McLarty's provision of services hereunder or related matters.

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Signatures Appear on Next Page

IN WITNESS WHEREOF, each of the Company, Asbury Group and the Consulting Firm has duly executed this Agreement by its authorized representative and McLarty has hereunto set his hand, in each case effective as of the date first above written.

ASBURY AUTOMOTIVE ARKANSAS L.L.C.

By: /s/ Thomas R. Gibson

Name: Thomas R. Gibson
Title: Chairman

ASBURY AUTOMOTIVE GROUP L.L.C.

By: /s/ Kenneth B. Gilman

Name: Kenneth B. Gilman
Title: President and Chief Executive Officer

McLARTY COMPANIES, INC.

By: /s/ Thomas F. McLarty, III

Name: Thomas F. McLarty
Title: Chief Executive Officer

THOMAS F. McLARTY, III, individually

/s/ Thomas F. McLarty, III

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Asbury Automotive Group, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenneth B. Gilman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Kenneth B. Gilman

Kenneth B. Gilman
Chief Executive Officer
August 12, 2002

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Asbury Automotive Group, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas F. Gilman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Thomas F. Gilman

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Thomas F. Gilman
Chief Financial Officer
August 12, 2002