AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MARCH 13, 2002

REGISTRATION NO. 333-65998

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 5
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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

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

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

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

COPIES TO:

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

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

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

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

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

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

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

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

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

SUBJECT TO COMPLETION. DATED MARCH 13, 2002.

7,700,000 Shares

[LOGO]

Common Stock

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

Asbury is offering 4,500,000 of the shares to be sold in the offering. The selling shareholders identified in this prospectus are offering an additional 3,200,000 shares. Asbury will not receive any of the proceeds from the sale of the shares being sold by the selling shareholders.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $15.00 and $17.00. Asbury has applied to list the common stock on the New York Stock Exchange under the symbol "ABG".

SEE "RISK FACTORS" ON PAGE 6 TO READ ABOUT FACTORS YOU SHOULD CONSIDER BEFORE BUYING SHARES OF THE COMMON STOCK.

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

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to Asbury	$	$
Proceeds, before expenses, to the selling shareholders	$	$

To the extent that the underwriters sell more than 7,700,000 shares of common stock, the underwriters have the option to purchase up to an additional 1,155,000 shares from Asbury at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2002.

GOLDMAN, SACHS & CO. MERRILL LYNCH & CO.

SALOMON SMITH BARNEY

RAYMOND JAMES STEPHENS, INC.

Prospectus dated , 2002.

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

[PHOTOS OF CERTAIN ASBURY STORES]

[LOGOS OF PLATFORMS]

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

PROSPECTUS SUMMARY

THE FOLLOWING IS A SUMMARY OF SOME OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. IT MAY NOT CONTAIN ALL THE INFORMATION THAT IS IMPORTANT TO YOU. TO UNDERSTAND THIS OFFERING FULLY, YOU SHOULD READ CAREFULLY THE ENTIRE PROSPECTUS, INCLUDING THE RISK FACTORS BEGINNING ON PAGE 6 AND THE FINANCIAL STATEMENTS.

IN THIS PROSPECTUS THE TERMS "ASBURY," "WE," "US" AND "OUR" REFER TO ASBURY AUTOMOTIVE GROUP, INC., UNLESS THE CONTEXT OTHERWISE REQUIRES, AND ITS SUBSIDIARIES AND THEIR RESPECTIVE PREDECESSORS IN INTEREST. THIS PROSPECTUS ASSUMES THAT, IMMEDIATELY PRIOR TO THE CLOSING OF THIS OFFERING, ASBURY AUTOMOTIVE GROUP, INC. WILL BECOME THE PARENT OF THE BUSINESS OPERATED BY ASBURY AUTOMOTIVE GROUP L.L.C. THROUGH THE CONTRIBUTION OF ALL OF THE MEMBERSHIP INTERESTS IN ASBURY AUTOMOTIVE GROUP L.L.C. TO ASBURY AUTOMOTIVE GROUP, INC. AS A RESULT, ASBURY AUTOMOTIVE GROUP L.L.C. WILL BECOME A WHOLLY-OWNED SUBSIDIARY OF ASBURY AUTOMOTIVE GROUP, INC. PER SHARE DATA INCLUDED IN THIS PROSPECTUS ASSUME THAT MEMBERSHIP INTERESTS IN THE LIMITED LIABILITY COMPANY OUTSTANDING IMMEDIATELY PRIOR TO THE CONVERSION WILL BE EXCHANGED FOR SHARES OF COMMON STOCK IN THE NEW CORPORATION ON THE BASIS OF 295,000 SHARES OF COMMON STOCK FOR EACH 1% OF MEMBERSHIP INTEREST. IN REGARD TO VALUATION AND PER SHARE DATA WE HAVE ASSUMED A PER SHARE PRICE OF $16, THE MID-POINT OF THE PRICE RANGE SET FORTH ON THE COVER OF THIS PROSPECTUS.

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

- THE INDUSTRY ANALYSIS DIVISION OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION, ALSO KNOWN AS "NADA," NADA DATA 2001.
- AUTOMOTIVE NEWS 2001 MARKET DATA BOOK.
- CNW MARKETING/RESEARCH.
- SALES & MARKETING MANAGEMENT 2001 SURVEY OF BUYING POWER AND MEDIA MARKETS.
- BUREAU OF ECONOMIC ANALYSIS.
- J.D. POWER.

THE SOURCES REFERENCED ARE THE MOST RECENT AVAILABLE AS OF THE DATE OF THIS PROSPECTUS.

BUSINESS

OUR COMPANY

We are one of the largest automotive retailers in the United States, currently operating 127 franchises at 91 dealership locations. We offer our customers an extensive range of automotive products and services, including new and used vehicles and related financing and insurance, vehicle maintenance and repair services, replacement parts and service contracts. Our retail network is organized into nine regional dealership groups, which we refer to as "platforms," located in 17 market areas that we believe represent attractive opportunities. Our franchises include a diverse portfolio of 36 American, European and Asian brands, and a majority of our dealerships are either luxury franchises or mid-line import brands. We have grown rapidly in recent years, primarily through acquisition, with annual sales of $3.0 billion in 1999 and $4.0 billion in 2000, which represented a 34% increase in annual sales from 1999. For the year ended December 31, 2001, we had sales of $4.3 billion, which represented a 7.2% increase in sales from 2000. We sold a total of 158,417 new and used retail units in 2001, which represented a 3.7% increase over the 152,756 retail units sold in 2000.

We compete in a large and highly fragmented industry comprised of

approximately 22,150 franchised dealerships. The U.S. automotive retailing industry is estimated to have annual sales of

approximately $1.0 trillion, with the 100 largest dealer groups generating less than 10% of total sales revenue.

OUR STRENGTHS

We believe our strengths are as follows:

- EXPERIENCED AND INCENTIVIZED MANAGEMENT. The former platform owners of seven of our nine platforms, each with greater than 24 years of experience in the automotive retailing industry, continue to manage their respective platforms. Our platforms' senior management teams will collectively own approximately 23.5% of our outstanding common stock after this offering.

- ADVANTAGEOUS BRAND MIX. We believe our current brand mix includes a higher proportion of luxury and mid-line import franchises to total franchises than most public automotive retailers, accounting for 66% of new retail vehicle revenue in the year 2001. Luxury and mid-line imports generate above average gross margins on new vehicles and have greater customer loyalty and repeat purchases than mid-line domestic and value automobiles.

- REGIONAL CONCENTRATION AND STRONG BRANDING OF OUR PLATFORMS. Each of our platforms is comprised of between 7 and 24 franchises and on a pro forma basis for 2001, generated an average of approximately $500 million in revenues. Regional concentration and strong brand recognition allow our platforms to realize significant economies of scale.

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

OUR STRATEGY

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

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

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

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

RISKS RELATING TO OUR BUSINESS AND TO THIS OFFERING

As part of your evaluation of us, you should take into account the risks we face in our business and not solely our competitive strengths and business strategies. Our operations may be affected by prevailing economic conditions. Moreover, our future performance depends on our ability to integrate and derive expected benefits from future acquisitions and our substantial indebtedness and limited financial resources may hinder our ability to fully implement our acquisition strategy. In addition, our business is subject to risks related to our dependence on vehicle manufacturers and key personnel, as well as risks associated with the automotive industry in general. You should also

be aware that there are various risks involved in investing in our common stock, including risks relating to, among other things, future sales of a substantial amount of our common stock, dilution to our investors, potential volatility of our future stock price, continuing voting control by existing shareholders and government regulation. For more information about these and other risks, see "Risk Factors" beginning on page 6. You should carefully consider these risk factors together with all of the other information included in this prospectus.

Our principal executive offices are located at 3 Landmark Square, Suite 500,

Stamford, Connecticut 06901. Our telephone number is (203) 356-4400. Our World Wide Web site address is HTTP://WWW.ASBURYAUTO.COM. Information contained on our website or that can be accessed through our website is not incorporated by reference in this prospectus. You should not consider information contained on our website or that can be accessed through our website to be part of this prospectus.

THE OFFERING

Common stock offered by us.....	4,500,000 shares(1)
Common stock offered by selling shareholders.....	3,200,000 shares
Total common stock offered.....	7,700,000 shares(1)
Common stock outstanding after this offering.....	34,000,000 shares(1)(2)
Use of Proceeds.....	We intend to use the net proceeds from the sale of the common stock offered by us for repayment of outstanding indebtedness and general corporate purposes, including working capital and possible acquisitions. We will not receive any proceeds from the sale of shares by the selling shareholders.
Proposed NYSE Symbol.....	ABG
Risk Factors.....	See "Risk Factors" beginning on page 6 of this prospectus for a discussion of factors that you should carefully consider before deciding to invest in shares of our common stock.

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

(2) Does not include (a) options issued under our 1999 option plan for 3.51% of the limited liability company interests in us converted into options for 1,072,738 shares of common stock with a weighted average exercise price of $16.56 per share and (b) 1,500,000 shares of common stock reserved for issuance under our 2002 stock option plan, under which options to purchase 1,032,500 shares of common stock (assuming an offering price of $16 per share) are being issued on the date of this prospectus at the offering price set forth on the cover page.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL DATA

The summary below presents our consolidated financial information and should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this prospectus. The pro forma as adjusted columns reflect: (a) our recently completed and probable acquisitions and divestitures; (b) our change in tax status and the method of valuing certain of our inventories that will occur simultaneously with our becoming a corporation; and (c) this offering of our common stock (assuming an offering price of $16 per share) and our use of a portion of the proceeds to us to pay down debt.

YEAR ENDED DECEMBER 31, ---------- 2001 ---------- PRO FORMA 1999 2000 ACTUAL AS ADJUSTED ---------- ------- ---------- ---------- ($ IN THOUSANDS, EXCEPT PER SHARE DATA) INCOME STATEMENT DATA: Revenues: New vehicles..... $1,820,393 $2,439,729 $2,567,021 $2,699,629 Used vehicles..... 787,029 1,064,102 1,156,609 1,230,040 Parts, service and collision repair..... 341,506 434,478 488,336 514,968 Finance and insurance, net..... 63,206 89,481 106,326 108,725 ---------- ---------- ---------- ---------- ------ Total revenues..... 3,012,134 4,027,790 4,318,292 4,553,362 Gross profit..... 441,968 597,831 672,474 696,414 Income from operations..... 81,922 122,005 123,441 129,497 Income before minority interest and extraordinary loss..... 37,420 38,667 46,502 n/a Actual net income.....

16,148 28,927 43,829 n/a Pro forma as adjusted net income..... n/a n/a n/a 32,081 Earnings per common share-- basic..... n/a n/a n/a $ 0.94 OTHER DATA: Gross profit margin..... 14.7% 14.8% 15.6% 15.3% Operating income margin..... 2.7% 3.0% 2.9% 2.8% New vehicle retail units sold..... 71,604 94,948 96,442 100,929 Used vehicle retail units sold..... 45,186 57,808 61,975 65,919

AS OF DECEMBER 31, 2001 ---------- PRO FORMA ACTUAL AS ADJUSTED ---------- ---------- ($ IN THOUSANDS) BALANCE SHEET DATA: Inventories..... $ 491,698 $ 503,100 Total current assets..... 753,258 791,682 Property and equipment, net..... 256,402 253,741 Goodwill, net..... 392,856 395,085 Total assets..... 1,460,657 1,496,712 Floor plan notes payable..... 451,375 455,794 Total current liabilities, including current portion of long-term debt..... 609,997 614,416 Total long-term debt, including current portion..... 528,337 481,285 Total equity..... 343,551 405,093

RISK FACTORS

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

RISKS RELATED TO OUR DEPENDENCE ON VEHICLE MANUFACTURERS

IF WE FAIL TO OBTAIN RENEWALS OF ONE OR MORE OF OUR FRANCHISE AGREEMENTS FROM VEHICLE MANUFACTURERS ON FAVORABLE TERMS, OR IF ONE OR MORE OF OUR FRANCHISE AGREEMENTS ARE TERMINATED, OUR OPERATIONS MAY BE SIGNIFICANTLY COMPROMISED.

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

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

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

Some of our automobile franchise agreements prohibit transfers of any ownership interests of a dealership or, in some cases, its parent. Our agreements with several manufacturers, provide that, under certain circumstances, we may lose the franchise if a person or entity acquires an ownership interest in us above a specified level (ranging from 20% to 50%

depending on the particular manufacturer's restrictions) or if a person or entity acquires the right to vote 20% or more of our common stock without the approval of the applicable manufacturer. This trigger level can fall to as low as 5% if another vehicle manufacturer is the entity acquiring the ownership interest or voting rights. One manufacturer, Toyota, in addition to imposing the restrictions previously mentioned, provides that we may be required to sell our Toyota franchises (including Lexus) according to the terms of the franchise agreement if without its consent the owners of a majority of our equity prior to this offering cease to own a majority of our equity or if Timothy C. Collins ceases to control us.

Violations by our shareholders or prospective shareholders (including vehicle manufacturers) of these ownership restrictions are generally outside of our control and may result in the termination or non-renewal of one or more franchises, which may have a material adverse effect on us. We cannot assure you that manufacturers will grant the approvals required for such acquisitions.

Moreover, if we are unable to obtain the requisite approval in a timely manner we may not be able to issue additional equity in the time necessary to take advantage of a market opportunity dependent on ready financing or an equity issuance. These restrictions may also prevent or deter prospective acquirers from acquiring control of us and, therefore, may adversely impact the value of our common stock.

MANUFACTURERS' RESTRICTIONS ON ACQUISITIONS MAY LIMIT OUR FUTURE GROWTH.

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

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

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

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

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

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

MANUFACTURERS MAY DIRECT US TO APPLY OUR RESOURCES TO CAPITAL PROJECTS AND RESTRUCTURINGS THAT WE MAY NOT OTHERWISE HAVE CHOSEN TO DO.

Manufacturers may direct us to implement costly capital improvements to dealerships as a condition for renewing our franchise agreements with them. Manufacturers also typically require that their franchises meet specific standards of appearance. These factors, either alone or in combination, could cause us to divert our financial resources to capital projects from uses that management believes may be of higher long-term value to us, such as acquisitions.

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

The success of our dealerships depends in large part on the overall success of the vehicle lines they carry. New vehicle sales generate the majority of our total revenue and lead to sales of higher-margin products and services such as finance and insurance products and repair and maintenance services. Although we have sought to limit our dependence on any one vehicle brand, we have focused our new vehicle sales operations in mid-line import and luxury brands. Further, in 2001, Honda, Ford, Toyota, Nissan, Lexus, Acura and Mercedes-Benz accounted for 16%, 12%, 10%, 7%, 6%, 5% and 5% of our revenues from new vehicle sales, respectively. No other franchise accounted for more than 5% of our total new

vehicle retail sales revenue in 2001. If one or more

vehicle lines that separately or collectively account for a significant percentage of our new vehicle sales suffer from decreasing consumer demand, our new vehicle sales and related revenues may be materially reduced.

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

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

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

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

- customer rebates on new vehicles;

- dealer incentives on new vehicles;

- special financing or leasing terms;

- warranties on new and used vehicles; and

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

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

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

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

- financial condition;

- marketing efforts;

- vehicle design;

- production capabilities;

- reputation;

- management; and

- labor relations.

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

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

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

IF STATE DEALER LAWS ARE REPEALED OR WEAKENED, OUR DEALERSHIPS WILL BE MORE

SUSCEPTIBLE TO TERMINATION, NON-RENEWAL OR RE-NEGOTIATION OF THEIR FRANCHISE AGREEMENTS.

State dealer laws generally provide that a manufacturer may not terminate or refuse to renew a franchise agreement unless it has first provided the dealer with written notice setting forth good cause and stating the grounds for termination or nonrenewal. Some state dealer laws allow dealers to file protests or petitions or attempt to comply with the manufacturer's criteria within the notice period to avoid the termination or nonrenewal. Though unsuccessful to date, manufacturers' lobbying efforts may lead to the repeal or revision of state dealer laws. If dealer laws are repealed in the states in which we operate, manufacturers may be able to terminate our franchises without providing advance notice, an opportunity to cure or a showing of good cause. Without the protection of state dealer laws, it may also be more difficult for our dealers to renew their franchise agreements upon expiration. In addition, these laws restrict the ability of automobile manufacturers to directly enter the retail market in the future. If manufacturers obtain the ability to directly retail vehicles and do so in our markets, such competition could have a material adverse effect on us.

RISKS RELATED TO OUR ACQUISITION STRATEGY

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

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

- incurring significantly higher capital expenditures and operating expenses;

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

- entering new markets with which we are unfamiliar;

- incurring undiscovered liabilities at acquired dealerships;

- disrupting our ongoing business;

- diverting our management resources;

- failing to maintain uniform standards, controls and policies;

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

- causing increased expenses for accounting and computer systems;

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

- incorrectly valuing acquired entities.

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

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

We intend to finance our acquisitions by issuing shares of common stock as full or partial consideration for acquired dealerships. The extent to which we will be able or willing to issue common stock for acquisitions will depend on the market value of our common stock from time to time and the willingness of potential acquisition candidates to accept common stock as part of the consideration for the sale of their businesses. Since we may focus on large platform acquisitions, it is possible that we will issue a significant number of additional shares of common stock in connection with such acquisitions in the near future. The additional shares of common stock may be as much as, or more than, the number of outstanding shares of common stock available immediately after the offering. Moreover, manufacturer consent is required before we can acquire additional dealerships and, in some cases, to issue additional equity. See "Risk Factors--Manufacturers' restrictions on acquisitions may limit our future growth," and "Risk Factors--Manufacturers' stock ownership restrictions limit our ability to issue additional equity, which may hamper our ability to

meet our financing needs." We may be required to use available cash or other sources of debt or equity financing. We cannot assure you that we will be able to obtain additional financing by issuing stock or debt securities, and using cash to complete acquisitions may substantially limit our operating or financial flexibility. If we are unable to obtain financing on acceptable terms, we may be required to reduce the scope of our presently anticipated expansion, which may materially and adversely affect our growth strategy.

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

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

We have substantial indebtedness and, as a result, significant debt service obligations. As of December 31, 2001, we had approximately $989.7 million of total indebtedness outstanding. Of this amount, $451.4 million represents floor plan financing. Our total non-floor plan indebtedness outstanding is equal to approximately 61.0% of our total capitalization plus short-term debt (total

capitalization being defined as total equity plus long-term debt; short-term debt being defined as short-term debt plus current portion of long-term debt). As of December 31, 2001, after giving pro forma effect to this offering and the application of the net proceeds to us, our total indebtedness would have been approximately $947.1 million. Of that amount $455.8 million represents floor plan financing. Our total pro forma, non-floor plan indebtedness would have represented approximately 54.8% of our pro forma total capitalization plus short-term debt as of December 31, 2001. We may incur substantial additional indebtedness in the future. We will have substantial debt service obligations, consisting of cash payments of principal and interest, for the foreseeable future.

The terms of our borrowing facilities place a blanket lien upon all of our assets and also place restrictions on our ability to engage in specific corporate transactions. In particular, the facilities place restrictions on our ability to, among other things, pay dividends, undergo a change of control, encumber our property and other assets, repay other debt, dispose of significant assets or subsidiaries, invest capital and permit our subsidiaries to issue shares or other equity. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources--Credit Facilities".

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

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

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

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

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

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

RISKS RELATED TO COMPETITION

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

Our success depends to a significant degree upon the continued contributions of our management team, particularly our senior management, and service and sales personnel. Additionally, manufacturer franchise agreements may require the

prior approval of the applicable manufacturer before any change is made in dealership general managers. We do not have employment agreements with most of our dealership managers and other key dealership personnel. Consequently, the loss of the services of one or more of these key employees may materially impair the efficiency and productivity of our operations.

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

SUBSTANTIAL COMPETITION IN AUTOMOBILE SALES AND SERVICES MAY ADVERSELY AFFECT OUR PROFITABILITY.

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

- franchised automobile dealerships in our markets that sell the same or similar new and used vehicles that we offer;
- other national or regional affiliated groups of franchised dealerships;
- privately negotiated sales of used vehicles;
- service center chain stores; and
- independent service and repair shops.

We do not have any cost advantage in purchasing new vehicles from manufacturers. We typically rely on advertising, merchandising, sales expertise, service reputation and dealership location to sell new and used vehicles. Our franchise agreements do not grant us the exclusive right to sell a manufacturer's product within a given geographic area. Our revenues or profitability may be materially and adversely affected if competing dealerships expand their market share or are awarded additional franchises by manufacturers that supply our dealerships.

RISKS RELATED TO THE AUTOMOTIVE INDUSTRY

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

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

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

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

general economic conditions and consumer spending levels in the Southeast and Texas, and to a lesser extent in the Northwest and Midwest.

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

The automobile industry is subject to seasonal variations in revenues. Demand for automobiles is generally lower during the first and fourth quarters of each year. Accordingly, we expect our revenues and operating results generally to be lower in our first and fourth quarters than in our second and third quarters. Therefore, if conditions surface during the second or third

quarters that retard automotive sales, such as high fuel costs, depressed economic conditions or similar adverse conditions, our revenues for the year will be disproportionately adversely affected.

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

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

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

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

GENERAL RISKS RELATED TO INVESTING IN OUR STOCK

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

After the completion of the offering, Asbury Automotive Holdings L.L.C., a controlled affiliate of Ripplewood Investments L.L.C. (formerly known as Ripplewood Holdings L.L.C.), will own 51.6% of our common stock, and certain platform principals, consisting of the former owners of our platforms and members of their management teams, will collectively own 23.5% of our common stock, assuming no exercise of the underwriters' over-allotment option. We do not know Asbury Automotive Holdings' future plans as to its holdings of our common stock and cannot give you any assurances that its actions will not negatively affect our common stock in the future. For example, Asbury Automotive Holdings has from time to time had discussions with our competitors regarding potential business combinations involving us.

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

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

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

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

When this offering is completed, Ripplewood Investments L.L.C., through its control of Asbury Automotive Holdings, will control 51.6% of our common stock. Further, under the shareholders agreement, Ripplewood, will have the power to cause all signatories to the shareholders agreement (who, together with Ripplewood, will collectively control 77.4% of our common stock after this offering is completed, assuming no exercise of the underwriters' over-allotment option) to vote in favor of Ripplewood's nominees to our board of directors.

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

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

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

of all common stock outstanding;

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

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

- prohibiting shareholder action by written consent;

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

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

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

Under the terms of the options granted under our 1999 option plan and our 2002 stock option plan, many option grants will fully vest and become immediately exercisable upon a change in control of us, which, together with severance arrangements and other change of control provisions contained in several of our employment agreements with our executives, may further deter a potential acquisition bid.

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

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

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

The potential for sales of substantial amounts of our common stock in the public market after this offering may adversely affect the market price of the common stock. After this offering is concluded, we will have 34,000,000 shares of common stock outstanding (35,155,000 shares if the underwriters exercise their over-allotment option in full), including 17,557,900 shares owned by Asbury Automotive Holdings. Of these shares, the 7,700,000 shares of common stock offered by this prospectus (8,855,000 shares if the underwriters exercise their over-allotment option in full) will be freely tradable without restriction or further registration under the Securities Act, except for shares held by persons considered to be "affiliates" of us (including Asbury Automotive Holdings) or acting as "underwriters," as those terms are defined in the Securities Act and related rules. The remaining 26,300,000 shares of common stock outstanding, including the shares owned by Asbury Automotive Holdings, will be "restricted securities" within the meaning of Rule 144 under the Securities Act and will be eligible for resale subject to the volume, manner of sale, holding period and other limitations of Rule 144.

In addition to outstanding shares eligible for sale, 1,072,738 shares of our

common stock are issuable under currently outstanding stock options granted to certain executive officers and employees. An additional 1,500,000 shares of common stock are reserved for issuance to employees under our 2002 stock option plan, and options for 1,032,500 shares of common stock (assuming an offering price of $16 per share) will be granted pursuant to that plan at the time of the offering. See "Shares Eligible for Future Sale."

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

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

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about the industry in which we operate, management's beliefs and assumptions made by management. Such statements include, in particular, statements about our plans, strategies and prospects under the headings "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Shares Eligible for Future Sale" and "Underwriting." Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Except as required under the federal securities laws and the rules and regulations of the Securities and Exchange Commission, we do not have any intention or obligation to update publicly any forward-looking statements after we distribute this prospectus, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

We estimate that our proceeds from the sale of 4,500,000 shares of common stock in this offering (at an assumed offering price of $16 per share), after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $62 million (approximately $79 million if the underwriters exercise their over-allotment option in full). We will not receive any proceeds from the sale of 3,200,000 shares of common stock by the selling shareholders. Pursuant to the terms of our $550 million Committed Credit Facility, we are required to apply 80% of the net proceeds to us from this offering to repay debt incurred under the facility. From January 2001 (the date of the formation of the credit facility) through February 15, 2002, we have borrowed $330.6 million to repay certain existing term notes and pay fees and expenses in connection with closing the facility, drawn a total of $55.3 million principally to finance the acquisition of seven dealerships and have repaid $3.3 million from the proceeds of two dealership divestitures. The credit facility terminates in January 2005 with a provision for an indefinite series of one year extensions at our request if approved by the lenders, and has a variable interest rate (6.1% as of February 15, 2002). After reduction of our debt under the credit facility, we will have the ability to borrow additional funds from the credit facility in accordance with its terms. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Credit Facilities". We will use the remaining net proceeds to us for working capital, future platform or dealership acquisitions and general corporate purposes.

DIVIDEND POLICY

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

DILUTION

Our pro forma deficit in net tangible book value as of December 31, 2001, was $2.40 per share of common stock. Pro forma net tangible book value per share represents our pro forma deficit in tangible net worth (pro forma tangible assets less pro forma total liabilities), divided by the total number of shares of our common stock outstanding.

Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of common stock in this offering and the net tangible book value per share of common stock immediately after the completion of this offering. After giving effect to the sale by us of 4,500,000 shares of common stock at an assumed initial public offering price of $16 per share, and after deducting the underwriting discounts and estimated offering expenses payable by us, our pro forma deficit in net tangible book value as of December 31, 2001, as adjusted would have been approximately $12.3 million, or $0.36 per share of common stock. This represents an immediate increase in pro forma net tangible book value of $2.04 per share to existing shareholders and immediate dilution of $16.36 per share to new investors purchasing common stock in this offering. If all outstanding stock options were exercised, pro forma deficit in net tangible book value of $0.36 per share would improve to a positive pro forma tangible net worth of $0.61 per share.

The following table illustrates the pro forma per share dilution:

Assumed initial public offering price per share.....	$ 16.00
Pro forma deficit in net tangible book value per share before giving effect to the offering and the related expenses.....	$ (2.40)
Increase in pro forma net tangible book value per share attributable to new investors.....	$ 2.04
Pro forma deficit in net tangible book value per share after giving effect to the offering.....	$ (0.36)
Dilution per share to new investors.....	$ 16.36

The following table sets forth on a pro forma basis, as of December 31, 2001, the following:

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

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

SHARES PURCHASED		TOTAL CONSIDERATION		---
AVERAGE PRICE PER SHARE	NUMBER	PERCENT	AMOUNT	PERCENT
	(MILLIONS)		(MILLIONS)	
Existing shareholders (including options).....	28.9	78.9%	$ 380.7	75.6%
$ 13.19				
New investors.....	7.7	21.1	123.2	24.4
16.00				
TOTAL.....	36.6	100.0%	$ 503.9	100.0%
$ 13.78				

The table assumes the exercise of options for (1) 1,072,738 shares of common stock with a weighted average exercise price of $16.56 per share granted under our 1999 option plan and (2) 1,500,000 shares of common stock reserved for issuance under our 2002 stock option plan, under which options for 1,032,500 shares of common stock (assuming an offering price of $16 per share) are being issued on the date hereof at the offering price set forth on the cover page of this prospectus.

The preceding table assumes that the underwriters will not exercise their over-allotment option. If the underwriters' over-allotment is exercised in full, the pro forma net tangible book value as of December 31, 2001, as adjusted would have been $4.9 million or $0.14 per share, which would result in dilution to the new investors of $15.86 per share, and the number of shares held by the new investors would increase to 8,855,000 or 25.2% of the total number of shares to be outstanding after this offering, and the number of shares held by the existing shareholders would be 26,300,000 shares, or 74.8% of the total number of shares to be outstanding after this offering.

The following table sets forth, as of December 31, 2001: (a) our historical capitalization as a limited liability company; (b) our pro forma capitalization which gives effect to our completed and currently probable acquisitions and divestitures after December 31, 2001; (c) our pro forma as adjusted capitalization which gives effect to our conversion to a corporation and our issuance and sale of 4,500,000 shares of common stock offered hereby (at an assumed initial public offering price of $16 per share, the midpoint of the range of the initial public offering price set forth on the cover page of this prospectus, and after deducting the underwriting discount and estimated expenses of the offering); and (d) the application of the net proceeds of this offering as described under the heading "Use of Proceeds."

AS OF DECEMBER 31, 2001 ($ IN THOUSANDS)		
HISTORICAL	PRO FORMA	PRO FORMA AS ADJUSTED
Short-term debt (including current portion of long-term debt) (1)	$ 45,789	$ 45,789
Long-term debt	492,548	495,096
Equity Contributed capital	302,035	302,035
Preferred stock, par value $.01 per share, 10 million shares authorized; no shares issued or outstanding	--	--
Common stock, par value $.01 per share, 90 million shares authorized; 34 million shares issued and outstanding, pro forma as adjusted(2)	--	340
Additional paid-in capital	--	410,854
Retained earnings	39,860	42,969
(7,095) Accumulated other comprehensive income	1,656	1,656
994 Total equity	343,551	346,660
405,093 Total capitalization	$836,099	$841,756
$850,589		

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(1) Does not include floor plan notes payable of $451,375, $455,794 and $455,794, respectively, which reflects amounts payable for purchases of specific vehicle inventories.

(2) Does not include (a) options issued under our 1999 option plan for 3.51% of the limited liability company interests in us converted into options for 1,072,738 shares of common stock with a weighted average exercise price of $16.56 per share and (b) 1,500,000 shares of common stock reserved for issuance under our 2002 stock option plan, under which options to purchase for 1,032,500 shares of common stock (assuming an offering price of $16 share) are being issued on the date of this prospectus at the offering price set forth on the cover page hereof.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth our historical selected consolidated data for the periods indicated. The data from the years ended December 31, 1997, 1998, 1999, 2000 and 2001 are derived from our audited financial statements, some of which are included elsewhere in this prospectus. The financial statements for the years ended December 31, 1997, 1998, 1999, 2000 and 2001 were audited by Arthur Andersen LLP, independent public accountants.

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

YEAR ENDED DECEMBER 31, ($ IN THOUSANDS)					
	1997(1)	1998	1999	2000	2001
INCOME STATEMENT DATA:					
Revenues: New vehicles	$298,967	$687,850	$1,820,393		

$2,439,729 $2,567,021 Used vehicles..... 91,933 221,828 787,029 1,064,102 1,156,609 Parts, service and collision repair..... 69,425 156,037 341,506 434,478 488,336 Finance and insurance, net..... 4,304 19,149 63,206 89,481 106,326 -------- ---------- ---------- ---------- ---------- Total revenues..... 464,629 1,084,864 3,012,134 4,027,790 4,318,292 Cost of sales(2)..... 411,739 929,415 2,570,166 3,429,959 3,645,818 -------- ---------- ----- ----- ---------- ---------- Gross profit..... 52,890 155,449 441,968 597,831 672,474 Selling, general and administrative expenses..... 45,432 127,336 343,370 451,323 518,265 Depreciation and amortization..... 1,118 6,303 16,676 24,503 30,768 -------- ----- ----- ---------- ---------- ------- --- Income from operations..... 6,340 21,810 81,922 122,005 123,441 ----- --- ---------- ---------- --------- - ---------- Floor plan interest expense..... (4,160) (7,730) (22,982) (36,968) (27,741) Other interest expense..... (698) (7,104) (24,703) (42,009) (44,669) Interest income..... 27 1,108 3,021 5,846 2,528 Net losses from unconsolidated affiliates..... -- -- (616) (6,066) (3,248) Gain (loss) on sale of assets..... 54 9,307 2,365 (1,533) (384) Other income, net..... 760 727 192 903 1,926 -------- ---- ------ ---------- ---------- ------ ---- Total other expense, net..... (4,017) (3,692) (42,723) (79,827) (71,588) -------- ---------- ---------- ---------- -- -------- Income before income tax expense, minority interest and extraordinary loss..... 2,323 18,118 39,199 42,178 51,853 Income tax expense(3)..... -- -- 1,779 3,511 5,351 Minority interest in subsidiary earnings(4)..... 801 14,303 20,520 9,740 1,240 ----- --- ---------- ---------- --------- - ---------- Income before extraordinary loss..... 1,522 3,815 16,900 28,927 45,262 Extraordinary loss on early extinguishment of debt..... -- (734) (752) - - (1,433) -------- ---------- ----- ----- ---------- ---------- Net income..... $ 1,522 $ 3,081 $ 16,148 $ 28,927 $ 43,829 ======== ========== ========== ========== ==========

YEAR ENDED DECEMBER 31, ($ IN THOUSANDS) ---------- 1997 1998 1999 2000 2001 --------- --- ------- ---------- ---------- -------- -- BALANCE SHEET DATA: Inventories(2)..... $ 73,303 $255,878 $434,234 $554,141 $491,698 Total current

assets..... 108,494
391,151 616,060 775,102 753,258
Property and equipment,
net..... 29,907 125,410 141,786
218,153 256,402
Goodwill.....
17,151 138,697 226,321 364,164 392,856
Total
assets.....
162,835 709,457 1,034,606 1,404,200
1,460,657 Floor plan notes
payable..... 66,305 232,297
385,263 499,332 451,375 Total current
liabilities..... 85,503
323,061 497,376 628,622 609,997 Total
long-term debt, including current
portion.....
22,798 223,523 307,648 455,374 528,337
Total
equity.....
36,957 127,380 198,113 321,882 343,551

- ----------

(1) Selected financial data for the Nalley platform predecessor is as follows:

PERIOD FROM JANUARY 1, 1997 TO
FEBRUARY 20, 1997 ----------
Total
revenues.....
$43,263 Income from
operations..... 87

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

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

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

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma balance sheet gives effect to the following transactions and events as if they had occurred on December 31, 2001:

(a) our probable insignificant acquisitions (to be acquired through asset acquisitions) of Dickinson Buick Company (North Carolina), Rice-Marko Chrysler, Inc. (North Carolina) and High Point Chevrolet, L.L.C. (North Carolina);

(b) the divestitures of (divestiture date in parenthesis) Crown Pontiac/GMC/Isuzu (North Carolina) (January 23, 2002), Thomason Subaru (Oregon) (February 11, 2002);

(c) the probable divestitures of Gray Daniels Daewoo/Isuzu (Mississippi), Gray Daniels Suzuki (Mississippi), and Coggin Mazda (Jacksonville);

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

(e) the change in our tax status resulting from our conversion to a "C" (taxable) corporation; and

(f) the offering, including our use of a portion of the proceeds to us (assuming net proceeds to us of $62 million) to reduce debt outstanding as required by our credit facility.

The following unaudited pro forma income statement for the year ended December 31, 2001 gives effect to the transactions and events listed above as well as the following transactions as if they occurred on January 1, 2001 (since the following transactions all took place prior to December 31, 2001, their impact is already reflected in our historical balance sheet as of December 31, 2001, and in our historical income statements for the periods subsequent to the acquisition dates mentioned below):

(a) our insignificant acquisitions (acquisition date in parenthesis) of Audi of North America (May 18, 2001) and Roswell Infiniti, Inc. (May 18, 2001) (Atlanta) and

(b) our insignificant acquisitions consummated subsequent to June 30, 2001 (acquisition dates in parenthesis), of Dealer Profit Systems, Inc. (July 2, 2001) (Tampa), Key Cars, Inc. (July 2, 2001) (d/b/a Metro Imports) (Mississippi), Brandon Ford, Inc. (July 2, 2001) (d/b/a Gray-Daniels Ford) (Mississippi), Gage Motor Car Company L.L.C. (September 18, 2001) (d/b/a Pegasus Motor Car Company) (North Carolina), Crest Pontiac, Inc. (October 21, 2001) (d/b/a Kelly Pontiac) (Jacksonville), Tom Wimberly Auto World (November 5, 2001) (Mississippi) and the remaining 49% interest of Deland Automotive Group that we had not previously acquired (December 31, 2001) (Jacksonville).

The information, other than the individually insignificant acquisitions, is based upon our historical financial statements and should be read in conjunction with (a) our historical financial statements, (b) the related notes to such financial statements and (c) other information contained elsewhere in this prospectus.

The unaudited pro forma financial information is not necessarily indicative of what our actual financial position or results of operations would have been had all of the previously mentioned acquisitions, divestitures and this offering occurred on the dates previously mentioned, nor does it give effect to: (a) any pending transactions other than those previously mentioned above or this offering; (b) our results of operations since December 31, 2001; or (c) the results of final valuations of all assets and liabilities of the acquisitions mentioned above due to pre-acquisition contingencies. We may revise the allocation of the purchase price of these acquisitions when additional information becomes available in accordance with Accounting Principles Board Opinion No. 16. Accordingly, the pro forma financial information is not intended to be indicative of the financial position or results of operations as of the date of this prospectus, as of the offering or any period ending at the offering, or as of or for any other future date or period.

UNAUDITED PRO FORMA BALANCE SHEET
AS OF DECEMBER 31, 2001
($ IN THOUSANDS EXCEPT PER SHARE DATA)

	HISTORICAL 12/31/01(1)	ACQUISITIONS COMPLETED AND PROBABLE ADJUSTMENTS(2)	ASBURY PROBABLE DIVESTITURES SUB-TOTAL 12/31/01(3)	AUTOMOTIVE GROUP AFTER PRO FORMA	AFTER PRO FORMA ADJUSTMENTS	
ASSETS						
CURRENT ASSETS: Cash and equivalents	$ 60,506	$ --	$ 2,970	$ 63,476	$ --	
Contracts-in-transit	93,044	--	--	93,044	--	
Accounts receivable, net	81,347	--	--	81,347	(738)	
Inventory	491,698	16,362	--	508,060	(9,566)	
Prepaid and other current assets	26,663	--	--	26,663	(20)	
Total current assets	753,258	16,362	2,970	772,590	(10,324)	
PROPERTY AND EQUIPMENT, net	256,402	992	--	257,394	(3,653)	
GOODWILL, net	392,856	--	5,629	398,485	(3,400)	
OTHER ASSETS	58,141	--	1,500	59,641	--	

-------- Total assets.....
$1,460,657 $17,354 $10,099 $1,488,110 $(17,377) ==========
======= ======= ========== ======== LIABILITIES AND MEMBERS'/SHAREHOLDERS' EQUITY CURRENT LIABILITIES: Floor plan notes payable..... $ 451,375 $14,183 $ -- $ 465,558 $ (9,764) Short-term debt..... 10,000 -- -- 10,000 -- Current maturities of long-term debt..... 35,789 -- -- 35,789 -- Accounts payable..... 33,573 -- -- 33,573 -- Accrued liabilities..... 79,260 -- -- 79,260 -- ---------- ----- -- ------- ---------- -------- Total current liabilities..... 609,997 14,183 -- 624,180 (9,764) LONG-TERM DEBT..... 492,548 -- 13,270 505,818 OTHER LIABILITIES..... 14,561 -- -- 14,561 -- ---------- ------- ------- ---------- ----- ----- MEMBERS'/SHAREHOLDERS' EQUITY Contributed capital..... 302,035 -- -- 302,035 -- Common stock of par value $.01 shares authorized 90,000,000 issued and outstanding 34,000,000..... -- -- -- -- -- Additional paid-in capital..... -- 3,171 (3,171) -- (7,613) Retained earnings..... 39,860 -- -- 39,860 -- Accumulated other comprehensive income..... 1,656 -- -- 1,656 -- ---------- ------- ------- ---------- ----- --- Total members'/shareholders' equity..... 343,551 3,171 (3,171) 343,551 (7,613) ---------- ------- ----- -- ---------- -------- Total liabilities and members'/shareholders' equity.... $1,460,657 $17,354 $10,099 $1,488,110 $(17,377) ========== ======= ======= ========== ======== PRO FORMA PRO FORMA PRO FORMA ADJUSTMENTS(4) PRO FORMA ADJUSTMENTS AS ADJUSTED -------- ------ ---------- ---------- -- --------- ASSETS CURRENT ASSETS: Cash and equivalents..... $ -- $ 63,476 $ 12,400 (5) $ 79,313 3,437 (8) Contracts-in-transit..... -- 93,044 -- 93,044 Accounts receivable, net..... -- 80,609 -- 80,609 Inventory..... -- 498,494 4,606 (6) 503,100 Prepaid and other current assets..... -- 26,643 8,973 (7) 35,616 ----- --- ---------- --------- ------- --- Total current assets..... -- 762,266 29,416 791,682 PROPERTY AND EQUIPMENT, net..... -- 253,741 -- 253,741 GOODWILL, net..... -- 395,085 -- 395,085 OTHER ASSETS..... -- 59,641 (3,437)(8) 56,204 ------- - ---------- --------- --------- - Total assets..... $ -- $1,470,733 $ 25,979 $1,496,712 ======== ========== ========= ========== LIABILITIES AND MEMBERS'/SHAREHOLDERS' EQUITY

CURRENT LIABILITIES: Floor plan notes payable..... $ -- $ 455,794 $ -- $ 455,794 Short-term debt..... -- 10,000 -- 10,000 Current maturities of long-term debt..... -- 35,789 -- 35,789 Accounts payable..... -- 33,573 -- 33,573 Accrued liabilities..... -- 79,260 -- 79,260 -------- ------ ---- --------- ---------- Total current liabilities..... -- 614,416 -- 614,416 LONG-TERM DEBT..... (10,722) 495,096 (49,600)(5) 445,496 OTHER LIABILITIES..... 14,561 17,146 (7) 31,707 ------- - ---------- --------- --------- - MEMBERS'/SHAREHOLDERS' EQUITY Contributed capital..... -- 302,035 (302,035)(9) -- Common stock of par value $.01 shares authorized 90,000,000 issued and outstanding 34,000,000..... -- -- 45 (5) 295 (9) 340 Additional paid-in capital..... 7,613 -- 301,740 (9) 42,969 (10) 4,190 (6) 61,955 (5) 410,854 Retained earnings..... 3,109 42,969 (42,969)(10) (7,511)(7) 416 (6) (7,095) Accumulated other comprehensive income..... -- 1,656 (662)(7) 994 -------- - --------- --------- ---------- Total members'/shareholders' equity..... 10,722 346,660 58,433 405,093 -- ------ ---------- --------- ---- ------ Total liabilities and members'/shareholders' equity.... $ -- $1,470,733 $ 25,979 $1,496,712 ======== ========== ========== ==========

UNAUDITED PRO FORMA STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
($ IN THOUSANDS EXCEPT PER SHARE DATA)

ACQUISI- TIONS ACQUISITIONS HISTORICAL CONSUM- CONSUM- ASBURY MATED PRO FORMA MATED PRO FORMA AUTOMOTIVE BEFORE ADJUST- AFTER ADJUST- GROUP 6/30/01(11) MENTS(12) 6/30/01(11) MENTS(13) ---------- ---------- ---------- ---------- ---------- -- REVENUES: New vehicle..... $2,567,021 $ 10,747 $ -- $104,123 $ -- Used vehicle..... 1,156,609 2,915 -- 51,286 -- Parts, service and collision repair..... 488,336 2,318 -- 18,675 -- Finance and insurance, net..... 106,326 76 -- 1,956 -- ---------- -------- ------- -------- -------- Total revenues..... 4,318,292 16,056 -- 176,040 -- COST OF SALES..... 3,645,818 15,052 -- 154,899 -- ---------- ---------- ------ ------- -------- -------- Gross profit..... 672,474 1,004 -- 21,141 -- OPERATING EXPENSES: Selling, general administrative..... 518,265 755 -- 15,053 -- Depreciation and amortization..... 30,768 15 54 243 -- ---------- -------- ------- -------- -------- Income from operations..... 123,441 234 (54) 5,845 OTHER INCOME (EXPENSE): Floor plan interest expense..... (27,741) (252) -- (1,808) -- Other interest expense..... (44,669) (18) (327) (34) (2,752) Interest income..... 2,528 -- -- -- -- Net losses from unconsolidated affiliates..... (3,248) -- -- 2 -- Gain (loss) on sale of assets..... (384) -- -- -- -- Other income..... 1,926 (18) -- 87 -- ---------- -------- ------- -------- ---------- Total other income (expense), net..... (71,588) (288) (327) (1,753) (2,752) Net income before income taxes and minority interest..... 51,853 (54) (381) 4,092 (2,752) INCOME TAX EXPENSE..... 5,351 -- -- -- MINORITY INTEREST..... 1,240 -- -- (1,240) -- EXTRAORDINARY LOSS..... (1,433) -- -- -- -- ---------- -------- ------- -------- -------- Net income..... 43,829 (54) (381) 5,332 (2,752) PRO FORMA INCOME TAX EXPENSE (BENEFIT)..... 16,552 (22) (152) 2,189 (1,101) ---------- -------- ------- -------- -------- Pro forma net income..... $ 27,277 $ (32) $ (229) $ 3,143 $ (1,651) ========== ======== ======= ======== ======== Earnings per common share

Basic.....

Diluted.....

Weighted average shares outstanding (000's)

Basic.....

Diluted.....

PROBABLE COMPLETED AND ACQUISITIONS PRO FORMA PROBABLE DIVES- SUB-TOTAL AFTER ADJUST- TITURES AFTER 12/31/01 12/31/01(11) MENTS(13) 12/31/01(14) ---------- ---------- ---------- ---------- REVENUES: New vehicle..... $2,681,891 $ 61,018 $ -- $(43,280) Used vehicle..... 1,210,810 38,379 -- (19,149) Parts, service and collision repair..... 509,329 15,038 -- (9,399) Finance and insurance, net..... 108,358 1,678 -- (1,311) ---------- -------- ------- -------- Total revenues..... 4,510,388 116,113 --

(73,139) COST OF SALES..... 3,815,769 103,630 -- (63,446) ---------- -------- ------ - -------- Gross profit..... 694,619 12,483 -- (9,693) OPERATING EXPENSES: Selling, general administrative..... 534,073 9,844 -- (7,986) Depreciation and amortization..... 31,080 139 -- (233) ---------- -------- ------- -------- Income from operations..... 129,466 2,500 -- (1,474) OTHER INCOME (EXPENSE): Floor plan interest expense..... (29,801) (815) -- 666 Other interest expense..... (47,800) (1,300) 17 Interest income..... 2,528 -- -- -- Net losses from unconsolidated affiliates..... (3,246) -- -- -- Gain (loss) on sale of assets..... (384) -- -- -- Other income..... 1,995 -- -- (17) ---------- -------- ------- -------- Total other income (expense), net..... (76,708) (815) (1,300) 666 Net income before income taxes and minority interest..... 52,758 1,685 (1,300) (808) INCOME TAX EXPENSE..... 5,351 -- MINORITY INTEREST..... -- -- EXTRAORDINARY LOSS..... (1,433) -- -- -- ---------- -------- ------- -------- Net income..... 45,974 1,685 (1,300) (808) PRO FORMA INCOME TAX EXPENSE (BENEFIT)..... 17,466 674 (520) (323) ---------- -------- ------- -------- Pro forma net income..... $ 28,508 $ 1,011 $ (780) $ (485) ========== ======== ======= ======== Earnings per common share Basic..... Diluted..... Weighted average shares outstanding (000's) Basic..... Diluted.....

PRO FORMA PRO FORMA PRO FORMA ADJUSTMENTS(15) PRO FORMA ADJUSTMENTS AS ADJUSTED --------------- ---------- ---------- -- --------- REVENUES: New vehicle..... $ -- $2,699,629 $ -- $2,699,629 Used vehicle..... -- 1,230,040 -- 1,230,040 Parts, service and collision repair..... -- 514,968 -- 514,968 Finance and insurance, net..... -- 108,725 -- 108,725 ------ ---------- ------- ---------- Total revenues..... -- 4,553,362 -- 4,553,362 COST OF SALES..... -- 3,855,953 995 (6) 3,856,948 ------ ---------- ------ - ---------- Gross profit..... -- 697,409 (995) 696,414 OPERATING EXPENSES: Selling, general administrative..... -- 535,931 535,931 (16) Depreciation and amortization..... 30,986 -- 30,986 ------ ---------- ------- ---------- Income from operations..... -- 130,492 (995) 129,497 OTHER INCOME (EXPENSE): Floor plan interest expense..... -- (29,950) -- (29,950) Other interest expense..... 957 (48,126) 4,861 (17) (43,265) Interest income..... -- 2,528 -- 2,528 Net losses from unconsolidated affiliates..... -- (3,246) -- (3,246) Gain (loss) on sale of assets..... -- (384) -- (384) Other income..... -- 1,978 -- 1,978 ------ ---------- ------- -------- -- Total other income (expense), net..... 957 (77,200) 4,861 (72,339) Net income before income taxes and minority interest..... 957 53,292 3,866 57,158 INCOME TAX EXPENSE..... 5,351 -- 5,351 MINORITY INTEREST..... -- -- EXTRAORDINARY LOSS..... -- (1,433) 1,433 (18) -- ------ ---------- ------- ---------- Net income..... 957 46,508 5,299 51,807 PRO FORMA INCOME TAX EXPENSE (BENEFIT)..... 383 17,680 2,046 19,726 ------ ---------- ------- ---------- Pro forma net income..... $ 574 $ 28,828 $ 3,253 $ 32,081 ====== ========== ======= ========== Earnings per common share Basic..... $ 0.94(19) Diluted..... $ 0.94(19) Weighted average shares outstanding (000's) Basic..... 34,000(19) Diluted..... 34,019(19)

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION
($ IN THOUSANDS)

(1) Reflects the impact (historical results) of all acquisitions currently probable as if the transactions were consummated as of December 31, 2001.

(2) Reflects the fair value and other acquisition related adjustments to the currently individually insignificant probable acquisitions. Amounts for certain of the acquisitions are subject to final purchase price adjustments for items such as tangible net worth and seller's representations regarding the adequacy of certain reserves. In addition, the allocation of amounts to acquired intangibles is subject to final valuation. The total purchase price for the probable acquisitions after December 31, 2001 is $13,270 in cash. The initial allocation of the total purchase price of the above mentioned individually insignificant acquisitions is as follows:

PROBABLE ACQUISITIONS ---------- Working Capital..... $ 5,149 Property and Equipment..... 992 Goodwill..... 5,629 Franchise Rights..... 1,500 ----- Total purchase price..... $13,270 =======

(3) Reflects the impact (historical results) of our divestitures completed subsequent to December 31, 2001 and our currently probable divestitures as if the transactions were consummated as of December 31, 2001.

(4) Reflects the proceeds received by us from the probable divestitures and related gain ($3,109, as an adjustment to members' equity). We assume the proceeds ($10,722) will be used to reduce a portion of our borrowings as contractually required under the acquisition financing credit facility.

(5) Reflects the proceeds received by us from this offering ($62,000, net of estimated underwriting discounts, fees and expenses of $10,000) through the issuance of 4.5 million shares of our $0.01 per share par value common stock. We assumed a portion of our estimated net proceeds of $49,600 are to be used to reduce a portion of our borrowings as contractually required under our acquisition financing credit facility.

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

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

Deferred income tax provisions result from temporary differences in the recognition of income and expenses for financial reporting purposes and for tax purposes. The tax effects of these temporary differences representing deferred tax assets (liabilities) result principally from the following:

Reserves and accruals not deductible until paid	$ 9,816
Goodwill amortization	(10,816)
Depreciation	(7,310)
Other	137
	$ (8,173)

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

Deferred tax assets	
Current	$ 9,871
Long-term	1,642
Deferred tax liabilities	
Current	(898)
Long-term	(18,788)
Net deferred tax liability	$ (8,173)

(8) Represents a reclassification of capitalized expenses related to this offering from other assets to cash representing the amounts previously paid by us for the payment of such expenses.

(9) Reflects an adjustment to reclassify members' contributed capital to 29.5 million shares of $0.01 par value common stock and additional paid-in capital due to the conversion from a limited liability company to a "C" corporation.

(10) Reflects an adjustment to reclassify members' retained earnings to additional paid-in capital due to the conversion from a limited liability company to a "C" corporation.

(11) Reflects the impact (historical results) of the individually insignificant acquisitions consummated before June 30, 2001, consummated after June 30, 2001 or currently probable, as if the transactions were consummated on January 1, 2001. Goodwill and intangibles with indefinite lives arising from acquisitions subsequent to June 30, 2001 are not subject to amortization in accordance with Statement of Financial Accounting Standards (SFAS) No. 142. Prior to the adoption of SFAS No. 142 pro forma amortization expense related to these acquisitions would have been $1,005.

(12) Reflects adjustments to the individually insignificant acquisitions consummated before June 30, 2001 as if they occurred on January 1, 2001 for (a) goodwill amortization using the straight-line method and a 40 year life, (b) interest expense based on the amount of acquisition financing used to fund the acquisition purchase price and the weighted average interest rate on our credit facility for 2001 (9.8%) and (c) tax expense based on a 40% effective rate.

(13) Reflects adjustments to the individually insignificant acquisitions consummated after June 30, 2001 as if they occurred on January 1, 2001 for (a) interest expense based on the amount of acquisition financing used to fund the acquisition purchase price and the weighted average interest rate on our credit facility for 2001 (9.8%) and (b) tax expense based on a 40% effective rate.

(14) Reflects the impact (historical results) of our divestitures completed after December 31, 2001, and our currently probable divestitures as if the transactions were consummated on January 1, 2001.

(15) Reflects an adjustment to the divestitures completed subsequent to December 31, 2001 and the currently probable divestitures as if they occurred on January 1, 2001, for (a) interest

expense reflecting the repayment of outstanding borrowings from the proceeds of these transactions ($10,722) as contractually required under our credit facility and required under the related mortgage note as the underlying collateral is being sold. The credit facility and the related mortgage note bear interest at variable rates based on LIBOR. The reduction to interest expense was calculated based on the blended weighted average interest rate on our credit facility and mortgage note related to the real estate being sold for 2001 (8.9%) multiplied by the portion of the proceeds from these transactions used to repay the credit facility as mentioned above and (b) tax expense based on a 40% effective rate.

(16) Concurrent with the offering, we will record a non-recurring compensation charge resulting from the payment of stock to certain of our senior executives at the date of the offering ($339 gross; $203 after a $136 deduction for taxes using a 40% effective rate). Under their employment agreements, they will receive stock when we convert to a "C" corporation equal to a percentage of the excess of the equity value of the Company at the date of the offering over the value of this equity amount at the dates of the original contributions by the members, plus an 8% compounded annual rate of return. Once this stock payment is made at the date of the offering, we will have no further obligation to make additional payments to these executives under this compensation arrangement. This charge was not considered in the pro forma income statement.

(17) Reflects an adjustment to interest expense reflecting the repayment of outstanding borrowings from the portion of the proceeds from this offering ($49,600) as contractually required under our credit facility. The credit facility bears interest at a variable rate based on LIBOR. The reduction to interest expense was calculated based on the weighted average interest rate on our credit facility for 2001 (9.8%) multiplied by the proceeds from this offering used to repay the credit facility as mentioned above.

(18) Reflects the elimination of extraordinary loss.

(19) Earnings per share:

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

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

FOR THE YEAR ENDED DECEMBER 31, 2001	
EARNINGS PER SHARE:	
Basic	$ 0.94
Diluted	$ 0.94
Common shares and common share equivalents (in thousands): Weighted average shares outstanding	34,000
Basic shares	34,000
Shares issuable with respect to additional common share equivalents (stock options)	19
Diluted equivalent shares	34,019

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

THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. OUR ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE DISCUSSED IN THE FORWARD-LOOKING STATEMENTS AS A RESULT OF VARIOUS FACTORS, INCLUDING BUT NOT LIMITED TO THOSE DESCRIBED UNDER "RISK FACTORS" BEGINNING ON PAGE 6, AND INCLUDED IN OTHER PORTIONS OF THIS PROSPECTUS.

OVERVIEW

We are a national automotive retailer, currently operating 127 franchises at 91 dealership locations in nine states and 17 markets in the U.S. We also operate 24 collision repair centers that serve our markets.

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

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

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

Our gross profit tends to vary with our revenue mix, that is the mix of revenues we derive from new vehicle sales, used vehicles sales, parts, service and collision repair and finance and insurance revenues. Our gross profit on the sale of products and services generally varies significantly across product lines, with vehicle sales generally resulting in lower gross profits, and parts, service and collision repair and finance and insurance revenues resulting in the higher gross profits. As a result, when our vehicle sales increase or decrease at a rate greater than our other revenue sources, our gross margin responds inversely.

Selling, general and administrative expenses ("SG&A") consist primarily of fixed and incentive-based compensation for sales, administrative, finance and general management personnel, rent, advertising, insurance and utilities. A significant portion of our selling expenses are variable (such as sales commissions), and a significant portion of our general and administrative expenses are subject to our control (such as advertising expenses), allowing our cost structure to adapt in response to trends in our business.

Sales of motor vehicles (particularly new vehicles) have historically fluctuated with general macroeconomic conditions such as general business cycles, consumer confidence, availability of

consumer credit, fuel prices and interest rates. Although these factors may impact our business, we believe that any future negative trends due to the above factors may be mitigated by the performance of our parts, service and collision repair operations, our variable cost structure, regional diversity and advantageous franchise mix.

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

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2001, COMPARED TO YEAR ENDED DECEMBER 31, 2000

REVENUES--Our revenues for the year ended December 31, 2001 increased $290.5 million or 7.2% over the year ended December 31, 2000. The increase was primarily due to $340.0 million of revenues from acquisitions, partially offset by a decrease in same store (dealerships owned longer than one year) revenues, of $49.5 million or 1.2%. Same store revenue increases at three of our platforms (Jacksonville--up 11.0%, St. Louis--up 9.2% and Texas--up 8.6%) were offset by significant same store decreases at (a) our Oregon platform (down 18.9%) primarily due to changes in our business practices and restrictions in our sales policies, declining Ford sales related to the Firestone tire recall and the effect on employment and consumer spending in the Pacific Northwest from the technology downturn, (b) our Arkansas platform (down 12.1%) due to declining demand in the local market, increased competition and issues with Ford related to the Firestone recall and (c) our Atlanta platform (down 7.0%) principally due to a downturn in its heavy truck business primarily related to cyclical factors affecting the heavy truck industry.

Same store revenues from vehicle sales were off 2.0% primarily due to the

conditions noted above in Oregon, Arkansas and Atlanta. Overall, sales were impacted by a slight decline in demand in the automotive industry as new vehicles sold in the U.S. declined from 17.4 million units in 2000 to 17.2 million units in 2001. Despite this national decline, our Jacksonville platform continued its strong performance with an 11.7% increase in same store vehicle sales over the prior year. In addition, our Texas and St. Louis platforms posted 8.9% and 8.4% increases, respectively. Finance and insurance revenues per vehicle retailed were $671 for the year ended December 31, 2001, a 14.5% increase over the year ended December 31, 2000.

Parts, service and collision repair revenues on a same store basis were up 5.2% in 2001 over 2000 due to a continued emphasis on those products. Eight of the nine platforms in our organization generated an increase in parts, service and collision repair in the year ended December 31, 2001 over the same period last year.

GROSS PROFIT--Gross profit for the year ended December 31, 2001 increased $74.6 million or 12.5% over the year ended December 31, 2000. The increase was primarily due to $53.9 million of gross profit from acquisitions and an increase in same store gross profit of $20.7 million or 3.5%. Overall, gross profit as a percentage of revenues for the year ended December 31, 2001 was 15.6% as compared to 14.8% for the year ended December 31, 2000. This increase is primarily attributable to a shift in product mix to higher margin parts, service and collision repair services and finance and insurance.

OPERATING EXPENSES--Selling, general and administrative expenses, or SG&A, for the year ended December 31, 2001 increased $66.9 million or 14.8% over the year ended December 31, 2000. The increase was primarily due to $40.2 million of SG&A from acquisitions and an increase in same store SG&A of $26.7 million or 6.0%. Same store SG&A in 2001 included certain charges totalling $7.9 million, including $6.7 million related to severance payments and the repurchase of a carried interest, and $1.2 million primarily related to the rebranding of our Oregon platform. SG&A

as a percentage of revenues increased to 12.0% in the year ended December 31, 2001, from 11.2% in the year ended December 31, 2000. Contributing to this increase were the aforementioned charges in 2001, increased variable compensation related to higher gross profit margins, higher advertising and insurance costs, and expense control initiatives in Oregon lagging behind revenue declines. The increase in depreciation and amortization is principally attributable to acquisitions.

OTHER INCOME (EXPENSE)--Floor plan interest expense decreased to $27.7 million for the year ended December 31, 2001 from $37.0 million for the year ended December 31, 2000, primarily due to a decline in interest rates in 2001, offset by the incremental impact of acquisitions and our decision to finance a greater percentage of our vehicles. Other interest expense increased by $2.7 million over the year ended December 31, 2000 principally due to increased borrowings used to fund acquisitions, partially offset by a decline in interest rates. Net losses from unconsolidated affiliates of $3.2 million in the year ended December 31, 2001, represent our share of losses in an automotive finance company and the write down of our investment in CarsDirect.com, while losses in the year ended December 31, 2000, primarily reflect our share of losses in our investment in Greenlight.com, which was fully written off as of December 31, 2000. Interest income was $3.3 million lower for the year ended December 31, 2001, as compared to 2000 due to lower interest rates and a decrease in average available cash.

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

REVENUES--Our revenues for the year ended December 31, 2000, increased $1.02 billion or 33.7% over the year ended December 31, 1999. The increase was primarily due to $1.05 billion related to acquisitions and offset by a decrease in same store revenues of $30.1 million or 1.0%.

Same store revenues from vehicle sales decreased $40.6 million, or 1.5%, primarily due to declines in our Oregon platform (down 21.4%) and Arkansas platform (down 9.9%). The decline in the Oregon platform resulted mainly from changes in our business practices, increased restrictions in our sales policies, declines in demand in the local market and declines in Ford sales related to the Firestone tire recall. Our Arkansas platform saw reduced sales principally due to increases in competition and declines in Ford sales related to the Firestone tire recall. These declines were mostly offset by strong year-over-year increases at five of our platforms. Finance and insurance revenues per vehicle retailed were $586 for the twelve months ended December 31, 2000, a 8.3% increase over the twelve months ended December 31, 1999.

Parts, service and collision repair revenues on a same store basis were up 3.1% in fiscal 2000 versus fiscal 1999 principally due to a focus on this higher margin product line. Six of our eight platforms posted year-over-year revenue increases in this area.

GROSS PROFIT--Gross profit for the year ended December 31, 2000, increased $155.9 million or 35.3% over the year ended December 31, 1999. The increase was primarily due to $143.8 million related to acquisitions and an increase in same store gross profit of $12.1 million or 2.8%. Gross profit as a percentage of revenues for the year ended December 31, 2000, was 14.8% as compared to 14.7% for the year ended December 31, 1999. This increase was primarily attributable to increased finance and insurance revenues per vehicle sold, improved margins

on new vehicles due to a shift away from lower margin fleet sales and increased margins on used vehicles due to reduced losses on wholesale dispositions.

OPERATING EXPENSES--SG&A expenses for the year ended December 31, 2000, increased $108.0 million or 31.4% over the year ended December 31, 1999. The increase was primarily due to $106.2 million of SG&A expenses related to acquisitions and an increase in same store SG&A expenses of $1.8 million or 0.5%. SG&A expenses as a percentage of revenues decreased to 11.2% in 2000 from 11.4% in 1999 principally due to containment of variable and fixed compensation costs. Advertising costs increased $12.6 million primarily due to a significant number of acquisitions completed after January 1, 1999. Depreciation and amortization increased $7.8 million to

$24.5 million principally due to a significant number of acquisitions completed after January 1, 1999.

OTHER INCOME (EXPENSE)--Floor plan interest expense increased to $37.0 million for the year ended December 31, 2000, from $23.0 million for the year ended December 31, 1999, primarily due to a significant number of acquisitions completed after January 1, 1999, higher interest rates throughout 2000 as compared to 1999, and a greater number of vehicles in inventory. Other interest expense increased by $17.3 million over the prior year principally due to increased borrowings used to fund acquisitions completed after January 1, 1999, and to a lesser extent, higher interest rates. Equity investment losses for the years ended December 31, 2000, and December 31, 1999, primarily reflect our share of losses in our investment in Greenlight.com of $6.9 million and $0.8 million, respectively. Interest income was $2.8 million higher for the year ended December 31, 2000, due to higher interest rates and an increase in average available cash.

LIQUIDITY AND CAPITAL RESOURCES

We require cash to fund working capital needs, finance acquisitions of new dealerships and fund capital expenditures. These requirements are met principally from cash flow from operations, borrowings under our credit facilities and floor plan financing as described below, mortgage notes and issuances of equity interests. As of December 31, 2001, we had cash and cash equivalents of $60.5 million.

CREDIT FACILITIES

On January 17, 2001, we entered into a three year committed financing agreement (the "Committed Credit Facility") with Ford Motor Credit Company, General Motors Acceptance Corporation and Chrysler Financial Company, L.L.C. with total availability of $550 million. The Committed Credit Facility is used for working capital and acquisition financing. At the date of closing, the Company utilized $330.6 million of the Committed Credit Facility to repay certain existing term notes and pay certain fees and expenses of the closing. All borrowings under the Committed Credit Facility bear interest at variable rates based on LIBOR plus a specified percentage depending on our attainment of certain leverage ratios and the outstanding balance under this facility.

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

Our subsidiaries have guaranteed, and any future subsidiaries will be required to guarantee, our obligations under this credit facility. Substantially all of our assets not subject to security interests granted to floor plan lenders are subject to security interests to lenders under the Committed Credit Facility. We pay annually in arrears a commitment fee for the credit facility of 0.35% of the undrawn amount available to us. The Committed Credit Facility provides for an indefinite series of one-year extensions at our request, if approved by the lenders at their sole

discretion. Conversely, we can terminate the Committed Credit Facility by repaying all of the outstanding balances under the facility and the related uncommitted floor plan lines plus a termination fee. The termination fee, currently equal to 2% of the amount outstanding under the Committed Credit Facility, declines one percentage point on each of the anniversaries of the

facility over the next two years. We have extended the maturity of the Committed Credit Faciity to January 2005. As of December 31, 2001, $166.7 million remained available to us for additional borrowings under the Committed Credit Facility.

In addition, we have $10 million available through other revolving credit facilities, which are secured by notes receivable for finance contracts. The borrowings are repayable on the lenders' demand and accrue interest at variable rates. These facilities are subject to certain financial and other covenants. As of December 31, 2001, we had $10.0 million outstanding under these facilities.

As of December 31, 2001, we have the following contractual obligations:

TOTAL 2002 2003 2004 2005 2006 THEREAFTER ------- -- --------- ----- --- -------- ----- ---- -------- ---- ------ ------ Floor Plan Financing..... $451,375 $451,375 $ -- $ -- $ -- $ -- $ -- Other Short-Term Debt..... $ 10,000 $ 10,000 $ -- $ -- $ -- $ -- $ -- Long Term Debt including capital lease obligations..... $528,337 $ 35,789 $49,569 $ 5,148 $398,880 $ 3,414 $35,537 Operating Leases: Third parties..... $113,695 $ 14,334 $12,928 $11,275 $ 10,346 $ 9,012 $55,800 Related parties.... $105,439 $ 12,850 $12,893 $12,929 $ 12,966 $12,923 $40,878

We expect to incur additional obligations in the future.

GUARANTEES

We have guaranteed four loans made by financial institutions either directly to our management or to non-consolidated entities controlled by our management which totaled approximately $9.1 million at December 31, 2001.

FLOOR PLAN FINANCING

On January 17, 2001, and in connection with the Committed Credit Facility, the Company obtained uncommitted floor plan financing lines of credit for new vehicles (the "New Floor Plan Lines"). The Company refinanced substantially all of its existing floor plan debt under the New Floor Plan Lines. The New Floor Plan Lines do not have specified maturities. They bear interest at variable rates based on LIBOR or the prime rate and are provided by Ford Motor Credit Company, Chrysler Financial Company L.L.C. and General Motors Acceptance Corporation, with total availability of $750 million.

Ford Motor Credit Company..... $330 million Chrysler Financial Company L.L.C..... $315 million General Motors Acceptance Corporation..... $105 million ---------- Total Floor Plan Lines..... $750 million ==========

We finance substantially all of our new vehicle inventory and a portion of our used vehicle inventory under the floor plan financing credit facilities. We are required to make monthly interest payments on the amount financed, but are not required to repay the principal prior to the sale of the vehicle. These floor plan arrangements grant a security interest in the financed vehicles as well as the related sales proceeds. Amounts financed under the floor plan arrangements bear interest at variable rates, which are typically tied to LIBOR or the prime rate. As of December 31, 2001, we had $451.4 million outstanding under all of our floor plan financing agreements.

Each of the above three lenders also provides, in its reasonable discretion,

uncommitted floor plan financing for used vehicles. Such used vehicle financing is provided up to a fixed percentage of the value of each financed used vehicle.

CASH FLOW

Cash flow from operations totaled $96.5 million for the year ended December 31, 2001, as net income plus non-cash items of $84.5 million, along with a reduction in inventories of $106.4 million, offset a reduction in floor plan notes payable of $80.8 million. In addition, contracts-in-transit and accounts receivable had a net increase of $18.9 million. Net cash flow used in investing activities was $98.3 million, principally related to acquisitions of $50.2 million, capital expenditures of $50.0 million, proceeds from the sale of assets of $2.1 million and an investment in CarsDirect.com of $1.2 million. Net cash flow from financing activities was $15.0 million, as a net increase in borrowings of $43.8 million (principally to fund acquisitions), was partially offset by $26.3 million used to pay member distributions and repurchase certain members' equity. In addition, new borrowings under the acquisition line of $330.6 million were used to repay existing debt and finance certain fees and expenses of the closing of the credit facilities.

CAPITAL EXPENDITURES

Capital spending for the years ended December 31, 2001, and 2000, was $50.0 million and $36.1 million, respectively. Capital spending other than from acquisitions is estimated to be approximately $65 to $70 million for the year ended December 31, 2002, primarily related to operational improvements and manufacturer-required spending to upgrade existing dealership facilities.

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

USE OF ESTIMATES AND CRITICAL ACCOUNTING POLICIES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual amounts could differ from those estimates. A summary of our significant accounting policies are presented in the Notes to Consolidated Financial Statements. Certain of our accounting policies employing the use of estimates are as follows:

INVENTORIES

Our inventories are stated at the lower of cost or market. As of December 31, 2001, we used the "last-in, first-out" method ("LIFO"), the specific identification method and the "first-in, first-out" method ("FIFO"), to value 56%, 39% and 5%, respectively, of our inventories. We maintain a reserve for inventory units where cost basis exceeds fair value. In assessing lower of cost or market for new vehicles, we primarily consider the aging of vehicles along with the timing of annual and model changeovers. The assessment of lower of cost or market for used vehicles considers recent data and trends such as loss histories, current aging of the inventory and current market conditions.

NOTES RECEIVABLE--FINANCE CONTRACTS

As of December 31, 2001, we have outstanding notes receivable from finance contracts of $30.2 million (net of an allowance for credit losses of $4.6 million). These notes have initial terms ranging from 12 to 60 months, and are collateralized by the related vehicles. The assessment of our allowance for credit losses considers historical loss ratios and the performance of the current portfolio with respect to past due accounts. We continually analyze our current portfolio against our historical performance. In addition, we attribute minimal value to the underlying collateral in our assessment of the reserve.

CHARGEBACK RESERVE

We receive commissions from the sale of various insurance contracts, vehicle service contracts to customers and through the arrangement of financing vehicles for customers. We may be charged back ("chargeback") for such commissions in the event of early termination of the contracts by customers. The revenues from financing fees and commissions are recorded at the time of the sale of the vehicles and a reserve for future chargebacks is established at that time. The reserve carefully considers our historical chargeback percentages and timing of such chargebacks as well as national industry trends, and this data is evaluated on a product-by-product basis.

RELATED PARTY TRANSACTIONS

Certain of our directors, beneficial owners and their affiliates, and platform management, have engaged in transactions with us. These transactions primarily relate to long-term operating leases of facilities. Rent expense

attributable to related parties was $12.2 million during the year ended December 31, 2001 and future minimum payments under related party long-term non-cancelable operating leases as of December 31, 2001 were $105.4 million. This practice is fairly common in the automotive retail industry.

We paid $5.9 million in advertising fees to two separate entities in which two of our members had substantial interests. In addition, we paid $0.4 million in expenses related to private airplane use by several of our members.

We believe these transactions involved terms comparable to, or more favorable to us than, terms that would be obtained from an unaffiliated third party.

We expect to enter into an agreement to purchase land from one of our members for $2 million. The most recent appraised value of the property is $800,000 less than the anticipated purchase price due partially to expected competition for this property with the remainder being offset by an anticipated rent-free lease that we will enter into with this member for an adjacent property.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair value. If certain conditions are met, a derivative instrument may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security or a foreign currency-denominated forecasted transaction. The accounting for changes in the fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. SFAS No. 137 amended the

effective date to all fiscal quarters of fiscal years beginning after June 15, 2000. SFAS No. 138 issued in June 2000, addressed a limited number of issues that were causing implementation difficulties for numerous entities applying SFAS No. 133. We have determined that the adoption of SFAS No. 133 did not have a material impact on our results of operations, financial position, liquidity or cash flows.

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

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

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

The provisions of SFAS 142 apply immediately to all acquisitions completed after June 30, 2001. Goodwill and intangible assets with indefinite lives existing at June 30, 2001, will continue to be amortized until December 31, 2001. Goodwill amortization for the year ended December 31, 2001 was $9.6 million. Effective January 1, 2002, such amortization will cease, as companies are required to adopt the new rules on such date. By the end of the first quarter of calendar year 2002, companies must begin to perform an impairment analysis of intangible assets. Furthermore, companies must complete the first step of the goodwill transition impairment test by June 30, 2002. Any impairment noted must be recorded at the date of effectiveness restating first quarter results, if necessary. Impairment charges, if any, that result from the application of the above tests would be recorded as the cumulative effect of a change in accounting principle in the first quarter of the year ending December 31, 2002.

Management does not believe, other than the elimination of goodwill amortization as discussed above, that the adoption of SFAS 142 will have a material impact on our financial condition or liquidity.

In August 2001, the FASB issued Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This statement supersedes FASB Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary,

Unusual and Infrequently Occurring Events and Transactions," and establishes accounting standards for the impairment and disposal of long-lived assets and criteria for determining when a long-lived asset is held for sale. The statement removes the requirement to allocate goodwill to long-lived assets to be tested for impairment, requires that the depreciable life of a long-lived asset to be abandoned be revised in accordance with APB Opinion No. 20, "Accounting Changes," provides that one accounting model be used for long-lived assets to be disposed of by sale, whether previously held and used or newly acquired and broadens the presentation of discontinued operations to include more disposal transactions. FASB 144 will be effective for financial statements beginning December 15, 2001, with earlier application encouraged.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE RISK--We are exposed to market risk from changes in interest rates on substantially all of our outstanding indebtedness. Outstanding balances under the acquisition line

bear interest at a variable rate based on a margin over the benchmark LIBOR rate. Given amounts outstanding at December 31, 2001, a 1% change in the LIBOR rate would result in a change of approximately $2.2 million to our annual non-floor plan interest expense after giving effect to the interest rate swaps discussed below. Similarly, amounts outstanding under floor plan financing arrangements (including the floor plan line) bear interest at variable rates based on a margin over LIBOR or prime. Based on floor plan amounts outstanding at December 31, 2001, a 1% change in the LIBOR rate would result in a $4.5 million change to annual floor plan interest expense.

INTEREST RATE SWAPS--In November 2001, we entered into interest rate swap agreements to reduce the effects of changes in interest rates on our floating LIBOR rate long-term debt. At December 31, 2001, we had outstanding three interest rate swap agreements with a financial institution, having a combined total notional principal amount of $300 million, all maturing in November 2003. The swaps require us to pay fixed rates with a weighted average of approximately 2.99% and receive in return amounts calculated at one-month LIBOR. The aggregate fair value of the swap arrangements at December 31, 2001 was $1.8 million. Our swap agreements have been designated and qualify as cash flow hedges of our forecasted variable interest rate payments. To the extent the swap arrangements are not "perfectly effective" (for example, because scheduled rate resets are not simultaneous), the ineffectiveness is reported in "other income" in the income statement. For the year ended December 31, 2001, the ineffectiveness reflected in earnings was $120,000. We entered into these swap arrangements with Goldman Sachs Capital Markets, L.P., an affiliate of Goldman, Sachs & Co., the managing underwriter of this offering.

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

Management continually monitors interest rates and trends in rates and will from time to time reevaluate the advisability of entering into additional derivative transactions to hedge our interest rate risk and may consider restructuring our debt from floating to fixed rate.

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

BUSINESS

COMPANY

We are one of the largest automotive retailers in the United States. We offer our customers an extensive range of automotive products and services, in addition to new and used vehicle sales. We have grown rapidly in recent years, primarily through acquisition, with annual sales of $3.0 billion in 1999, $4.0 billion in 2000 and $4.3 billion in 2001.

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

PLATFORM-REGIONAL BRANDS	DATE OF INITIAL ACQUISITION

PLATFORM	MARKETS	FRANCHISES
Atlanta Nalley Automotive Group September 1996	Atlanta	Acura, Audi, Chevrolet, Dodge, Hino, Honda, Infiniti, Isuzu Truck, Jaguar, Jeep, Lexus(c), Navistar, Peterbilt
St. Louis Plaza Motor Company December 1997 St. Louis Audi,	BMW, Cadillac, Infiniti, Land Rover(a), Lexus, Mercedes-Benz, Porsche	
Texas David McDavid Automotive Group April 1998	Dallas/Fort Worth	Acura, Buick, GMC, Honda, Lincoln, Mercury, Pontiac, Suzuki
	Houston	Honda, Kia, Nissan
Austin Acura Tampa Courtesy Dealership Group September 1998 Tampa	Chrysler, GMC, Hyundai, Infiniti, Isuzu, Jeep, Kia, Lincoln, Mazda(c), Mercedes-Benz, Mercury, Mitsubishi, Nissan, Pontiac, Toyota	
Jacksonville Coggin Automotive Company October 1998		

Jacksonville Chevrolet, GMC(c), Honda(c), Kia, Mazda, Nissan(c), Pontiac(c), Toyota

Orlando Buick, Chevrolet, GMC, Ford, Honda(c), Lincoln, Mercury, Pontiac

Fort Pierce BMW, Honda, Mercedes-Benz Oregon

Thomason Auto Group December 1998

Portland Ford(c), Honda, Hyundai(c), Nissan, Toyota

North Carolina Crown Automotive Company December 1998

Greensboro Acura, Audi, BMW, Dodge, GMC, Honda, Kia, Mitsubishi, Nissan, Pontiac, Volvo, Chrysler(d), Chevrolet(d)

Chapel Hill Honda, Volvo

Fayetteville Ford, Dodge(d), Daewoo(d)

Richmond, VA Acura, BMW(c), Porsche

Arkansas North Point (previously known as February 1999 Little Rock BMW, Ford, Lincoln(c), Mazda, McLarty Companies) Mercury(c), Nissan, Toyota, Volkswagen, Volvo

Texarkana, TX Chrysler, Dodge, Ford

Mississippi Gray-Daniels(e) April 2000

Jackson Chrysler, Daewoo(b), Ford, Hyundai, Isuzu(b), Jeep,

Lincoln,
Mazda,
Mercury,
Mitsubishi,
Nissan(c),
Suzuki(b),
Toyota

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

(b) Pending divestitures.

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

(d) Pending acquisition.

(e) We acquired our initial dealerships in Jackson, Mississippi in April 2000. With the acquisition of Gray-Daniels Ford in July 2001, we organized our Jackson dealerships into our ninth platform.

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

COMPANY HISTORY

We were formed in 1995 by management and Ripplewood Holdings L.L.C. (now known as Ripplewood Investments L.L.C.) In 1997, an investment fund affiliated with Freeman Spogli & Co. Inc. acquired a significant interest in us. These three groups identified an opportunity to aggregate a number of the nation's top retail automotive dealers into one cohesive organization. We acquired eight of our platforms between 1997 and 1999, and combined them on April 30, 2000. In the combination, dealers holding ownership interests in their respective platforms transferred their interests to the Oregon platform in exchange for ownership interests in the Oregon platform. Dealers who held interests in the Oregon platform did not exchange their interests, but had their holdings adjusted to reflect their overall ownership interest in the consolidated company. The Oregon platform then changed its name to Asbury Automotive Group L.L.C. and became the parent company to our platforms and other companies. Since the consolidation of the eight platforms as of April 30, 2000, a ninth platform, the Mississippi platform, was formed on July 2, 2001, following our acquisition of five franchises in the Jackson market, which we added to five franchises that we previously acquired in this market.

OUR STRENGTHS

We believe our competitive strengths are as follows:

EXPERIENCED AND INCENTIVIZED MANAGEMENT

- RETAIL AND AUTOMOTIVE MANAGEMENT EXPERIENCE. We have a management team with extensive experience and expertise in the retail and automotive sectors. Kenneth B. Gilman, our president and chief executive officer, served for 25 years at the Limited, Inc. where his most recent assignment was as chief executive officer of Lane Bryant, a retailer of women's clothing and a subsidiary of the Limited, Inc. From 1993 to 2001, Mr. Gilman served as vice chairman and chief administrative officer of the Limited, Inc. with responsibility for, among other things, finance, information technology, supply chain management and production. Thomas R. Gibson, our co-founder and chairman of the board spent most of his 28-year automotive career working with automobile retail dealers throughout the U.S., including serving as president and chief operating officer of Subaru of America. Thomas F. Gilman, our senior vice president and chief financial officer, served for 25 years at DaimlerChrysler where his knowledge of the dealer network allowed him to play a key role assisting DaimlerChrysler dealerships during the recession in the automotive industry in the early 1990s. See "Management." In addition, the former platform owners of seven of our nine platforms, each with greater than 24 years of experience in the automotive retailing industry, continue to manage their respective platforms.

- INCENTIVIZATION AT EVERY LEVEL. We tie compensation to performance by relying upon an incentive-based pay system at both the platform and dealership levels. At the platform level all our senior management are compensated on an incentive-based pay system while 71% of the senior management at our nine platforms have a stake in our performance based upon their ownership of approximately 40% of our total equity, and will continue to own 23.5% after giving effect to this offering. We also create incentives at the dealership level. Each dealership is managed as a separate profit center by a trained and experienced general manager who has primary responsibility for decisions relating to inventory, advertising, pricing and personnel. We compensate our general managers based on dealership profitability, and the compensation of department managers is similarly based upon departmental profitability. Approximately 80% of compensation earned by our dealerships' general managers and sales

forces in 2001 was earned through commissions and performance-based bonuses.

ADVANTAGEOUS BRAND MIX

We classify our primary franchise sales lines into luxury, mid-line import, mid-line domestic and value. We believe that our current brand mix includes a higher proportion of luxury and mid-line imports franchises to total franchises than most other public automotive retailers. Luxury and mid-line imports together accounted for approximately 66% of our 2001 new retail vehicle revenues and comprise over half of our total franchises. Luxury and mid-line imports generate above average gross margins on sales, and have greater customer loyalty and repeat purchases than mid-line domestic and value automobiles. We also believe that luxury vehicle sales are less susceptible to economic cycles.

The following table reflects franchises currently owned and franchises expected to be acquired and divested through pending acquisitions and divestitures, and the share of total franchises and new retail vehicle revenue represented by each:

CLASS/FRANCHISE	CURRENT FRANCHISES	PENDING ACQUISITIONS DIVESTITURES	CURRENT AND PENDING FRANCHISES	% OF 2001 NEW RETAIL VEHICLE REVENUE	% OF TOTAL PENDING
LUXURY					
Acura	5				
Audi	3				
BMW	6				
Cadillac	1				
Infiniti	3				
Jaguar	1				
Land Rover(a)	1				
Lexus	3				
Lincoln	6				
Mercedes-Benz	3				
Porsche	2				
Volvo	3				
TOTAL LUXURY	37			29%	
MID-LINE IMPORT					
Honda	11				
Mazda	5				
Mitsubishi	3				
Nissan	9				
Toyota	5				
Volkswagen	1				
TOTAL MID-LINE IMPORT	34			27%	38%
MID-LINE DOMESTIC					
Buick	2				
Chevrolet	3	1			
Chrysler	3	1			
Dodge	3	1			
Ford	7				
GMC	6				
Jeep	3				
Mercury	6				

Pontiac.....
6 --- --- --- TOTAL
MID-LINE
DOMESTIC..... 39 3
31% 26% VALUE
Daewoo.....
1 1 (1)
Hyundai.....
4
Isuzu.....
2 (1)
Kia.....
4
Suzuki.....
2 (1) --- --- ---
TOTAL VALUE..... 13
1 (3) 10% 4% HEAVY
TRUCKS
Hino.....
1
Isuzu.....
1
Navistar.....
1
Peterbilt.....
1 --- TOTAL HEAVY
TRUCKS..... 4 3%
4% --- --- --- -----
- ------
TOTAL.....
127 4 (3) 100% 100%
=== === === ======
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(a) Minority owned and operated by us. See "Related Party Transactions" for a description of our ownership interest in this franchise.

REGIONAL CONCENTRATION AND STRONG BRANDING OF OUR PLATFORMS

Each of our platforms is comprised of between 7 and 24 franchises and on a pro forma basis for 2001, sold an average of over 18,500 vehicles and generated an average of approximately $500 million in revenues.

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

- platforms enjoy strong local brand recognition from their long presence and regional advertising;
- consumers may prefer to interact with a locally recognized brand;
- placing our franchises in one region under a single brand allows us to generate significant advertising savings; and
- our platforms can retain customers even as they purchase and service different automobile brands.

DIVERSIFIED REVENUE STREAMS/VARIABLE COST STRUCTURE

Our operations provide a diversified revenue base that we believe mitigates the impact of slower new car sales volumes. Used car sales and parts, service and collision repair sales, which represented 38% of our total 2001 revenue, generate higher profit margins than new car sales and tend to fluctuate less with economic cycles. In addition, our variable cost structure helps us manage expenses in an economic downturn, as a large part of our operating expenses consist of incentive-based compensation, vehicle carrying costs and advertising.

- NEW VEHICLES. Our franchises include a diverse portfolio of 36 American, European and Asian brands. We believe that our diverse brand, product and price mix enables us to reduce our exposure to specific product supply shortages and changing customer preferences. New vehicle sales were approximately 59% of our total revenues and 31% of total gross profit in 2001.
- USED VEHICLES. We sell used vehicles at virtually all our franchised dealerships. Retail sales of used vehicles has become an increasingly significant source of profit for us, making up approximately 27% of our total revenues and 16% of total gross profit in 2001. We obtain used vehicles through customer trade-ins, auctions restricted to new vehicle dealers (offering off-lease, rental and fleet vehicles) and "open" auctions which offer repossessed vehicles and vehicles sold by other dealers. We sell our used vehicles to retail customers when possible. We dispose of used vehicles that are not purchased by retail customers through sales to other dealers and at auction.

- FINANCE AND INSURANCE. We arranged customer financing on over 70% of the vehicles we sold in 2001. These transactions result in commissions being paid to us by the indirect lenders, including manufacturer-captive finance arms. In addition to the finance commissions, each of these transactions creates other highly profitable sales opportunities, including extended service contracts and various insurance-related products for the consumer. Our size and sales volume motivate vendors to provide these products to us at substantially reduced fees compared to industry norms which result in competitive advantages as well as acquisition synergies. Furthermore, many of the insurance products we sell result in additional underwriting profits and investment income yields based on portfolio performances. Profits from finance and insurance generated approximately 3% of our total revenues and 16% of our total gross profit in 2001.

- PARTS, SERVICE AND COLLISION REPAIR. We sell parts and provide maintenance and repair service at all our franchised dealerships. In addition, we have 24 free-standing collision repair centers in close proximity to dealerships in substantially all our platforms. Our dealerships and collision repair centers collectively operate approximately 1,600 service bays. Revenues from parts, service and collision repair centers were approximately 11% of our total revenues and 37% of our total gross profit in 2001.

OUR STRATEGY

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

CONTINUED GROWTH THROUGH TARGETED ACQUISITIONS

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

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

- TUCK-IN ACQUISITIONS. One of our goals is to become the market leader in every region in which we operate a platform. We plan to acquire additional dealerships in each of the markets in which we operate, including acquisitions that increase the brands, products and services offered in that market. Since 1995 we have made 18 tuck-in acquisitions (representing 44 franchises) to add additional strength and brand diversity to our platforms. We believe that these acquisitions in the past and in the future will facilitate our regional operating efficiencies and cost savings in areas such as advertising and facility and personnel utilization.

- FOCUS ON ACQUISITIONS PROVIDING GEOGRAPHIC AND BRAND DIVERSITY. By focusing on geographic and brand diversity, we seek to manage economic risk and drive growth and profitability. By having a presence in all major brands and by avoiding concentration with one manufacturer, we are well positioned to reduce our exposure to specific product supply shortages and changing customer preferences. At the same time, we will seek to continue to increase the proportion of our dealerships that are in markets with favorable demographic characteristics or that are franchises of fast-growing, high margin brands. In particular, we will focus on luxury dealerships (such as BMW, Lexus and Mercedes-Benz) and mid-line import dealerships (such as Honda, Toyota and Nissan). On an ongoing basis we will continue to evaluate the performance of our dealerships to determine if the sale of a particular dealership is advisable.

FOCUS ON HIGHER MARGIN PRODUCTS AND SERVICES

While new vehicle sales are critical to drawing customers to our dealerships, used vehicle retail sales, parts, service and collision repair and finance and insurance provide significantly higher gross profit margins. We currently derive approximately two-thirds of our total gross profit from these areas. In addition, we have discipline-specific executives at both the corporate and platform level who focus on both increasing the penetration of current services and expanding the breadth of our offerings to customers. While each of

our platforms operates independently in a manner consistent with its specific market's characteristics, each platform will pursue an integrated strategy to grow these higher margin businesses to enhance profitability and stimulate internal growth.

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

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

DECENTRALIZED DEALERSHIP OPERATIONS

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

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

The chart below depicts our typical platform management structure:

AVERAGE EXPERIENCE OF PLATFORM MANAGEMENT

[FLOW CHART OF PLATFORM MANAGEMENT STRUCTURE]

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

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

CUSTOMER RELATIONSHIP MANAGEMENT

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

McKinsey & Company, a leading management consulting firm, to help develop the program and pilot it in Jacksonville. We are also investing in a CRM software solution to provide the necessary technological tools.

We believe CRM will be particularly effective in the automotive industry given high customer (household) lifetime value, coupled with the industry's historic focus on short-term transactions as opposed to long-term customer retention. In addition to driving incremental new and used purchases over a multi-year period for a given household, we can benefit from incremental finance and insurance purchases and greater service expenditures, particularly post

warranty. We also know that profitability varies dramatically by customer segment, as it does in most retail sectors; thus, we expect to benefit from initiatives that successfully target high value segments.

SALES AND MARKETING

NEW VEHICLE SALES. Our new vehicle retail sales include new vehicle retail lease transactions and other similar agreements, which are arranged by our individual dealerships. New vehicle leases generally have short terms, which cause customers to return to a dealership more frequently than in the case of financed purchases. In addition, leases provide us with a steady source of late-model, off-lease vehicles for our used vehicle inventory. Generally, leased vehicles remain under factory warranty for the term of the lease, allowing dealerships to provide repair service to the lessee throughout the lease term. Historically, less than 4% of our new vehicle sales revenue is derived from fleet sales, which are generally conducted on a commission basis.

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

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

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

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

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

Used vehicles are generally offered at our dealerships for 45 to 60 days on average, after which, if they have not been sold to a retail buyer, they are either sold to an outside dealer or offered at auction. During 2001, approximately 79% of used vehicles sales were made to retail buyers. We may transfer used vehicles among dealerships to provide balanced inventories of used vehicles at each of our dealerships. We believe that acquisitions of additional dealerships will expand the internal market for transfer of used vehicles among our dealerships and, therefore,

increase the ability of each dealership to offer a balanced mix of used vehicles. We developed integrated computer inventory systems allowing us to coordinate vehicle transfers among our dealerships, primarily on a regional basis.

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

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

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

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

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

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

ADVERTISING. Our largest advertising medium is local newspapers, followed by radio, television, direct mail and the yellow pages. The retail automotive industry has traditionally used locally produced, largely unprofessional materials, often developed under the direction of each dealership's general manager. Each of our platforms has created common marketing materials for their dealerships using professional advertising agencies. Our corporate chief marketing officer helps oversee and share creative materials and general marketing best practices across platforms. Our total company marketing expense was $43.1 million in 2001 which translates into an average of $272, per retail vehicle sold. In addition, manufacturers' direct advertising spending in support of their brands provides approximately 60% of the total amount spent on new car advertising in the U.S.

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

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

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

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

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

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

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

COMPETITION

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

for supply and resale of used vehicles. See "Risk Factors--Substantial competition in automobile sales may adversely affect our profitability."

In our vehicle financing business, we compete with direct consumer lending institutions such as local banks, savings and loans and credit unions, including through the Internet. Our ability to offer manufacturer-subsidized financing terms as part of an incentive-based sales strategy can place us at a competitive advantage relative to independent financing companies. We also compete in this area based on:

- interest rates; and

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

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

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

FACILITIES

We have 127 franchises situated in 91 dealership locations throughout nine states. We lease 57 of these locations and own the remainder. We have five locations in Mississippi and two locations in North Carolina where we lease the land but own the building facilities. The locations are included in the leased column of the table below. In addition, we operate 24 collision repair centers.

	COLLISION REPAIR CENTERS		DEALERSHIPS	
	LEASED	OWNED	LEASED	OWNED
Arkansas	1	5	1	1
Atlanta	3(a)	8(b)	2	2
Jacksonville	14	3	5	1
Mississippi	1	6	0	1
North Carolina	11	6	1	0
Oregon	0	7	0	2
St. Louis	4		1	1
Tampa	0	12	0	2
Texas	0	9	0	5
Total	34	57	10	14

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(a) One of our dealerships in Atlanta that owns a new vehicle facility operates a separate used vehicle facility that is leased.

(b) One of our dealerships in Atlanta that leases a new vehicle facility operates a separate used vehicle facility that is owned.

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

FRANCHISE AGREEMENTS

Each of our dealerships operates pursuant to franchise agreements between

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

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

We are subject to additional provisions contained in supplemental agreements, framework agreements or franchise addenda, which we collectively refer to as "franchise framework agreements." Many of our dealerships are also subject to these agreements. Franchise framework agreements impose requirements similar to those discussed above, as well as limitations on changes in our ownership or management and limitations on the number of a particular manufacturer's franchises we may own. In addition, we are party to an agreement with General Motors Corporation under which we have divested ourselves of and agreed not to acquire Saturn franchises.

PROVISIONS FOR TERMINATION OR NON-RENEWAL OF FRANCHISE AGREEMENTS. Certain franchise agreements expire after a specified period of time, ranging from one to five years, and we expect to renew expiring agreements for franchises we wish to continue in the ordinary course of business. Typical franchise agreements provide for termination or non-renewal by the manufacturer under certain circumstances, including insolvency or bankruptcy of the dealership, failure to adequately operate the dealership, failure to maintain any license, permit or authorization required for the conduct of business, or material breach of other provisions of the franchise agreement. Some of our franchise agreements and franchise framework agreements provide that the manufacturer may acquire our dealerships or terminate the franchise agreement if a person or entity acquires an equity interest or voting control above a specified level (ranging from 20% to 50% depending on the particular manufacturer's restriction) in us without the approval of the applicable manufacturer. This trigger can fall to as low as 5% if the entity acquiring the equity interest in us is another automobile manufacturer or a felon whose conviction stems from fraudulent sales practices or violations of state or federal consumer protection laws. The terms of provisions of this type may be interpreted by manufacturers to apply to certain of the transactions involved in this offering. Some manufacturers also restrict changes in the membership of our board of directors. Our agreement with one manufacturer, Toyota, in addition to imposing the restrictions previously mentioned, provides that it may require us to sell our Toyota franchises (including Lexus) according to the terms of the agreement if, without its consent, the owners of a majority of our equity prior to this offering cease to own a majority of our equity or if Timothy C. Collins ceases to control us through imputed control of Ripplewood Investments L.L.C. Although our franchise agreements may not be renewed or may be terminated prior to the conclusion of their terms, manufacturers have rarely chosen to take such action. Further, as discussed below, state dealer laws substantially limit the ability of manufacturers to terminate or fail to renew franchise agreements. See "Risk Factors--If we fail to obtain renewals of one or more of our franchise agreements from vehicle manufacturers on favorable terms, or if one or more of our franchise agreements are terminated, our operations could be significantly compromised."

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

STATE DEALER LAWS. We operate in states that have state dealer laws limiting manufacturers' ability to terminate dealer franchise agreements. We are basing the following discussion of state dealer laws on our understanding of these laws and therefore, the description may not be accurate. State dealer laws generally provide that it is a violation for manufacturers to terminate or refuse to renew franchise agreements unless they provide written notice to the dealers setting forth good cause and stating the grounds for termination or

nonrenewal. State dealer laws typically require 60 to 90 days advance notice to dealers prior to termination or nonrenewal of a franchise agreement. Some state dealer laws allow dealers to file protests or petitions within the notice period and allow dealers an opportunity to comply with the manufacturers' criteria. These statutes also provide that manufacturers are prohibited from unreasonably withholding approval for a proposed change in ownership of the dealership. Acceptable grounds for disapproval include material reasons relating to the character, financial ability or business experience of the proposed transferee. See "Risk Factors--If state dealer laws are repealed or weakened, our dealerships will be more susceptible to termination, non-renewal or re-negotiation of their franchise agreements."

GOVERNMENTAL REGULATIONS

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

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

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

ENVIRONMENTAL MATTERS

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

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

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

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

requirements for the containment of potential discharges and spill contingency planning.

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

EMPLOYEES

As of December 31, 2001, we employed approximately 7,725 people, of whom approximately 620 were employed in managerial positions, approximately 2,110 were employed in non-managerial sales positions, approximately 4,045 were employed in non-managerial parts and service positions, approximately 750 were employed in administrative support positions and approximately 200 were employed in non-managerial finance and insurance positions. We intend, upon completion of the offering, to provide certain executive officers and managers with options to purchase common stock and believe this equity incentive will be attractive to our existing and prospective employees. See "Management--2002 Stock Option Plan".

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

LEGAL PROCEEDINGS AND INSURANCE

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

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

INDUSTRY OVERVIEW

Automotive retailing, with 2001 industry sales of approximately $1.0 trillion, is the largest consumer retail market in the U.S., representing approximately 10% of gross domestic product according to figures provided by the Bureau of Economic Analysis. From 1997 through 2001, retail new vehicle unit sales have grown at a 2.9% compound annual rate. Over the same period, retail used vehicle units have grown at a 0.7% compound annual rate. Retail sales of new vehicles, which are conducted exclusively through new vehicle dealers, were approximately $380 billion in 2001. In addition, used vehicle sales in 2001 were estimated at $376 billion, with approximately $268 billion in sales by franchised and independent dealers and the balance in privately negotiated transactions.

Of the approximately 17.2 million new vehicles sold in the United States in 2001, approximately 28% were manufactured by General Motors Corporation, 23% by Ford Motor Company, 15% by DaimlerChrysler Corporation, 10% by Toyota Motor Corp., 7% by Honda Motor Co., Ltd., 4% by Nissan Motor Co., Ltd. and 13% by other manufacturers. Sales of newer used vehicles have increased over the past five years, primarily as a result of the greater availability of newer used vehicles due to the increased popularity of short-term leases. Approximately 42.6 million used vehicles were sold in 2001. Franchised dealers accounted for 15.9 million, or 37%, of all used vehicle units sold. Independent lots accounted for 34% with the balance accounted for in privately negotiated transactions.

INDUSTRY CONSOLIDATION. Franchised dealerships were originally established by automobile manufacturers for the distribution of new vehicles. In return for granting dealers exclusive

distribution rights within specified territories, manufacturers exerted

significant influence over their dealers by limiting the transferability of ownership in dealerships, designating the dealership's location, and managing the supply and composition of the dealership's inventory. These arrangements resulted in the proliferation of small, single-owner operations that, at their peak in the late 1940's, totaled almost 50,000. As a result of competitive, economic and political pressures during the 1970's and 1980's, significant changes and consolidation occurred in the automotive retail industry. One of the most significant changes was the increased penetration by foreign manufacturers and the resulting loss of market share by domestic manufacturers, which forced many dealerships to close or sell to better capitalized dealership groups. According to industry data, the number of franchised dealerships has declined from approximately 27,900 in 1980 to approximately 22,150 in 2001. Although significant consolidation has taken place since the automotive retailing industry's inception, the industry today remains highly fragmented, with the largest 100 dealer groups generating less than 10% of total sales revenues and controlling less than 8% of all franchised dealerships.

We believe that further consolidation is likely due to increased capital requirements of dealerships, the limited number of viable alternative exit strategies for dealership owners and the desire of certain manufacturers to strengthen their brand identity by consolidating their franchised dealerships. We also believe that an opportunity exists for dealership groups with significant equity capital and experience in identifying, acquiring and professionally managing dealerships, to acquire additional dealerships for cash, stock, debt or a combination thereof. Publicly-owned dealer groups, such as ours, are able to offer prospective sellers tax-advantaged transactions through the use of publicly traded stock which may, in certain circumstances, make them more attractive to prospective sellers.

INDUSTRY OPPORTUNITIES. In addition to new and used vehicles, dealerships offer a wide range of other products and services, including repair and warranty work, replacement parts, extended warranty coverage, financing and insurance. In 2000, the average dealership's revenue consisted of 60% new vehicle sales, 29% used vehicle sales and 11% parts and services. Sales of newer used vehicles by franchised dealers have increased over the past five years, primarily as a result of the substantial increase in new vehicle prices and the greater availability of newer used vehicles due to the increased popularity of short-term leases. Franchised dealers retailed 15.9 million used vehicles in 2001, amounting to only 37% of all used vehicles sold in the U.S. Independent used vehicle dealers and private transactions accounted for the rest of the 42.6 million used vehicles sold in 2001.

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

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

NAME	AGE	POSITION
Kenneth B. Gilman	55	President, Chief Executive Officer and Director
Thomas R. Gibson	59	Chairman of the Board
Thomas F. Gilman	51	Senior Vice President and Chief Financial Officer
Robert D. Frank	53	Senior Vice President--Automotive Operations
Thomas G. McCollum	46	Vice President--Finance and Insurance
Phillip R. Johnson	53	Vice President--Human Resources
Allen T. Levenson	38	Vice President--Marketing and Customer Experience
John C. Stamm	45	Vice President--Fixed Operations
Timothy C. Collins	45	

Director	Ben David McDavid	60
Director	John M. Roth	43
Director	Ian K. Snow	32
Director		

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

KENNETH B. GILMAN has served as our president, chief executive officer and director since December 2001. He joined us following a 25-year career with The Limited Inc., the multi-brand apparel retailer, where his most recent assignment was as chief executive officer of Lane Bryant. From 1993 to 2001, Mr. Gilman served as vice chairman and chief administrative officer of The Limited, Inc. with responsibility for finance, information technology, supply chain management, production, real estate, legal and internal audit. From 1987 to 1993, he was executive vice president and chief financial officer. He joined the The Limited's executive committee in 1987 and was elected to its board in 1990. Mr. Gilman began his career at The Limited as assistant controller in 1976. His career progression at The Limited from 1976 to 2001 encompassed a variety of assignments and promotions including vice president, treasurer, senior vice president and corporate controller. During his time at The Limited, the company grew from a single division of $69 million in sales to more than ten divisions with over $10 billion in sales. He holds a bachelor's degree from Pace University and is a Certified Public Accountant.

THOMAS R. GIBSON served as our interim chief executive officer from October 2001, following the death of Brian E. Kendrick, until the hiring of Kenneth B. Gilman in December 2001. He is one of our founders and has served as our president and chief executive officer between November 1995 and November 1999, and as our chairman since 1995. Mr. Gibson has over 30 years experience in the automotive retailing industry. Prior to joining us, he served as president and chief operating officer of Subaru of America. Mr. Gibson was part of Lee Iacocca's management team at Chrysler from 1980 to 1982, where he served as director of marketing operations and general manager of import operations. He began his career in 1967 with the Ford Motor Company and held key marketing and field management positions in both the Lincoln-Mercury and Ford divisions. Mr. Gibson serves on the board of directors of IKON Office Solutions, including its Audit, Executive and Strategies committees. Mr. Gibson is a graduate of DePauw University and holds a master's in business administration from Harvard University.

THOMAS F. GILMAN has served as our senior vice president and chief financial officer since January 2002. From April 2001 to January 2002, Mr. Gilman served as our vice president and chief

financial officer. From 1973 to 2000, Mr. Gilman worked for Chrysler/DaimlerChrysler Corporation. At Chrysler, Mr. Gilman began his finance career in manufacturing operations at the divisional and plant levels, including 3 years at Chrysler de Mexico. Mr. Gilman's experiences at Chrysler included participation of the Chrysler Loan Guarantee efforts, the acquisition by Chrysler of American Motors (Jeep) and the creation of the 1990 Billion Dollar Cost Reduction Program. From 1990 to 1994, Mr. Gilman was responsible for Chrysler Corporation's credit operations, extending financial assistance to automotive retail dealers and distributors worldwide. In late 1994 to mid-1995, Mr. Gilman was Director of Finance for Chrysler's Asia-Pacific region. In 1995, Mr. Gilman led the finance organization at Chrysler Financial Company, L.L.C. where he became chief financial officer of the captive finance company. In 1998, Mr. Gilman was selected as a member of the Daimler-Benz/Chrysler Corporation Merger Integration Team and appointed as a member of the Financial Services Committee of DaimlerChrysler Services, AG, positions he held until June, 2000. In July of 2000, Mr. Gilman founded CEO Solutions, LLC, an independent consulting practice, and served as President and CEO until April 2001. Mr. Gilman graduated from Villanova University with a bachelor's degree in finance. Thomas Gilman and Kenneth Gilman are not related.

ROBERT D. FRANK has served as our senior vice president of automotive operations since January 2002. From October 2001 to January 2002, Mr. Frank served as our vice president of manufacturer business development. From 1997 to 2001, he served with DaimlerChrysler in several executive capacities, including as president and chief executive officer for Venezuela operations and as vice president/general manager for Asia Pacific Operations, where he was responsible for all Chrysler Asian operations. From 1993 to 1997, Mr. Frank served as chief operating officer of the Larry Miller Group, the sports, entertainment, media, insurance, auto dealership and business services conglomerate with responsibility for all automotive, sports and entertainment businesses. From 1968 to 1992, he held various roles at Chrysler Corporation including zone manager, sales executive and vice president of marketing for Canada operations. Mr. Frank holds a bachelor's degree in economics from the University of Missouri.

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

improve same store results. Mr. McCollum holds a bachelor's degree in business from Sam Houston University.

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

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

JOHN C. STAMM has served as our vice president of fixed operations since January 2002. From June 2000 to January 2002, Mr. Stamm served as our director of fixed operations (parts, service and collision repair). He has over 27 years of automotive retailing experience. From 1999 to 2000, he was a fixed operations consultant for Coughlin Automotive in Newark, Ohio. From 1996 to 1999, he served as the vice president and general manager of McCuen Management Corporation in Westerville, Ohio, where he was responsible for providing sales and marketing consulting and training services, directing and overseeing the McCuen business and purchasing inventories and supplies for all McCuen companies. From February 1995 to December 1995, Mr. Stamm was the general manager of Performance Toyota of Ohio, a large automobile dealership controlled by Automanage, Inc. of Ohio. From 1993 to 1994, he was the general manager of Mid-Ohio Imported Car Company, an automobile dealership. From 1987 to 1993, Mr. Stamm served in various capacities at Automanage Inc. including general manager, general sales manager, fixed operations consultant and parts and service director of a number of automobile dealerships under the control of Automanage, Inc.

TIMOTHY C. COLLINS has served as a member of our board of directors since 1996 and has been a member of our compensation committee since 1996. Mr. Collins founded Ripplewood Holdings L.L.C. in 1995 and currently serves as its senior managing director and chief executive officer. From 1991 to 1995, Mr. Collins managed the New York office of Onex Corporation, a leveraged buy-out group headquartered in Canada. Previously, Mr. Collins was a vice president at Lazard Freres & Company and held various positions at Booz, Allen & Hamilton and Cummins Engine Company. He also currently serves on the board of directors of Ripplewood Holdings L.L.C., Advance Auto Parts, Inc., Shinsei Bank, Ltd. (formerly The Long-Term Credit Bank of Japan, Limited), Western Multiplex Corporation, Kraton Polymers L.L.C., Niles Parts Co., Ltd, Nippon Columbia Co., Ltd, WRC Media, Inc. and various other privately held Ripplewood portfolio companies. Mr. Collins received a master's in business administration from Yale University's School of Organization and Management and a bachelor's degree in philosophy from DePauw University.

BEN DAVID MCDAVID has served as a member of our board of directors since February 2000 and as president and chief executive officer of Asbury Automotive Texas since 1998. Mr. McDavid has been an automobile dealer for 40 years, opening his first dealership in 1962. Prior to selling his dealerships to us in 1998, David McDavid owned and operated 17 franchises. During that time he served on the Dealer Council for Pontiac, GMC Truck and Oldsmobile, as Chairman of the Honda National Dealer Council, and as founding Chairman of the Acura National Dealer Council. He attended the University of Houston and graduated from the General Motors Institute Dealership Management Program in Flint, Michigan.

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

IAN K. SNOW has served as a member of our board of directors since 1996, and a member of our compensation committee since 1996. He joined Ripplewood Holdings L.L.C. in 1995, and he is currently a managing director. Prior to joining Ripplewood in 1995, Mr. Snow was a financial analyst in the Media Group at Salomon Brothers Inc, where he focused on strategic advisory and capital raising

assignments for clients in the media industry. He also currently serves on the board of directors of Kraton Polymers L.L.C., a privately held Ripplewood portfolio company. Mr. Snow received a bachelor's degree in history from Georgetown University.

BOARD OF DIRECTORS

Our board of directors currently consists of Messrs. Timothy C. Collins, Thomas R. Gibson, Kenneth B. Gilman, Ben David McDavid, John M. Roth, and Ian K. Snow. No later than 90 days after this offering, we will satisfy the requirements for independent directors contained in the rules governing companies listed on the New York Stock Exchange through the appointment by our board of directors of three additional independent directors. The appointment of these independent directors will not be subject to a vote by shareholders (including investors who purchase shares in this offering).

TERMS. Our board of directors is divided into three classes. The first class of directors consists of Thomas R. Gibson and Ben David McDavid, each of whom will serve for a term of one year. The second class of directors consists of John M. Roth and Ian K. Snow, each of whom will serve for a term of two years. The third class of directors consists of Timothy C. Collins and Kenneth B. Gilman, each of whom will serve for a term of three years. After these directors have served their initial terms, each person nominated to serve as a director will be nominated to serve for a term of three years. After the completion of the offering, the board of directors will expand the size of the board by three members and appoint three individuals who are independent of Asbury under the rules of the New York Stock Exchange to those board memberships. Directors will hold office until the annual meeting of shareholders in the year in which the term of their class expires and until their successors have been duly elected and qualified. Executive officers are appointed by, and serve at the discretion of, the board of directors. Under a shareholders agreement entered into by holders of a majority of our outstanding common stock, shareholders who are parties to the agreement are required to vote their shares with respect to nominations to our board of directors in accordance with the terms of the agreement. See "Description of Capital Stock--Shareholders Agreement".

COMMITTEES OF THE BOARD OF DIRECTORS

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

- recommending to the board of directors the selection of our independent auditors,
- reviewing and approving the scope of the independent auditors' audit activity and extent of non-audit services,
- reviewing with management and the independent accountants the adequacy of our basic accounting systems and the effectiveness of our internal audit plan and activities,
- reviewing with management and the independent accountants our financial statements and exercising general oversight of our financial reporting process, and
- reviewing litigation and other legal matters that may affect our financial condition and monitoring compliance with our business ethics and other policies.

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

COMPENSATION COMMITTEE. The compensation committee consists of Messrs. Timothy C. Collins, Ian K. Snow and John M. Roth. This committee has general supervisory power over, and the power to grant awards under, the 1999 option plan and the 2002 stock option plan. The compensation committee has responsibility for, among other things, reviewing the recommendations of the chief executive officer as to the appropriate compensation of our principal executive officers and certain other key personnel, periodically examining the general compensation structure and supervising our welfare, pension and compensation plans.

DIRECTORS' COMPENSATION

Directors who are full-time employees of ours or our affiliates, including Asbury Automotive Holdings L.L.C., and its two principals, Ripplewood Investments L.L.C. and Freeman Spogli, will not receive a retainer or fees for service on our board of directors or on committees of our board. We expect to compensate each member of our board of directors who is not a full-time employee of ours or our affiliates with an annual retainer of $25,000. In addition to their annual compensation, each director will receive $1,000 for each meeting of

the board or committee ($750 for meetings conducted by telephone), plus expenses, and the committee chair will receive $1,500. We will pay this compensation in the form of a combination of cash and our common stock.

EXECUTIVE COMPENSATION, EMPLOYMENT AGREEMENTS

The following table sets forth certain summary information concerning the compensation provided by us in 2000 and 2001 to our executive management team.

SUMMARY COMPENSATION TABLE

NAME AND POSITION	YEAR	SALARY	BONUS	AWARDS OF COMMON STOCK UNDERLYING OPTIONS	ANNUAL COMPENSATION - OTHER ANNUAL COMPENSATION
Kenneth B. Gilman, President and Chief Executive Officer(1)	2001	$ 43,269	$ 0	737,500	$1,500(2)
Brian E. Kendrick, President and Chief Executive Officer(3)	2001	750,000	0	0	46,893(4)
	2000	750,000	750,000	0	99,061(5)
Thomas F. Gilman, Senior Vice President and Chief Financial Officer	2001	313,846	139,600	(6)	40,592(7)
Thomas R. Gibson, Chairman of the Board	2001	313,461	0	0	73,227(8)
	2000	526,000	0	0	109,192(9)
Thomas G. McCollum, Vice President-- Finance and Insurance	2001	207,692	110,000	(10)	142,464(11)
Phillip R. Johnson, Vice President-- Human Resources	2001	260,192	79,800	0	9,620(12)
	2000	133,846	56,000	15,577	5,457(13)

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(1) Became President and Chief Executive Officer on December 3, 2001, and the amount shown represents compensation earned from that date until the end of 2001.

(2) $1,500 represents payments for automobile use.

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

(4) $14,787 represents a tax gross-up of income.

(5) $21,414 represents reimbursement for legal expenses incurred, $15,255 represents payments for automobile use and $38,146 represents a tax gross-up of income.

(6) Mr. Gilman was granted at his employment date in April 2001 the option to acquire $500,000 worth of limited liability company interests in us prior to our incorporation. That option was exercised in January 2002 and the limited liability company interests acquired upon such exercise will convert into 38,589 shares of our common stock immediately preceding this offering. In accordance with the terms of Mr. Gilman's employment, when that option was exercised, we granted Mr. Gilman an option to acquire an additional $500,000 worth of limited liability company interests in us prior to our incorporation, which option will be converted into an option to purchase 38,793 shares of our common stock at an exercise price of $12.89 per share.

(7) $15,590 represents a tax gross-up of income.

(8) $24,184 represents payment for automobile use.

(9) $47,805 represents a tax gross-up of income, $22,000 represents payment for automobile use and $15,950 represents reimbursement for accounting expenses.

(10) Mr. McCollum was granted at his employment date in April 2001 the option to acquire $300,000 worth of limited liability company interests in us prior to our incorporation. That option was exercised in January 2002 and the limited liability

company interests acquired upon such exercise will convert into 23,154

shares of our common stock immediately preceding this offering. In accordance with the terms of Mr. McCollum's employment, when that option was exercised, we granted Mr. McCollum an option to acquire an additional $300,000 worth of limited liability company interests in us prior to our incorporation, which option will be converted into an option to purchase 23,276 shares of our common stock at an exercise price of $12.89 per share.

(11) $109,065 represents reimbursement for moving expenses and $62,027 represents a tax gross-up of income.

(12) $9,620 represents payment for automobile use.

(13) $5,457 represents payments for automobile use.

EMPLOYMENT AGREEMENTS

The employment agreements with our current executive officers described below are included as exhibits to the registration statement of which this prospectus forms a part, and the following summary of these agreements is qualified in its entirety by reference to these exhibits. See "Where You Can Find More Information."

KENNETH B. GILMAN. Mr. Gilman has an employment agreement with us to serve as our chief executive officer and president until December 31, 2004 unless terminated earlier in accordance with the employment agreement. During the term of his agreement, Mr. Gilman will receive an annual salary of $750,000 and will be eligible to earn an annual bonus of up to his annual salary if we achieve performance targets set by the board of directors and an additional bonus of up to his annual salary if we exceed those targets by an amount determined by the board of directors.

We have granted Mr. Gilman options to acquire up to 737,500 shares of our common stock immediately preceding this offering at an exercise price of $17.93 per share, which vest ratably over a three-year period. If Mr. Gilman is employed by us two years from the date of this offering, he will be granted an additional option to purchase from us up to the lesser of 0.5% of our then-outstanding common stock or $5 million worth of our then outstanding common stock at the then fair value. The options expire five years after their grant date but will expire sooner if Mr. Gilman's employment terminates before that date.

If we have a change in control, we will pay Mr. Gilman 299% of the average annual base salary and bonus paid to Mr. Gilman over the previous five full calendar years (or the term of his employment, if shorter). In addition, Mr. Gilman's options will immediately vest and be exercisable unless Mr. Gilman would be subject to a golden parachute excise tax imposed under the Code. If we do not renew Mr. Gilman's employment at the end of the term, we will pay him an amount equal to his annual base salary and the bonus he earned in the previous year. If we terminate Mr. Gilman's employment without cause or if he leaves with good reason at any time, we will pay him an amount equal to the present value of two year's annual salary and an additional amount equal to the bonus Mr. Gilman earned in the previous year. During the term of Mr. Gilman's employment and for two years after the termination of his contract (one year if we do not renew his contract), he is subject to non-competition and non-solicitation provisions.

THOMAS F. GILMAN. Mr. Gilman entered into a severance agreement with us, dated May 15, 2001, providing for one year of base salary and benefits continuation and a pro-rated bonus if he is terminated. He will not be entitled to severance in the event of termination due to death, disability, retirement, voluntary resignation or cause. Mr. Gilman may trigger severance payments if his office is relocated by more than 50 miles, his base salary is reduced or his duties or title are diminished. Mr. Gilman is restricted by non-solicitation and not-compete restrictions for one year following termination.

Mr. Gilman was granted at his employment date in April 2001 the option to acquire $500,000 worth of limited liability company interests in us prior to our incorporation. That option was exercised in January 2002 and the limited liability company interests acquired upon such exercise will convert into 38,589 shares of our common stock immediately preceding this offering. In accordance with the terms of Mr. Gilman's employment, when that option was exercised, we granted Mr. Gilman an option to acquire an additional $500,000 worth of limited liability company

interests in us prior to our incorporation, which option will be converted into an option to purchase 38,793 shares of our common stock at an exercise price of $12.89 per share. In addition, in 2002, Mr. Gilman was granted an option to acquire 118,000 shares of our common stock at an exercise price of $14.75 per share.

THOMAS R. GIBSON. Mr. Gibson entered into a severance agreement with us, dated February 8, 2002, providing for one year of base salary and benefits continuation and a pro-rated bonus if he is terminated. He will not be entitled to severance in the event of termination due to death, disability, retirement, voluntary resignation or cause. Mr. Gibson may trigger severance payments if his office is relocated by more than 50 miles, his base salary is reduced or his duties or title are diminished. Mr. Gibson is restricted by non-solicitation and non-compete restrictions for one year following termination. In addition, Mr. Gibson will be given, on the date of this offering, an option to acquire $1.5 million worth of our common stock at the offering price set forth on the

cover of this prospectus assuming an offering price of $16 per share. This will give Mr. Gibson an option to acquire 93,750 shares of our common stock at an exercise price of $16 per share.

THOMAS G. MCCOLLUM. Mr. McCollum entered into a severance agreement with us, dated April 16, 2001, providing for one year of base salary and benefits continuation and a pro-rated bonus if he is terminated. He will not be entitled to severance in the event of termination due to death, disability, retirement, voluntary resignation or cause. Mr. McCollum may trigger severance payments if his office is relocated by more than 50 miles, his base salary is reduced or his duties or title are diminished. Mr. McCollum is restricted by non-solicitation and not-compete restrictions for one year following termination.

Mr. McCollum was granted at his employment date in April 2001 the option to acquire $300,000 worth of limited liability company interests in us prior to our incorporation. That option was exercised in January 2002 and the limited liability company interests acquired upon such exercise will convert into 23,154 shares of our common stock immediately preceding this offering. In accordance with the terms of Mr. McCollum's employment, when that option was exercised, we granted Mr. McCollum an option to acquire an additional $300,000 worth of limited liability company interests in us prior to our incorporation, which option will be converted into an option to purchase 23,276 shares of our common stock at an exercise price of $12.89 per share.

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

1999 OPTION PLAN

In January 1999, we adopted an option plan under which we issued non-qualified options granting the right to purchase limited liability company interests in us prior to our incorporation. Under our 1999 option plan, which was amended and restated effective December 1, 2001, we granted options to certain of our directors, officers, employees and consultants for terms and at exercise prices and vesting schedules set by the compensation committee of our board of directors. Prior to this offering, we issued options under our 1999 option plan for the purchase of 3.51% of the limited liability company interests in us which are being converted into options to purchase 1,072,738 shares of our common stock in accordance with the plan and which will equate to a total of 3.16% of our outstanding common stock immediately after this offering (3.05% if the underwriters exercise their over-allotment option in full). The options granted under our 1999 plan that have not vested prior to a change in control of us will vest and become exercisable upon a

change of control. Following the offering, we will no longer be issuing options under our 1999 option plan.

The following table provides certain information regarding options granted to executive officers during 2001 and during 2002 through the date hereof under our 1999 option plan:

OPTION GRANTS IN LAST FISCAL YEAR AND CURRENT FISCAL YEAR TO DATE

NAME	NUMBER OF SECURITIES GRANTED ABOVE ($/SH)	PERCENT OF TOTAL OPTIONS EMPLOYEES IN PERIOD BASE OPTION TERM(1)	EXERCISE OR STOCK PRICE DESCRIBED	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTIONS UNDERLYING THE OPTIONS ($000) 5% ($000)	
Kenneth B. Gilman	737,500	74.3%	$ 17.93	12/06	$19,004	$15,060
Thomas F. Gilman	38,793	3.9%	$ 12.89			

4/11 $ 1,608 $ 1,010
118,000 11.9% $
14.75 2/07 $ 3,041 $
2,410 Thomas G.
McCollum.....
23,276 2.3% $ 12.89
4/11 $ 966 $ 607
John C.
Stamm.....
3,879 0.4% $ 12.89
7/11 $ 161 $ 101
Allen T.
Levenson.....
15,517 1.6% $ 12.89
3/11 $ 644 $ 404

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

The options generally vest annually from the date of grant with respect to 33.33% of the shares covered by the options.

2002 STOCK OPTION PLAN

In connection with this offering, we intend to grant certain senior employees options under our 2002 stock option plan to purchase a total of 1,032,500 shares of our common stock (assuming an offering price of $16 per share). A primary purpose of our 2002 stock option plan is to attract and retain directors, officers and other key employees.

The following is a description of the material terms of the 2002 stock option plan. You should, however, refer to the exhibits that are a part of the registration statement, of which this prospectus forms a part, for a copy of the stock option plan. See "Where You Can Find More Information".

TYPE OF AWARDS. The 2002 stock option plan provides for grants of nonqualified stock options.

SHARES SUBJECT TO THE STOCK OPTION PLAN; OTHER LIMITATIONS ON AWARDS. Subject to potential adjustment by the compensation committee of our board of directors as described below, we may issue options to purchase a maximum of 1,500,000 shares of our common stock under our 2002 stock option plan. Subject to potential adjustment by the compensation committee as described below, the plan limits option grants to individual participants to options to purchase a maximum of 350,000 shares in any single fiscal year. Shares underlying options may be issued from our authorized but unissued common stock or satisfied with common stock held in our treasury. If any option is forfeited, expires or is otherwise terminated or canceled, other than by reason of exercise or vesting, then the shares covered by that option will again become available under the 2002 stock option plan.

Our compensation committee has the authority to adjust the terms and conditions of, and the criteria included in, any outstanding options in order to prevent dilution or enlargement of the

benefits intended to be made available under the plan as a result of any unusual or nonrecurring events (including any dividend or other distribution, whether in the form of cash, shares of our common stock, other securities or other property, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, exchange of shares of our common stock or our other securities or other similar corporate transaction or event) affecting us, our affiliates, our financial statements or the financial statements of any of our affiliates, or any changes in applicable laws, regulations or accounting principles. In such events, the compensation committee may provide for a cash payment to the option holder in return for the cancelation of the option in an amount equal to the excess, if any, of the fair market value of our shares of common stock over the aggregate exercise price of the option.

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

ADMINISTRATION. The compensation committee administers the 2002 stock option plan. The compensation committee has the authority to construe, interpret and implement the 2002 stock option plan, and prescribe, amend and rescind rules and regulations relating to the plan. The determination of the compensation committee on all matters relating to the 2002 stock option plan or any award

agreement is final and binding.

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

Except as the compensation committee may otherwise establish in an option agreement at the time of grant, the exercise price of each option granted under the 2002 stock option plan effective as of the initial public offering of shares of our common stock will be the initial public offering price per share of our common stock and the exercise price of each option granted under the plan after the initial public offering will be equal to the fair market value of a share of our common stock on the date of grant.

Except as the compensation committee may otherwise establish in an option agreement, options that are granted under the 2002 stock option plan will become vested and exercisable with respect to one-third of the shares subject to those options on each of the first three anniversaries of the date of grant.

Except as the compensation committee may otherwise establish in an option agreement, options granted under the 2002 stock option plan will expire without any payment upon the earlier of the tenth anniversary of the option's date of grant and the date the optionee ceases to be employed by us or one of our subsidiaries. In no event may an option granted under the 2002 stock option plan be exercisable after the tenth anniversary of the date of grant.

CHANGE OF CONTROL. In the event of a change in control of us, options that are outstanding and unexercisable or unvested at the time of the change of control will vest and become exercisable immediately prior to the change of control. In the event of a sale or disposition of substantially all our assets, or a merger of us with or into another entity, or a merger of any of our subsidiaries with or into another entity if such merger would require the approval of our shareholders, options granted under the 2002 stock option plan and outstanding at the time of the sale or merger will either continue in effect, be assumed or an equivalent option will be substituted by the successor entity or a parent or subsidiary company of such successor entity. If the option does not continue in effect or the successor entity refuses to assume or substitute for the outstanding option, the option will become fully vested and exercisable. If the option becomes fully vested and exercisable in lieu of the option's continuation, assumption or substitution, option

holders will be notified that the options granted under the 2002 stock option plan shall be fully vested and exercisable for a period of fifteen days from the date of such notice, or such shorter period as the compensation committee may determine to be reasonable, and the option will terminate upon the expiration of such period.

NONASSIGNABILITY. Except to the extent otherwise provided in the option agreement, no option granted to any person under the 2002 stock option plan is assignable or transferable other than by will or by the laws of descent and distribution, and all options are exercisable during the life of the grantee only by the grantee or the grantee's legal representative.

AMENDMENT AND TERMINATION. The 2002 stock option plan is scheduled to terminate on the tenth anniversary of the date of the plan. Our board of directors may at any time amend, alter, suspend, discontinue or terminate the 2002 stock option plan and, unless otherwise expressly provided in an option agreement, the compensation committee may waive any conditions under, or amend the terms of, any outstanding option. However, shareholder approval of any of those actions must be obtained if such approval is necessary to comply with any tax or regulatory requirement applicable to the 2002 stock option plan. In addition, if such an action would impair the rights of any option holder with respect to options granted prior to the action, then the action will not be effective without the consent of the affected option holder.

RELATED PARTY TRANSACTIONS

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

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

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

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

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

- properties leased from Sterling Real Estate Partnership, a partnership in which Mr. McDavid and his immediate family have a 100% ownership interest, for aggregate monthly rental fees of $70,000;

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

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

  With respect to the above mentioned leases with Mr. McDavid, we have a purchase option to acquire the related properties. The purchase option initially based on the aggregate appraised value, adjusts each year for changes in the CPI. The purchase option of $50,396,000 can only be exercised in total.

- property leased from McCreek Partners L.L.C., a limited liability corporation which is wholly owned by McCreek, Ltd., a partnership in which Mr. McDavid and his immediate family hold a 100% ownership interest, for a monthly rental fee of $5,300; and

- approximately ten acres of land in Frisco, Texas, leased from McFrisco Partners I, Ltd., an entity in which Mr. McDavid and his immediate family hold a 100% ownership interest, for a monthly rental fee of $55,000 per month from April 20, 2001, through October 31, 2001, and, beginning November 1, 2001, for a monthly rental fee of $80,000 plus 1% of the incurred construction costs of the new dealership facility until the construction is completed at which time the monthly rent will be increased to $90,000 a month plus 1% of the incurred construction costs. Once construction is completed, rent will increase to approximately $150,000 per month.

We have entered into an agreement to purchase approximately four acres of land in Plano, Texas from Mr. McDavid for the construction of a new body shop. The purchase price will be the appraised value of $1,700,000.

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

- purchase approximately two acres of land adjacent to our Honda dealership facility in Houston, Texas for $2,000,000. The existing Honda facility will become the new home for our

  Nissan dealership, and we will construct an additional facility on these two acres for Nissan dealership expansion. The purchase price for the land is approximately $800,000 more than the appraised value. This difference in the purchase price is accounted for in part by competition with General Motors (Saturn) to purchase the property and in part by Mr. McDavid's agreement, contingent upon our purchase of this property, to lease us three acres adjacent to our Nissan dealership in Houston, Texas rent-free.

- lease approximately three acres of land adjacent to our current Nissan dealership in Houston, Texas for four years, rent-free. The land will be used in the operations of our Honda dealership. We estimate fair market rent over the four-year term (i.e., our savings to offset the above-market purchase price above) to be $150,000.

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

- properties owned by Chevrolet Metro Realty, Inc., a corporation in which Mr. Nalley has a 100% ownership interest, for aggregate monthly rental fees of $53,200;

- property owned by Heavy Duty Trucks Realty, Inc., a corporation in which Mr. Nalley has a 100% ownership interest, for a monthly rental fee of $37,400;

- property owned by Union City Honda Auto Realty, Inc., a corporation in which Mr. Nalley has a 100% ownership interest, for a monthly rental fee of $52,500; and

- property owned by Marietta Lexus Auto Realty, Inc., a corporation in which Mr. Nalley has a 100% ownership interest, for a monthly rental fee of $93,600.

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

OTHER RELATED PARTY TRANSACTIONS

The Loomis Corporation, a corporation in which Mr. McDavid and his immediate family hold a 21% ownership interest, has entered into various agreements to provide advertising services to the Texas platform for an aggregate value of $1,025,035 from June 30, 2000, to January 31, 2002. Loomis Advertising also began providing advertising services to the Jacksonville platform in April 2001, for an aggregate value of $739,422 from April 2001 to February 2002.

Mr. Nalley and Mr. McDavid periodically lease their private aircraft to us and currently charge us for employees who use the aircraft to fly on business trips. The total amount paid to Mr. Nalley and Mr. McDavid since January 1, 1998, for use of their aircraft is $804,600 and $110,856 respectively.

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

From January 1, 1999, to December 31, 2001, Mr. Nalley has paid the Atlanta platform $93,500 to perform accounting and other administrative functions for a dealership owned outside of Asbury by Mr. Nalley.

In May 1999 we sold a hotel business which was acquired in our 1998 acquisition of Coggin Automotive Corporation back to Luther Coggin for $2.4 million. This transaction had no impact on

our income statement. Coggin Automotive Corporation still maintains a guarantee on certain debt of this business, which had an outstanding balance of $4.5 million as of December 31, 2001.

The Jacksonville platform engages in management duties including co-signing checks and reviewing accounting records for a Holiday Inn Hotel owned by Mr. Coggin for a monthly fee of $1,500 which began in May 1999.

On April 19, 2001, we redeemed Mr. Gibson's carried interest in us for a purchase price of $2,250,000.

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

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

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

Mr. McDavid entered into an employment agreement with the Texas platform to serve as its president and chief executive officer from May 1, 1998, to May 1, 2003. The agreement provides for an annual base salary of $500,000. Mr. McDavid also receives an annual discretionary bonus in an amount determined by our

board. If Mr. McDavid's employment is terminated for reasons other than voluntary resignation, cause, death or disability, the Texas platform will pay him his base salary for the balance of the employment term.

DESCRIPTION OF CAPITAL STOCK

AUTHORIZED CAPITAL

Our authorized capital stock consists of 90 million shares of common stock, par value $.01 per share, and 10 million shares of preferred stock, par value $.01 per share. Prior to the consummation of this offering, we will have outstanding 29,500,000 shares of common stock and no shares of preferred stock. Upon completion of the offering, we will have outstanding 34,000,000 shares of common stock (35,155,000 shares if the underwriters' over-allotment option is exercised in full) and no shares of preferred stock.

COMMON STOCK

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

PREFERRED STOCK

Preferred stock may be issued from time to time by the board of directors in one or more series. Subject to the provisions of our charter and limitations prescribed by law, the board of directors is expressly authorized to adopt resolutions to issue the shares, to fix the number of shares and to change the number of shares constituting any series and to provide for or change the voting powers, designations, preferences and relative participating, optional or other special rights, qualifications, limitations or restrictions thereof, including dividend rights (including whether dividends are cumulative), dividend rates, terms of redemption (including sinking fund provisions), redemption prices, conversion rights and liquidation preferences of the shares constituting any series of the preferred stock, in each case without any further action or vote by the shareholders. One of the effects of undesignated preferred stock may be to enable the board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a tender offer, proxy contest, merger or otherwise, and thereby to protect the continuity of our management. The issuance of shares of the preferred stock pursuant to the board of directors' authority described above may adversely affect the rights of the holders of common stock. For example, preferred stock issued by us may rank prior to the common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of common stock. Accordingly, the issuance of shares of preferred stock may discourage bids for the common stock or may otherwise adversely affect the market price of the common stock.

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

LIMITATIONS ON REMOVAL OF DIRECTORS

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

OUR SHAREHOLDERS MAY NOT ACT BY WRITTEN CONSENT

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

ADVANCE NOTICE PROCEDURES

Our by-laws establish an advance notice procedure for shareholders to make nominations of candidates for election as directors or to bring other business before an annual meeting of our shareholders. Our shareholder notice procedure provides that only persons who are nominated by, or at the direction of, our board of directors, or by a shareholder who has given timely written notice to

our secretary prior to the meeting at which directors are to be elected, will be eligible for election as our directors. Our shareholder notice procedure also provides that at an annual meeting only such business may be conducted as has been brought before the meeting by, or at the direction of, our board of directors, or by a shareholder who has given timely written notice to our secretary of such shareholder's intention to bring such business before such meeting. Under our shareholder notice procedure, for notice of shareholder nominations to be made at an annual meeting to be timely, such notice must be received by our secretary not later than the close of business on the 90th calendar day nor earlier than the 120th calendar day prior to the first anniversary of the record date of shareholders entitled to vote at the preceding year's annual meeting, except that, in the event that the record date is more than 30 calendar days before or more than 60 calendar days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 120th calendar day prior to such record date and not later than the close of business on the later of the 90th calendar day prior to such record date or the 10th calendar day following the day on which public announcement of such record date is first made by us.

Notwithstanding the foregoing, in the event that the number of directors to be elected to our board of directors is increased and there is no public announcement by us naming all of the nominees for director or specifying the size of our increased board of directors at least 100 calendar days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice also will be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to our secretary not later than the close of business on the 10th calendar day following the day on which such public announcement is first made by us. Under our shareholder notice procedure, for notice of a shareholder nomination to be made at a special meeting at which directors are to be elected to be timely, such notice must be received by us not earlier than the close of business on the 120th calendar day prior to such special meeting and not later than the close of business on the later of the 90th calendar day prior to such special meeting or the 10th calendar day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by our board of directors to be elected at such meeting.

In addition, under our shareholder notice procedure, a shareholder's notice to us proposing to nominate a person for election as a director or relating to the conduct of business other than the nomination of directors must contain the information required by our by-laws.

Notwithstanding the above, if the shareholder (or a qualified representative of the shareholder) does not appear at the annual or special meeting of shareholders to present a nomination or business, the nomination will be disregarded and the proposed business will not be transacted, notwithstanding that proxies in respect of the vote may have been received by us.

AMENDMENT

Our charter provides that the affirmative vote of the holders of at least 80% of our voting stock then outstanding, voting together as a single class, is required to amend provisions of the charter relating to the number, election and term of our directors; the nomination of director candidates and the proposal of business by shareholders; the filling of vacancies; and the removal of directors. Our charter further provides that the related by-laws described above, including the shareholder notice procedure, may be amended only by our board of directors or by the affirmative vote of the holders of at least 80% of the voting power of the outstanding shares of voting stock, voting together as a single class.

BUSINESS COMBINATIONS UNDER DELAWARE LAW

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

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

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

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

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

- the business combination proposed by the interested shareholder follows the announcement or notification of an extraordinary transaction involving us and a third person who was not an interested shareholder during the previous three years or who became an interested shareholder with the approval of a majority of our directors; and

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

SHAREHOLDERS AGREEMENT

We entered into a shareholders agreement with Asbury Automotive Holdings L.L.C. and certain platform principals, consisting of the former owners of our platforms and members of their management teams. After the completion of this offering, Asbury Automotive Holdings will own 51.6% of our common stock (49.9% if the underwriters exercise their over-allotment option in full), and the platform principals will collectively own 20.2% of our common stock (19.5% if the underwriters exercise their over-allotment option in full). Under the shareholders agreement, the

platform principals are required to vote their shares in accordance with Asbury Automotive Holdings' instructions with respect to:

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

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

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

Each of the voting obligations in favor of Asbury Automotive Holdings and the platform principals described above will terminate on the first to occur of:

- the fifth anniversary of the date of this offering;

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

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

LIMITATION OF LIABILITY OF OFFICERS AND DIRECTORS--INDEMNIFICATION

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

improper personal benefit.

TRANSFER AGENT AND REGISTRAR

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

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of , 2002, assuming the exchange of membership interests in our predecessor limited liability company for shares of common stock in us, the sale of shares in this offering by us and by the selling shareholders: Luther Coggin, C.V. Nalley and Royce Reynolds, and shares held after the offering by our directors, executive officers and directors and officers as a group and each person known by us to beneficially own more than 5% of our outstanding voting securities. The following table also assumes no exercise of the underwriters' option to purchase additional shares.

SHARES BENEFICIALLY OWNED BEFORE THE OFFERING(1)		SHARES BENEFICIALLY OWNED AFTER THE OFFERING(1)	
--- NAME OF BENEFICIAL OWNER	NUMBER	%	SHARES OFFERED
NUMBER	%		
PRINCIPAL SHAREHOLDERS			
Ripplewood Investments L.L.C. (2) One Rockefeller Plaza 32nd Floor New York, NY 10020	8,958,552	30.4%	0
8,958,552	26.3%		
Freeman Spogli(3)	8,599,348	29.1%	0
8,599,348	25.3%		
Luther Coggin(4)(5)	1,605,463	5.4%	1,143,808
461,655	1.4%		
C.V. Nalley, III(4)(5)	2,242,914	7.6%	885,000
1,357,914	4.0%		
CURRENT DIRECTORS			
Kenneth B. Gilman(4)	0	0.0%	0
0	0.0%		
Timothy C. Collins(6)(7)	0	0.0%	0
0	0.0%		
Ben David McDavid(4)(5)	1,075,522	3.6%	0
1,075,522	3.2%		
Ian K. Snow(6)(7)	0	0.0%	0
0	0.0%		
John M. Roth(8)(9)	0	0.0%	0
0	0.0%		
Thomas R. Gibson(4)	45,859	0.2%	0
45,859	0.1%		
NAMED OFFICERS WHO ARE NOT DIRECTORS			
Thomas F. Gilman(4)(10)	51,518	0.2%	0
51,518	0.2%		
Phillip R. Johnson(4)(11)	5,171	0.0%	0
5,171	0.0%		
Allen T. Levenson(4)(12)	5,171	0.0%	0
5,171	0.0%		
Thomas G. McCollum(4)(13)	30,911	0.1%	0
30,911	0.1%		
John C. Stamm(4)(14)	1,293	0.0%	0
1,293	0.0%		
All directors and executive officers of Asbury as a group (11 persons)	1,215,444	4.1%	0
1,215,444	3.6%		
OTHER SELLING SHAREHOLDERS			
Royce Reynolds(4)(15)	1,171,192	4.0%	1,171,192
0	0.0%		

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

each person, entity or group assume the exercise or conversion of all options held by such person, entity or group.

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

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

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

(5) Mr. Coggin is chairman and chief executive officer of the Jacksonville platform. C.V. Nalley is chief executive officer of our Atlanta platform. Mr. McDavid is president and chief executive officer of the Texas platform. Mr. Reynolds is chairman of the North Carolina platform.

(6) Does not include 17,557,900 shares of common stock held of record by Asbury Automotive Holdings L.L.C. an entity in which Ripplewood Investments L.L.C. holds a 51% ownership interest. Mr. Collins is the chief executive officer of Ripplewood Investments L.L.C. Both Mr. Collins and Mr. Snow expressly disclaim beneficial ownership of any shares held by Ripplewood Investments L.L.C. except to the extent of their pecuniary interests in them.

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

(8) Does not include 17,557,900 shares of common stock held of record by Asbury Automotive Holdings L.L.C., an entity in which investment funds affiliated with Freeman Spogli, as described in footnote three, hold approximately a 49% ownership interest. Mr. Roth is a director, member, partner or executive officer of the general partners of each of these investment funds. Mr. Roth expressly disclaims beneficial ownership of any shares held by such investment funds except to the extent of his pecuniary interest in them.

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

(10) Includes 12,929 shares issuable upon exercise of options exercisable within 60 days of the date of this offering.

(11) Includes 5,171 shares issuable upon exercise of options exercisable within 60 days of the date of this offering.

(12) Includes 5,171 shares issuable upon exercise of options exercisable within 60 days of the date of this offering.

(13) Includes 7,757 shares issuable upon exercise of options exercisable within 60 days of the date of this offering.

(14) Includes 1,293 shares issuable upon exercise of options exercisable within 60 days of the date of this offering.

(15) Represents 1,171,192 shares to be sold in this offering by CNC Automotive, L.L.C., an entity in which Mr. Reynolds holds an 84% ownership interest.

SHARES ELIGIBLE FOR FUTURE SALE

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

ability to raise capital through the sale of our equity securities.

Upon completion of this offering, we will have 34,000,000 shares of common stock outstanding, assuming no exercise of the underwriters' over-allotment option, and 35,155,000 shares if the underwriters' over-allotment option is exercised in full. We have reserved 2,572,738 shares of common stock for issuance upon exercise of options granted or to be granted under our 1999 option plan and 2002 stock option plan of which options for 1,072,738 shares of our common stock are currently outstanding and options for up to 1,032,500 shares of our common stock (assuming an offering price of $16 per share) are expected to be granted simultaneously with this offering. All of the 7,700,000 shares sold in this offering (8,855,000 shares if the underwriters' over-allotment option is exercised in full) will be freely tradable without restriction or further registration under the Securities Act unless the shares are purchased by our "affiliates", as that term is defined in Rule 144 under the Securities Act. None of the remaining 26,300,000 outstanding shares of our common stock have been registered under the Securities Act, which means that they are "restricted securities" under the Securities Act, and may be resold publicly only upon registration under the Securities Act or in compliance with an exemption from the registration requirements of the Securities Act, including the exemption provided by Rule 144 under the Securities Act.

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

RULE 144

Under Rule 144, 25,831,162 shares of common stock will be tradable 90 days after the effective date of the registration statement of which this prospectus forms a part, subject to the restrictions described below. Sales of some of these shares will be subject to the restrictions included in lock-up agreements between certain of our shareholders and the underwriters, as described under "Lock-Up Agreements" below. In general, under Rule 144, beginning 90 days after the date on which the registration statement of which this prospectus is a part becomes effective, a person who has owned shares of our common stock for at least one year would be entitled to sell within any three month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately 340,000 shares immediately after the completion of this offering (351,550 shares if the underwriters' over-allotment option is exercised in full); or

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

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

REGISTRATION RIGHTS

Under the shareholders agreement we have granted Asbury Automotive Holdings L.L.C. and certain other of our shareholders the right to require us to register sales of their shares of our common stock under the Securities Act. These shareholders collectively, own 17,557,900 shares of our common stock as of the date of this offering, representing 51.6% of our total common shares outstanding (49.9% if the underwriters exercise their over-allotment option in full). Under the shareholders agreement, at any time following the completion of this offering, Asbury Automotive

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

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

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

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

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

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

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

LOCK-UP ARRANGEMENTS

As of the date of this offering, holders of a significant number of shares of our common stock are subject to lock-up obligations with respect to their shareholdings. In addition, Asbury is subject to a lock-up arrangement with the underwriters of this offering. See "Underwriting".

LOCK-UP AGREEMENTS WITH THE UNDERWRITERS. The underwriters have entered into lock-up agreements with many of our shareholders. The lock-up agreements provide that:

- Asbury Automotive Holdings, L.L.C., which holds 17,557,900 shares of our common stock; and
- our officers, directors and certain platform principals, consisting of those of our platform chief executive officers, chief operating financial officers, dealership general managers and certain other employees who received equity in us in connection with our acquisition of the related platforms, who collectively hold 8,742,100 shares of our common stock;

will not offer, sell, contract to sell, grant any option to purchase, hedge or otherwise dispose of shares of our common stock or any securities that are convertible into or exercisable for our common stock, for a period of: (1) 180 days in the case of Asbury Automotive Holdings, L.L.C., and

(2) two years in the case of our officers, directors and certain of our platform principals, after the date of this prospectus, without the prior written consent of Goldman, Sachs & Co. In addition, directors, officers, family and friends who purchase shares of our common stock in connection with our directed share program will be subject to a 60 day lock-up restriction.

LOCK-UP ARRANGEMENTS WITH ASBURY. The platform principals described above and all other persons who hold our common stock before the completion of the offering (other than Asbury Automotive Holdings) have entered into lock-up provisions with us under the shareholders agreement that provide that they will not offer, sell, contract to sell, grant any option to purchase, hedge or otherwise dispose of shares of our common stock or any securities that are convertible into or exchangeable for our common stock for a period of two years after the date of this prospectus without our prior written consent. Our decision to consent to sales that would otherwise be prohibited under the terms of the lock-up agreements will be made on a case by case basis in consideration of numerous factors, including, but not limited to, our needs, market conditions at the time, the effect that such sales might have on the market for our securities and the effect that such sales might have on our ability to satisfy our financing goals.

SHARES CONTROLLED BY ASBURY AUTOMOTIVE HOLDINGS L.L.C.

After completion of the offering, Asbury Automotive Holdings L.L.C., an entity in which Ripplewood Investments L.L.C. (formerly known as Ripplewood Holdings L.L.C.) has a 51% controlling interest, will continue to control 51.6% of our outstanding common stock (49.9% if the underwriters exercise their over-allotment option in full). Funds affiliated with Freeman Spogli will own a 49% interest in Asbury Automotive Holdings L.L.C. After completion of this offering, funds affilated with Freeman Spogli will own 25.3% of our common

stock. Freeman Spogli will have the right to cause Asbury Automotive Holdings to dispose of Freeman Spogli's indirect interests in us after one year. Asbury Automotive Holding's control of our common stock could negatively affect our stock price:

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

- In the event that Asbury Automotive Holdings L.L.C. disposes of all or a substantial portion of this common stock at any one-time or from time to time.

In addition, if Asbury Automotive Holdings L.L.C. continues to control a substantial portion of our common shares, the liquidity of our common stock could be adversely affected.

We do not know Ripplewood's or Freeman Spogli's future plans as to their holdings of our common stock, and neither Ripplewood nor Freeman Spogli is under any obligation to inform us of its intentions as to our common stock. We can not give you any assurances that Ripplewood's actions will not negatively affect the price or liquidity of our common stock in the future. See "Risk Factors--We will be controlled by Ripplewood Investments L.L.C., which may have interests different from your interests."

UNDERWRITING

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

Underwriters	Number of Shares
Goldman, Sachs & Co.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Salomon Smith Barney Inc.	
Raymond James & Associates, Inc.	
Stephens, Inc.	
Total	7,700,000

The Underwriters are comitted to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional 1,155,000 shares from Asbury. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters. Such amounts are shown, in the case of Asbury, assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

No Full Paid by Asbury Exercise	Exercise
Per Share	$
Total	$ $

No Full Paid by the Selling Shareholders Exercise	Exercise
Per Share.	$
Total	$ $

Shares sold by the underwriters to the public will initially be offered at

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

At the request of Asbury, the underwriters are reserving up to 616,000 shares of the common stock for sale at the initial public offering price to directors, officers, employees and friends, through a directed share program. If purchased by these persons, these shares will be subject to a 60 day lock-up restriction. While Goldman, Sachs & Co. has no set criteria for the waiver of these lock-up

restrictions and currently has no intention to waive these restrictions, if requested to, Goldman, Sachs & Co. may, in certain instances, consider the waiver of these restrictions after consideration of, among other things, the Company's current stock price, the stock's current trading volume and general market conditions. The number of shares of common stock available for sale to the general public in the public offering will be reduced to the extent these persons purchase these reserved shares. Any shares not purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus.

Asbury and Asbury Automotive Holdings L.L.C. have agreed with the underwriters that they will not, without the prior consent of Goldman, Sachs & Co., dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, subject to an exception that permits Asbury to issue a number of shares equal to 10% of the total number of common shares outstanding immediately after this offering in connection with acquisitions, provided that the recipients of those shares agree to be bound by the lock-up provisions for the duration of the 180 days. These lock-up agreements do not apply to grants by Asbury under existing employee benefit plans. In addition, Asbury and certain of Asbury's platform principals consisting of those of its platform chief executive officers, chief operating financial officers, dealership general managers and certain other employees who received equity in Asbury in connection with its acquisition of the related platform have agreed with the underwriters to be bound by the restrictions described above from the date of this prospectus continuing through the date two years after the date of this prospectus.

Prior to this offering, there has been no public market for the shares. The initial public offering price will be negotiated among Asbury and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be Asbury's historical performance, estimates of Asbury's business potential and earnings prospects, an assessment of Asbury's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

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

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

The underwriters also may impose a penalty bid. This occurs when a

particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the

representatives have repurchased shares sold by or for the account of the underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

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

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

Asbury estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $4.0 million, which amount includes expenses of the selling shareholders, all of which will be satisfied by Asbury and not allocated to the selling shareholders.

Asbury and the selling shareholders have agreed to indemnify the underwriters identified in the table above against specific liabilities, including liabilities under the Securities Act of 1933.

Certain of the underwriters or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking and financial advisory services to Asbury and its affiliates in the ordinary course of business, for which they have received and may continue to receive customary fees and commissions. Asbury is a party to certain interest rate swap arrangements with Goldman Sachs Capital Markets, L.P., an affiliate of Goldman, Sachs & Co., the lead managing underwriter of this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Quantitative and Qualitative Disclosures About Market Risk".

As part of this offering, the underwriters may offer shares in Japan to not more than 49 offerees in accordance with the provisions described in this paragraph. Each underwriter has acknowledged and agreed that Asbury's common shares have not been and will not be registered under the Securities and Exchange Law of Japan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (1) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (2) in compliance with any other applicable requirements of Japanese law.

VALIDITY OF SHARES

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

EXPERTS

Our financial statements included in this prospectus and elsewhere in the registration statement to the extent and for the periods indicated in their report have been audited by Arthur Andersen LLP and Dixon Odom, P.L.L.C., each of which are independent public accountants, as indicated in

their respective reports with respect thereto, and are included in the prospectus in reliance upon the authority of these firms as experts in giving these reports.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act of 1933 with respect to this offering of our common stock. This prospectus does not contain all the information contained in the registration statement and the exhibits and schedules to the registration statement. For further information with respect to us and our common stock, we refer you to the

registration statement and the exhibits and schedules filed as part of the registration statement. Statements contained in this prospectus as to the contents of the:

- 1999 Option Plan,
- 2002 Stock Option Plan,
- Severance Pay Agreement of Thomas R. Gibson,
- Severance Pay Agreement of Phillip R. Johnson,
- Severance Pay Agreement of Thomas F. Gilman,
- Severance Pay Agreement of Thomas G. McCollum,
- Severance Pay Agreement of Allen T. Levenson,
- Severance Pay Agreement of Robert D. Frank,
- Severance Pay Agreement of John C. Stamm,
- Employment Agreement of Kenneth B. Gilman,
- Employment Agreement of C.V. Nalley,
- Employment Agreement of Ben David McDavid,
- Employment Agreement of Luther Coggin,
- Credit Agreement, dated as of January 17, 2001, between Asbury Automotive Group L.L.C. and Ford Motor Credit Company, Chrysler Financial Company, L.L.C., and General Motors Acceptance Corporation,
- Form of Shareholders Agreement between Asbury Automotive Holdings L.L.C. and the shareholders named therein,
- Chrysler Dodge Dealer Agreement,
- Ford Dealer Agreement,
- General Motors Dealer Agreement,
- Honda Dealer Agreement,
- Mercedes Dealer Agreement,
- Nissan Dealer Agreement, and
- Toyota Dealer Agreement

are qualified in all respects by reference to the actual text of the exhibit. You may read and copy any document we file at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at HTTP://WWW.SEC.GOV.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Securities Exchange Act of 1934 and will file periodic reports and other information, including proxy statements, with the SEC. These periodic reports and other information will be available for inspection and copying at the SEC's public reference room and the web site of the SEC referred to above.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Asbury Automotive Group L.L.C.:

We have audited the accompanying consolidated balance sheets of Asbury Automotive Group L.L.C. and subsidiaries as of December 31, 2000 and 2001, and the related consolidated statements of income, members' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asbury Automotive Group L.L.C. and subsidiaries as of December 31, 2000 and 2001, and the results of

their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Stamford, Connecticut
February 21, 2002

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

DECEMBER 31, ---------- 2000 2001 ---------- ---------- ASSETS CURRENT ASSETS: Cash and cash equivalents..... $47,241 $60,506 Contracts-in-transit..... 76,554 93,044 Current portion of restricted marketable securities..... 1,304 1,410 Accounts receivable (net of allowance of $2,396 and $2,375)..... 76,168 81,347 Inventories..... 554,141 491,698 Prepaid and other current assets..... 19,694 25,253 ---------- ---------- Total current assets..... 775,102 753,258 PROPERTY AND EQUIPMENT, net..... 218,153 256,402 GOODWILL, net..... 364,164 392,856 RESTRICTED MARKETABLE SECURITIES..... 7,798 6,807 OTHER ASSETS..... 38,983 51,334 ---------- ---------- Total assets..... $1,404,200 $1,460,657 ========== ========== LIABILITIES AND MEMBERS' EQUITY CURRENT LIABILITIES: Floor plan notes payable..... $499,332 $451,375 Short-term debt..... 16,290 10,000 Current maturities of long-term debt..... 19,495 35,789 Accounts payable..... 36,823 33,573 Accrued liabilities..... 56,682 79,260 ---------- ---------- Total current liabilities..... 628,622 609,997 LONG-TERM DEBT..... 435,879 492,548 OTHER LIABILITIES..... 17,817 14,561 COMMITMENTS AND CONTINGENCIES MEMBERS' EQUITY: Contributed capital..... 303,245 302,035 Retained earnings..... 18,637 39,860 Accumulated other comprehensive income..... -- 1,656 ---------- -------- -- Total members' equity..... 321,882 343,551 ---------- ---------- Total liabilities and members' equity..... $1,404,200 $1,460,657 ========== ==========

See Notes to Consolidated Financial Statements.

ASBURY AUTOMOTIVE GROUP L.L.C.
CONSOLIDATED STATEMENTS OF INCOME
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)

FOR THE YEARS ENDED DECEMBER 31, ---------- ---------- 1999 2000 2001 ---------- ---------- ------- --- REVENUES: New vehicle..... $1,820,393 $2,439,729 $2,567,021 Used vehicle..... 787,029 1,064,102 1,156,609 Parts, service and collision repair..... 341,506 434,478 488,336 Finance and insurance, net..... 63,206 89,481 106,326 ---------- ---------- ---------- Total revenues..... 3,012,134 4,027,790 4,318,292 ---------- ---------- ----- ----- COST OF SALES: New

vehicle.....
1,678,256 2,246,903 2,354,686 Used
vehicle.....
719,638 970,752 1,050,383 Parts, service and collision
repair..... 172,272 212,304 240,749 ---
------- ---------- ---------- Total cost of
sales..... 2,570,166
3,429,959 3,645,818 ---------- ---------- ----------
GROSS
PROFIT.....
441,968 597,831 672,474 OPERATING EXPENSES: Selling,
general and administrative..... 343,370
451,323 518,265 Depreciation and
amortization..... 16,676 24,503
30,768 ---------- ---------- ---------- Income from
operations..... 81,922
122,005 123,441 ---------- ---------- ---------- OTHER
INCOME (EXPENSE): Floor plan interest
expense..... (22,982) (36,968)
(27,741) Other interest
expense..... (24,703)
(42,009) (44,669) Interest
income..... 3,021
5,846 2,528 Net losses from unconsolidated
affiliates..... (616) (6,066) (3,248) Gain
(loss) on sale of assets.....
2,365 (1,533) (384) Other
income..... 192
903 1,926 ---------- ---------- ---------- Total other
expense, net..... (42,723)
(79,827) (71,588) ---------- ---------- ---------- Income
before income taxes, minority interest and extraordinary
loss..... 39,199 42,178
51,853 INCOME TAX
EXPENSE..... 1,779
3,511 5,351 MINORITY INTEREST IN SUBSIDIARY
EARNINGS..... 20,520 9,740 1,240 ---------
- ---------- ---------- Income before extraordinary
loss..... 16,900 28,927 45,262
EXTRAORDINARY LOSS ON EARLY EXTINGUISHMENT OF
DEBT..... (752) -- (1,433) ---------- ---------- ---
------- Net
income.....
$16,148 $28,927 43,829 ========== ========== PRO FORMA
TAX ADJUSTMENT (net of effect on minority
interest).....
16,552 ---------- Tax affected pro forma net
income..... $27,277 ========== PRO
FORMA EARNINGS PER COMMON SHARE:
Basic.....
Income before extraordinary loss.....
$0.83 Extraordinary loss on early extinguishment of
debt..... (0.03) ---------- Net
income.....
$0.80 ==========
Diluted.....
Income before extraordinary loss.....
$0.83 Extraordinary loss on early extinguishment of
debt..... (0.03) ---------- Net
income.....
$0.80 ========== Weighted average shares outstanding (in
thousands): Basic 34,000 ========== Diluted 34,019
==========

See Notes to Consolidated Financial Statements.

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

RETAINED ACCUMULATED CONTRIBUTED
EARNINGS OTHER COMPREHENSIVE CAPITAL
(DEFICIT) INCOME TOTAL ----------- --
------- ------------------ ---------
BALANCE AS OF DECEMBER 31,
1998..... $130,580 $(3,200) $ --
$127,380
Contributions.....
38,100 -- -- 38,100
Distributions.....
-- (9,874) -- (9,874) Net
income..... --
16,148 -- 16,148 Reclassification of
minority member
deficits.....
26,359 -- -- 26,359 -------- --------
-------- -------- BALANCE AS OF
DECEMBER 31, 1999..... 195,039

3,074 -- 198,113
Contributions.....
20,650 -- -- 20,650 Contribution of
equity interest by minority
members..... 87,556 --
-- 87,556
Distributions.....
-- (13,364) -- (13,364) Net
income..... --
28,927 -- 28,927 -------- -------- --
------ -------- BALANCE AS OF
DECEMBER 31, 2000..... 303,245
18,637 -- 321,882 Comprehensive
income: Net
income..... --
43,829 -- 43,829 Fair value of
interest rate swaps... -- -- 1,656
1,656 -------- Comprehensive
income..... -- -- --
45,485 Issuance of equity interest
for
acquisitions.....
5,000 -- 5,000
Distributions.....
(22,606) -- (22,606) Members' equity
repurchased..... (3,710) -- --
(3,710) Members' equity surrendered
in purchase price
settlement..... (2,500) -- --
(2,500) -------- -------- -------- --
------ BALANCE AS OF DECEMBER 31,
2001..... $302,035 $39,860 $1,656
$343,551 ======== ======== ========
========

See Notes to Consolidated Financial Statements.

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

FOR THE YEARS ENDED DECEMBER 31, ----------
---------- 1999 2000 2001 --------- --------- --------
- CASH FLOW FROM OPERATING ACTIVITIES: Net
income.....
$16,148 $28,927 $43,829 Adjustments to reconcile net
income to net cash provided by operating activities--
Depreciation and amortization.....
16,676 24,503 30,768 (Gain) loss on sale of
assets..... (2,365) 1,533 384
Minority interest in subsidiary earnings.....
20,520 9,740 1,240 Extraordinary loss on early
extinguishment of debt.... 752 -- 1,433 Net losses from
unconsolidated affiliates..... 616 6,066 3,248
Other non-cash charges.....
753 505 3,568 Changes in operating assets and
liabilities, net of effects from acquisitions and
divestiture of assets-- Contracts-in-
transit..... (2,260)
(19,632) (16,490) Accounts receivable,
net..... (13,101) (17,500)
(20,025) Proceeds from sale of accounts
receivable..... 18,108 19,867 17,624
Inventories.....
(50,611) (22,911) 106,414 Floor plan notes
payable..... 36,402 38,200
(80,812) Accounts payable and accrued
liabilities..... (1,032) (8,335) 12,344
Other.....
6,270 2,049 (7,000) --------- --------- --------- Net
cash provided by operating activities.....
46,876 63,012 96,525 --------- --------- --------- CASH
FLOW FROM INVESTING ACTIVITIES: Capital
expenditures.....
(22,327) (36,062) (50,032) Proceeds from the sale of
assets..... 15,803 6,054 2,083
Acquisitions (net of cash and cash equivalents acquired
of $13,154, $12,776 and $1,049 in 1999, 2000 and 2001,
respectively).....
(106,443) (183,840) (50,150) Investments in
unconsolidated affiliates..... (7,500) --
(1,200) Proceeds from restricted marketable
securities..... 1,253 1,423 885 Net receipt
(issuance) of finance contracts..... (6,250)
(480) 121 Other investing
activities..... (183) -- --
--------- --------- --------- Net cash used in
investing activities..... (125,647)

(212,905) (98,293) --------- --------- --------- CASH FLOW FROM FINANCING ACTIVITIES: Distributions to members..... (9,874) (13,364) (22,606) Repurchase of members' equity..... -- -- (3,710) Contributions from members..... 38,100 20,650 - - Repayments of debt..... (34,565) (14,597) (343,401) Proceeds from borrowings..... 112,930 159,411 399,717 Payment of debt issuance costs..... -- -- (12,530) Net cash contributions from (distributions to) minority members of subsidiaries..... (8,622) 212 -- Other financing costs..... -- -- (2,437) --------- --------- --------- Net cash provided by financing activities..... 97,969 152,312 15,033 --------- --------- --------- Net increase in cash and cash equivalents..... 19,198 2,419 13,265 CASH AND CASH EQUIVALENTS, beginning of period..... 25,624 44,822 47,241 --------- --- ------ --------- CASH AND CASH EQUIVALENTS, end of period..... $44,822 $47,241 $60,506 ========= ========= ========= SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for-- Interest (net of amounts capitalized)..... $42,758 $77,322 $69,276 ========= ========= ========= Income taxes..... $1,364 $3,302 $4,647 ========= ========= ========= NON-CASH INVESTING AND FINANCING ACTIVITIES: Issuance of equity for acquisitions..... $27,190 $13,050 $5,000 ========= ========= ========= Members' equity surrendered in purchase price settlement..... $ -- $ -- $2,500 ========= ========= =========

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

ASBURY AUTOMOTIVE GROUP L.L.C.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1999, 2000 AND 2001

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS

Asbury Automotive Group L.L.C. ("Asbury" or the "Company") is a national automotive retailer, operating 91 new and used car dealerships (including 131 franchises) and 24 collision repair centers in 17 metropolitan areas of the Southeastern, Midwestern, Southwestern and Northwestern United States as of December 31, 2001. Asbury sells new and used vehicles, light trucks and replacement parts, provides vehicle maintenance, warranty, paint and repair services and arranges vehicle finance, insurance and service contracts for its automotive customers. Asbury offers, collectively, 32 domestic and foreign brands of new vehicles. In addition, one dealership sells four brands of commercial motor trucks.

The Company was formed in 1995 and is controlled by Asbury Automotive Holdings L.L.C. which is controlled by Ripplewood Investments L.L.C.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

REVENUE RECOGNITION

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

(DOLLARS IN THOUSANDS)

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

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid investments that have an original maturity of three months or less at the date of purchase.

CONTRACTS-IN-TRANSIT

Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

Inventories are stated at the lower of cost or market. The Company uses the "last-in, first-out" method ("LIFO") to account for approximately 64% and 56% of its inventories, the specific identification method to account for 33% and 39% of its inventories, and the "first-in, first-out" method ("FIFO") to account for 3% and 5% of its inventories at December 31, 2000 and 2001, respectively. If the FIFO method had been used to determine cost for inventories valued using the LIFO method, net income would have been increased (decreased) by $2,139, $2,097 and ($908) for the years ended December 31, 1999, 2000 and 2001, respectively. The Company assesses the lower of cost or market reserve requirement on an individual unit basis, historical loss rates, the age and composition of the inventory and current market conditions. The lower of cost or market reserves were $4,514 and $3,939 as of December 31, 2000 and 2001, respectively.

PROPERTY AND EQUIPMENT

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

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

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

The Company capitalizes interest on borrowings during the active construction period of major capital projects. Capitalized interest is added to the cost of the assets and is amortized over the estimated useful lives of the assets. During 2001, the Company capitalized $779 of interest in connection with various capital expansion projects.

GOODWILL AND LONG-LIVED ASSETS

Goodwill represents the excess of purchase price over the fair value of the net tangible and other intangible assets acquired at the date of acquisition. Goodwill is amortized on a straight-line basis over 40 years. Amortization expense charged to operations totaled $4,960, $8,330, and $9,564 for the years ended December 31, 1999, 2000 and 2001, respectively. Accumulated amortization totaled $15,041 and $24,748 as of December 31, 2000 and 2001, respectively. Other intangible assets, included in other assets on the accompanying consolidated balance sheets, relate mostly to value assigned to manufacturer franchise rights. The non-compete agreements and favorable lease rights are

amortized on a straight-line basis over the life of the agreements ranging from 3-15 years. The value associated with the manufacturer franchise rights is deemed to have an

indefinite life based on the provisions and/or characteristics of the manufacturer franchise agreements.

IMPAIRMENT OF GOODWILL AND LONG-LIVED ASSETS

The recoverability of the Company's long-lived assets, including related goodwill, other intangibles, and enterprise level goodwill is assessed by comparing the carrying amounts of such assets to the estimated undiscounted cash flows relating to those assets. The Company would conclude that an asset was impaired if the sum of such expected future cash flows is less than the carrying amount of the related asset. If the Company was to determine that an asset was impaired, the impairment loss would be the amount by which the carrying amount of the related asset exceeds its fair value. Events that would trigger an impairment assessment of long-lived assets or goodwill include but are not limited to: a significant decrease in the market value of an asset or the Company, a significant change in the Company's business or in the extent or manner in which an asset is used, a significant adverse change in legal factors or in the business climate that could affect the value of the Company or an asset or, a history of operating on cash flow losses or a forecast that demonstrates losses of the Company or an asset. The Company does not believe its long-lived assets are impaired at December 31, 2001.

EQUITY-BASED COMPENSATION

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

TAX STATUS

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

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

ADVERTISING

The Company expenses production and other costs of advertising as incurred net of earned manufacturer credits and other discounts. Advertising expense totaled $29,622, $42,233 and

$43,131 for the years ended December 31, 1999, 2000 and 2001 net of earned manufacturer credits of $7,305, $10,698 and $11,019 respectively, and is included in selling, general and administrative expense in the accompanying consolidated statements of income. For the years ended December 31, 2000 and

2001, approximately $5,200 and $5,946 respectively, was paid to two separate entities in which two members of the Company had substantial interests.

USE OF ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates, particularly related to realization of inventory values, allowance for credit losses (see Note 7) and reserves for future chargebacks.

STATEMENTS OF CASH FLOWS

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

CONCENTRATION OF CREDIT RISK

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

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

For the year ended December 31, 2001, Honda, Ford, Toyota, Nissan, Lexus, Acura and Mercedes Benz accounted for 16%, 12%, 10%, 7%, 6%, 5% and 5% of our revenues from new vehicle sales, respectively. No other franchise accounted for more than 5% of our total new vehicle revenue sales in 2001.

DERIVATIVE INVESTMENTS AND HEDGING ACTIVITIES

The Company utilizes derivative financial investments for the purpose of hedging the risks of certain identifiable and anticipated transactions. In general, the types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in interest rates. The Company documents its risk management strategy and hedge effectiveness at the inception of

and during the term of each hedge. Currently, the only derivatives being used by the Company are interest rate swaps for the purpose of hedging the cash flows of variable rate debt.

The Company utilizes such derivatives only for the purpose of hedging the related risks, not for speculation. The derivatives which have been designated and qualify as cash flow hedging instruments are reported at fair value. The gain or loss on the effective portion of the hedge is initially reported as a component of other comprehensive income. The remaining gain or loss, if any, is recognized currently in earnings. Amounts in accumulated other comprehensive income are reclassified into net income in the same period in which the hedged forecasted transaction affects earnings.

SEGMENT REPORTING

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

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative

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

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

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

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

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

Other than the elimination of goodwill amortization as discussed above, the Company does not believe that the adoption of SFAS No. 142 will have a material impact on its financial condition or liquidity.

In August 2001, SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" was issued. 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 provision 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 the presentation to include a component of an entity. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001, and the interim periods within.

3. ACQUISITIONS

OVERVIEW

Prior to the Minority Member Transaction discussed later in this note, the Company had consummated eight major platform acquisitions ("platforms"), which were effected through its subsidiaries in which the sellers received, in addition to cash consideration, an interest in the platform subsidiary established to effect the related acquisition. Minority ownership interests related to such transactions ranged from 20% to 49%. Such acquisitions were accounted for using the purchase method of accounting; however, as also discussed below, certain of these acquisitions were effected through leveraged buy-out transactions. A leveraged buy-out is a transaction where in excess of 50% of the purchase price has been financed. According to Emerging Issues Task

(DOLLARS IN THOUSANDS)

Force (EITF) 88-16 transactions meeting the criteria of a leveraged buy-out where the previous control group receives a greater than 20% interest in the acquired company, the net assets associated with the previous control group should be stated at historical cost. In such cases, the historical book value (carryover basis) was used to measure the portion of assets acquired and liabilities assumed attributed to such minority members of the subsidiaries. In connection with the Minority Member Transaction, as discussed below, the minority interests in the subsidiaries were acquired using the purchase method of accounting. As such, on April 30, 2000 the impact of carryover basis accounting associated with the interests transferred into Asbury Automotive Oregon L.L.C., ("Asbury Oregon"), have been eliminated.

The Company has consummated additional acquisitions through its subsidiaries and certain of these acquisitions resulted in the issuance of minority interests. Certain of these additional acquisitions were combined to create a ninth platform.

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

MINORITY MEMBER TRANSACTION

On April 30, 2000, Asbury, the then parent company, and the minority members of Asbury's subsidiaries reached an agreement whereby their respective equity interests were transferred into escrow pending the approval of the vehicle manufacturers. On August 30, 2000 the vehicle manufacturers, of which approval was required, approved the transaction and the respective equity interests were released from escrow and were transferred into Asbury Oregon in exchange for equity interests in Asbury Oregon (the "Minority Member Transaction"). On the date the equity interests were transferred into escrow, the exchange of the minority members' interests was accounted for using the purchase method of accounting whereby the values of the related minority interests transferred into Asbury Oregon were recorded at their estimated fair values, approximately $93,710. The accompanying consolidated balance sheets include the allocations of the purchase price to tangible and intangible net assets transferred. This allocation resulted in recording approximately $23,679 of goodwill. Following the Minority Member Transaction, the then parent company, Asbury, changed its name to Asbury Automotive Holdings L.L.C. ("Asbury Holdings") and Asbury Oregon changed its name to Asbury Automotive Group L.L.C. Subsequent to the Minority Member Transaction, Asbury Holdings owns approximately 59% of the member interest of the Company with the remaining member interest being held by the former minority members of the Company's subsidiaries.

1999

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

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

	1999 ----------- (UNAUDITED)
Revenues.....	
$3,455,256	Income before income taxes and minority interest..... 44,208

2000

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

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

(DOLLARS IN THOUSANDS)

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

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

2001

During 2001 the Company acquired 7 dealerships for an aggregate purchase price of $51,199 principally funded through the Company's acquisition credit facility and the issuance of a $5,000 equity interest in the Company to certain of the selling shareholders.

The accompanying consolidated financial statements include the results of operations of the acquisitions completed in 2000 and 2001 from the date of the respective acquisitions. The following unaudited pro forma financial data reflects the 2000 and 2001 acquisitions as if they occurred on January 1, 2000.

	2000	2001
		(UNAUDITED)
Revenues	$4,601,262	$4,510,388
Income before taxes and minority interest	47,262	52,758

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

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

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

The following table summarizes the Company's acquisitions:

ACQUISITIONS CONSUMMATED IN:	1999	2000	2001
Cash paid for businesses acquired	$119,597	$196,616	$ 51,199
Equity issued	--	--	5,000
Issuance of minority equity interest	27,190	13,050	--
Less: Predecessor cost adjustment	(18,828)	(9,582)	--
Goodwill	(87,754)	(129,557)	(40,317)
Estimated fair value of net tangible and other intangible assets acquired	$ 40,205	$70,527	$15,882

As a result of the Minority Member Transaction, $82,783 of predecessor cost adjustment has been eliminated as part of the purchase accounting applied.

The allocation of purchase price to assets acquired and liabilities assumed for 2001 acquisitions has been based on preliminary estimates of fair value and may be revised as additional information concerning valuation of such assets and liabilities becomes available. The preliminary allocation of purchase price for 2001 acquisitions is as follows:

Working capital	$ 7,213
Fixed assets	6,454
Other assets	153
Goodwill	40,317
Franchise rights	5,000
Other liabilities	(864)
Acquisition of minority interest	(2,074)
Total purchase price	$56,199

Amounts for certain of the acquisitions are subject to final purchase price adjustments for items such as tangible net worth and seller's representations regarding the adequacy of certain reserves. In addition, the allocation of amounts to acquired intangibles is subject to final valuation.

MINORITY INTERESTS

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

4. INVESTMENTS IN UNCONSOLIDATED AFFILIATES

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

into Greenlight. Following the Company's additional investment, Greenlight was merged into CarsDirect.com ("CarsDirect") a company also engaged in the retail sale of new vehicles over the Internet. The Company's investment in CarsDirect totaled approximately 3% of CarsDirect's total equity after the merger. The Company's cost basis investment in CarsDirect is fully reserved for as of December 31, 2001.

5. DIVESTITURES

During 1999, the Company completed the sale of certain real estate assets for net cash proceeds of $13,016 recognizing a gain of $2,392. The gain was comprised of the difference of $3,459 between the recorded book value as of the date of the sale and the net cash proceeds is attributed to the use of carryover basis in valuing the minority interest in the related assets. Of that difference, $1,067 relates to the sale of an asset back to one of the Company's minority members within the purchase price allocation period and was therefore accounted for as an adjustment to the related purchase price. In addition, the Company sold other fixed assets for cash proceeds of $2,787, recognizing a $27 loss.

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

During 2001, the Company received net cash proceeds of $2,083 and recorded a $384 net loss on the sale of assets. The net loss was comprised of a $421 loss related to the divestiture of two franchises offset by a $37 gain on the sale of fixed assets.

The above mentioned gain in 1999, which resulted from the use of carryover basis to value the minority interest in the related assets, is also reflected in minority interest in subsidiary earnings on the respective accompanying consolidated statements of income.

6. INVENTORIES AND RELATED FLOOR PLAN NOTES PAYABLE

Inventories consist of the following:

(DOLLARS IN THOUSANDS)

(DOLLARS IN THOUSANDS)

DECEMBER 31,	2000	2001
	(UNAUDITED)	
New vehicles	$444,688	$379,104
Used vehicles	74,529	74,885
Parts and accessories	38,281	40,158
LIFO reserve	(3,357)	(2,449)
Total inventories	$554,141	$491,698

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

Floor plan notes payable reflect amounts payable for purchases of specific vehicle inventories and are due to various floor plan lenders bearing interest at variable rates based on LIBOR or prime. For the years ended December 31, 2000 and 2001, the weighted average interest rates on floor plan notes payable outstanding were 8.7% and 6.3%, respectively. Floor plan arrangements permit borrowings based upon new and used vehicle inventory levels. Vehicle payments on notes are due when the related vehicles are sold. The notes are collateralized by substantially all vehicle inventories of the respective subsidiary and are subject to certain financial and other covenants.

7. ACCOUNTS AND NOTES RECEIVABLE

ACCOUNTS RECEIVABLE

The Company has agreements to sell certain of its trade receivables, without recourse as to credit risk, in an amount not to exceed $25,000 per year. The receivables are sold at a discount which is included in selling, general and administrative expenses in the accompanying consolidated statements of income. The discounts totaled $543, $556 and $476 in 1999, 2000 and 2001, respectively. At December 31, 2000 and 2001, $19,867 and $17,624 of receivables, respectively, were sold under these agreements and were reflected as reductions of trade accounts receivable.

NOTES RECEIVABLE

Notes receivable for finance contracts, included in prepaid and other current assets and other assets on the accompanying consolidated balance sheets, have initial terms ranging from 12 to 60 months bearing interest at rates ranging from 7.5% to 29.9% and are collateralized by the related vehicles. Notes receivable--finance contracts consists of the following:

DECEMBER 31,	2000	2001
Gross contract amounts due	$34,614	$34,857
Less--Allowance for credit losses	(4,760)	(4,631)
	29,854	30,226
Current maturities, net	(14,741)	(13,916)
Notes receivable, net of current portion	$15,113	$16,310

Contractual maturities of gross notes receivable--finance contracts at December 31, 2001 are as follows:

2002	$13,633
2003	10,604
2004	7,195
2005	2,889
2006	536
	$34,857

8. PROPERTY AND EQUIPMENT, NET

(DOLLARS IN THOUSANDS)

Property and equipment, net consist of the following:

DECEMBER 31,	2000	2001
Land	$ 60,031	$ 67,937
Buildings and leasehold improvements	121,809	154,759
Machinery and equipment	27,966	32,537
Furniture and fixtures	19,641	24,636
Company vehicles	19,162	24,236
Total	248,609	304,105
Less--Accumulated depreciation	(30,456)	(47,703)
Property and equipment, net	$218,153	$256,402

9. SHORT-TERM DEBT

One of the Company's subsidiaries had $25,000 available under the terms of certain revolving credit facilities through April 2001 and $10,000 available under one credit facility thereafter, of which $13,667 and $10,000 was outstanding at December 31, 2000 and 2001, respectively. The credit facilities are secured by the notes receivable of the respective subsidiary. Such amounts are payable on demand, and accrue interest at variable rates (the weighted average interest rates were 10.0% and 8.6% for the years ended December 31, 2000 and 2001, respectively). In addition, another one of the Company's subsidiaries had $2,623 outstanding on a revolving credit facility as of December 31, 2000, representing the full amount available under the facility. Such amount was repaid in January 2001.

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

10. LONG-TERM DEBT

Long-term debt consists of the following at:

DECEMBER 31,	2000	2001
Term notes payable to banks (including the Committed Credit Facility, as defined below) bearing interest at fixed and variable rates (the weighted average interest rates were 10.1% and 9.8% for the years-ended December 31, 2000 and 2001, respectively), maturing in January 2005, secured by the assets of the related subsidiary companies	$318,582	$383,269
Mortgage notes payable to banks bearing interest at fixed and variable rates (the weighted average interest rates were 9.3% and 7.9% for years-ended December 31, 2000 and 2001, respectively), maturing at various dates from 2002 to 2015. These obligations are secured by property, plant and equipment of the related subsidiary companies which had an approximate net book value of $157,084 at December 31, 2001	114,646	121,730
Non-interest bearing note payable to former shareholders of one of the Company's subsidiaries, net of unamortized discount of $1,886, and $1,113 as of December 31, 2000 and 2001 respectively, determined at an effective interest rate of 6.4%, payable in semiannual installments of approximately $913, due January 2006, secured by marketable securities	8,453	7,138
Notes payable to financing institutions secured by rental/loaner vehicles bearing interest at variable rates (the weighted average interest rates were 8.7% and 7.6% for the years ended December 31, 2000 and 2001, respectively), maturing at various dates from 2002 to 2004	7,269	10,741
Capital lease obligations	4,058	2,297
Other notes payable	2,366	3,162
	455,374	528,337
Less--current portion	(19,495)	(35,789)
Long-term		

(DOLLARS IN THOUSANDS)

portion.....
$435,879 $492,548 ======== ========

The aggregate maturities of long-term debt at December 31, 2001, are as follows:

2002	$ 35,789
2003	49,569
2004	5,148
2005	398,880
2006	3,414
Thereafter	35,537
	$528,337

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

On January 17, 2001, the Company entered into a three year committed financing agreement (the "Committed Credit Facility") with Ford Motor Credit Company, General Motors Acceptance Corporation and Chrysler Financial Company L.L.C. with total availability of $550 million. The Committed Credit Facility is used for working capital and acquisition financing. At the date of closing, the Company utilized $330,599 of the Committed Credit Facility to repay certain existing term notes and pay certain fees and expenses of the closing. All borrowings under the Committed Credit Facility bear interest at variable rates based on LIBOR plus a specified percentage depending on the Company's attainment of certain leverage ratios and the outstanding balance under this Facility.

The terms of the Committed Credit Facility require the Company to maintain certain financial covenants including a current ratio, a fixed charge coverage ratio and a leverage ratio.

The Company has extended the maturity of the Committed Credit Facility through January 2005.

Also on January 17, 2001, and in connection with the Committed Credit Facility, the Company obtained uncommitted floor plan financing lines of credit for new vehicles (the "New Floor Plan Lines"). The Company refinanced substantially all of its existing floor plan debt under the New Floor Plan Lines. The New Floor Plan Lines do not have specified maturities. They bear interest at variable rates based on LIBOR or prime and are provided by:

Ford Motor Credit Company	$330 million
Chrysler Financial Company L.L.C	$315 million
General Motors Acceptance Corporation	$105 million
Total floor plan lines	$750 million

The Company finances substantially all of its new vehicle inventory and a portion of its used vehicle inventory under the floor plan financing credit facilities. The Company is required to make monthly interest payments on the amount financed, but is not required to repay the principal prior to the sale of the vehicle. These floor plan arrangements grant a security interest in the financed

vehicles as well as the related sales proceeds. Amounts financed under the floor plan financing bear interest at variable rates, which are typically tied to

(DOLLARS IN THOUSANDS)

LIBOR or a prime rate.

Each of the above three lenders also provides, in its reasonable discretion, uncommitted floor plan financing for used vehicles. Such used vehicle financing is provided up to a fixed percentage of the value of each financed used vehicle.

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

Deferred financing fees aggregated approximately $1,711 and $8,832 as of December 31, 2000 and 2001, net of accumulated amortization of $1,068 and $3,568, respectively, and are included in other assets on the accompanying consolidated balance sheets.

11. FINANCIAL INSTRUMENTS

The Company has entered into interest rate swap agreements to reduce the effects of changes in interest rates on its floating LIBOR rate long-term debt. At December 31, 2001, the Company had outstanding three interest rate swap agreements with a financial institution, having a combined total notional principal amount of $300 million, all maturing in November 2003. The swaps require the Company to pay fixed rates with a weighted average of approximately 2.99% and receive in return amounts calculated at one-month LIBOR. The aggregate fair value of the swap arrangements at December 31, 2001 was $1,776. The Company's swap agreements have been designated and qualify as cash flow hedges of the Company's forecasted variable interest rate payments. For the year ended December 31, 2001, the ineffectiveness reflected in earnings was $120. The measurement of hedge ineffectiveness is based on a comparison of the change in fair value of the actual swap and the change in fair value of a hypothetical swap with terms that identically match the critical terms of the floating rate debt. The ineffectiveness of these swaps is reported in other income in the accompanying consolidated statement of income.

Additionally, in December 2000, the Company terminated a swap agreement resulting in a gain of $375 which was deferred and recorded to income in the first quarter of 2001 when the related debt was extinguished.

12. INCOME TAXES

For those subsidiaries subject to income tax, provisions have been made for deferred taxes based on differences between financial statement and tax basis of assets and liabilities using currently enacted tax rates and regulations. Deferred taxes include $2,723 and $3,877 included in current liabilities, and $1,043 and $1,370 included in non-current liabilities, primarily related to investments in partnerships as of December 31, 2000 and 2001, respectively.

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

DECEMBER 31, 2001	
Pro forma income taxes: Current:	
Federal	$18,798
State	2,686
Less: minority portion	(528)
Total current	20,956
Deferred:	
Federal	850
State	121
Less: minority portion	(24)
Total deferred	947
Total pro forma income taxes	$21,903

The following tabulation reconciles the expected corporate federal income tax expense for the year ended December 31, 2001 to the Company's unaudited pro forma income tax expense:

DECEMBER 31, 2001	
Expected pro forma income tax expense	

35.0% State income tax, net of federal tax effect..... 5.0% Non-deductible goodwill and other intangibles..... 2.5% Other, net.....
2.0% ---- 44.5% ====

13. RELATED-PARTY TRANSACTIONS

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

In May 1999, the Company sold back to one of its members a hotel business that it acquired in the previous year from him for $2,400. This transaction had no impact on our company's consolidated statement of income. The Company continues to maintain a guarantee on certain debt of that business which had an outstanding balance of $4,500 as of December 31, 2001.

In addition to the advertising expenses (Note 2) and operating leases (Note 14), the Company paid $180, $118 and $405 for the years ended December 31, 1999, 2000 and 2001, to various entities owned by its members for plane usage. Such amounts are included in selling, general and administrative expense on the accompanying consolidated statements of income.

The Company receives management fees from non-consolidated entities owned by it members for accounting and other administrative services. Such amounts totaled $54, $54 and $35 for the years ended December 31, 1999, 2000 and 2001, and is included as an offset to selling, general and administrative expenses in the accompanying consolidated statements of income.

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

In January 2002, the Company acquired land from one of its members for $1.7 million which equaled the appraised value.

The Company expects to enter into an agreement to purchase land from one of its members for $2,000. The appraised value of the property is $800 less than the anticipated purchase price due partially to demand for this property with the remainder being offset by a rent-free lease to be entered into with this member for an adjacent piece of property.

14. OPERATING LEASES

The Company leases various facilities and equipment under long-term operating lease agreements, including leases with its members or entities controlled by the Company's members. In instances where the Company entered into leases in which the rent escalates over time the Company has straight-lined the rent expense over the life of the lease. Rent expense amounted to $16,943, $22,616 and $25,679 for the three years ended December 31, 1999, 2000 and 2001, respectively. Of these amounts, $10,405, $14,103 and $12,175, respectively, were paid to entities controlled by its members.

Future minimum payments under long-term, non-cancelable operating leases as of December 31, 2001, are as follows:

RELATED THIRD PARTIES PARTIES TOTAL --
---------- ---------- ---------
2002.....
$ 12,850 $ 14,334 $ 27,184
2003.....
12,893 12,928 25,821
2004.....
12,929 11,275 24,204
2005.....
12,966 10,346 23,312
2006.....
12,923 9,012 21,935
Thereafter.....
40,878 55,800 96,678 -------- --------

Total.....
$105,439 $113,695 $219,134 ========
======== ========

The Company has an option to acquire certain properties from one of the related party entities mentioned above. The purchase option initially based on the aggregate appraised value adjusts each year for movements in the CPI. The

purchase option of $50,396 can only be exercised in total.

15. COMMITMENTS AND CONTINGENCIES

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

Manufacturers may direct the Company to implement costly capital improvements to dealerships as a condition for renewing the Company's franchise agreements with them. Manufacturers also typically require that their franchises meet specific standards of appearance. These factors, either alone or in combination, could cause the Company to divert its financial resources to capital projects from uses that management believes may be of higher long-term value to the Company, such as acquisitions.

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

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

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

The Company has guaranteed four loans made by financial institutions either directly to management or to non-consolidated entities controlled by management which totaled approximately $9,100 at December 31, 2001. Three of these guarantees, made on behalf of one of our platform chief executives and two other platform executives, were made in conjunction with those executives acquiring equity in the Company. The primary obligors of these notes are the platform executives. The guarantees were made in December 1999 and in April 1998 respectively. In each of these cases the Company believed that it was important for each of the individuals to have equity at risk. The fourth guarantee is made by a corporation acquired by the Company in October 1998 and guarantees an industrial revenue bond. Under the terms of the industrial revenue bond, the Company could not remove itself as a guarantor. The primary obligor of the note is the non-dealership business entity and that entity's partners as individuals.

16. EQUITY BASED ARRANGEMENTS

In 1999, the Company adopted an equity option plan for certain management employees (the "Option Plan") that, as amended, provides for the grant of equity interests not to exceed $18,000. The grants are stated at a dollar amount based on the Company's entity value except as the Compensation Committee may otherwise provide. Except as the Compensation Committee may otherwise provide, that the exercise price of the grant is equal to the fair market value (as defined) of the grant on the grant date. Equity interests in the Company purchased by employees pursuant to the Option Plan are callable by the Company under certain circumstances at their fair value (as

(DOLLARS IN THOUSANDS)

defined) and vest over a period of three years. The following tables summarize information about option activity and amounts:

MEMBERSHIP INTEREST PERCENTAGE	Options
outstanding December 31, 1998	--
Granted	.029%
Options outstanding December 31, 1999	.029
Granted	.004
Cancelled	(.029)
Options outstanding December 31, 2000	.004%
Granted	.039
Cancelled	(.002)
Options outstanding December 31, 2001	.041

As of December 31, 2000 and 2001, the weighted average remaining contractual life was 9.07 and 9.71 years respectively. The number of options exercisable as of December 31, 2000 and 2001, was .001%.

Had the fair value method of accounting been applied to the Company's stock option plan, the pro forma impact on the Company's net income would have been as follows for the years ended December 31, 1999, 2000 and 2001:

1999	2000	2001
Net income as reported	$16,148	$28,927	$43,829
Pro forma net income	16,086	28,752	42,928

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

1999	2000	2001
Expected life of option	5 years	5 years	5 years
Risk-free interest rate	6.14%	6.47%	4.15%
Expected volatility	55%	55%	54%
Expected dividend yield	0%	0%	0%

The Company has an arrangement whereby, under certain circumstances, certain senior executives will participate in the increase in the value of the Company. The executives would be eligible to receive a portion of the remaining distributable cash generated from a sale or liquidation of the Company or a Board declared distribution in excess of the capital contributed to the Company plus a compounded 8% rate of return. No circumstances have occurred which would cause such participation nor does the Company presently believe any remaining distributable cash is available for such executives and, accordingly, no compensation expense has been recorded for the three years ended December 31, 1999, 2000 or 2001.

17. RETIREMENT PLANS

The Company and several of the subsidiaries have existing 401(k) salary deferral/savings plans for the benefit of substantially all such employees. Employees electing to participate in the plans

may contribute up to 15% of their annual compensation limited to the maximum amount that can be deducted for income tax purposes each year. Vesting varies at each respective subsidiary. Certain subsidiaries match a portion of the employee's contributions dependent upon reaching certain operating goals. Expenses related to subsidiary matching totaled $873, $1,920 and $2,578 for the

years ended December 31, 1999, 2000 and 2001, respectively. In 2001, the Company consolidated substantially all of its existing 401(k) salary deferral/savings plans into one plan.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Asbury Automotive Group L.L.C.:

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

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

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

/s/ ARTHUR ANDERSEN LLP

Stamford, Connecticut
June 15, 2001

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

FOR THE PERIOD THROUGH JUNE 30, 2000	FOR THE YEAR ENDED DECEMBER 31, 1999
REVENUE: New vehicles	$197,556	$58,061
Used vehicles	112,109	35,903
Parts, service and collision repair	25,744	8,285
Finance and insurance, net	7,123	1,713
Total revenue	342,532	103,962
COST OF SALES: New vehicles	179,016	52,784
Used vehicles	100,648	31,875
Parts, service and collision repair	14,486	4,703
Total cost of sales	294,150	89,362
GROSS PROFIT	48,382	14,600
OPERATING EXPENSES: Selling, general and administrative	31,696	10,705
Depreciation and amortization	1,018	260
Income from operations	15,668	3,635
OTHER INCOME (EXPENSE): Floor plan interest expense	(1,675)	(635)
Other income, net	225	58
Total other expense, net	(1,450)	(577)
Net income	$14,218	$3,058

See Notes to Combined Financial Statements.

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

(HUTCHINSON AUTOMOTIVE GROUP)

COMBINED STATEMENTS OF SHAREHOLDERS' EQUITY

(DOLLARS IN THOUSANDS)

	COMMON STOCK	RETAINED EARNINGS (DEFICIT)	ADDITIONAL PAID-IN CAPITAL	TOTAL
BALANCE AS OF DECEMBER 31, 1998	$24,601	$ 9,637	$ 34,238	
Distributions	--	(13,797)		(13,797)
Net income	--	14,218		14,218
BALANCE AS OF DECEMBER 31, 1999	24,601	10,058		34,659
Distributions	--	(36,068)		(36,068)
Net income	--	3,058		3,058
BALANCE AS OF JUNE 30, 2000	$24,601	$(22,952)	$1,649	

See Notes to Combined Financial Statements.

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

	FOR THE PERIOD THROUGH JUNE 30, 2000	FOR THE YEAR ENDED DECEMBER 31, 1999
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	$ 14,218	$ 3,058
Adjustments to reconcile net income to net cash provided by operating activities--		
Depreciation and amortization	1,018	260
Change in operating assets and liabilities, net of effects from acquisitions and divestiture of assets--		
Contracts-in-transit	(188)	1,386
Accounts receivable	(711)	376
Inventories	(1,727)	1,444
Floor plan notes payable	6,941	220
Accounts payable and accrued liabilities	463	(357)
Other	(158)	(424)
Net cash provided by operating activities	19,856	5,963
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditures	(949)	(48)
Proceeds from the sale of assets	7	3
Cash and cash equivalents associated with the sale to Asbury		(1,930)
Acquisitions	--	--
Net cash used in investing activities	(942)	(1,975)
CASH FLOW FROM FINANCING ACTIVITIES:		
Distributions	(13,797)	(11,225)
Contributions	--	--
Repayments of debt	(676)	--
Proceeds from borrowings	--	--
Net cash provided by (used in) financing activities	(14,473)	(11,225)
Net increase (decrease) in cash and cash equivalents	4,441	(7,237)
CASH AND CASH EQUIVALENTS, beginning of period	3,162	7,603
CASH AND CASH EQUIVALENTS, end of period	$ 7,603	$ 366
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 1,665	$ 605
Non-cash distributions (net assets of the business sold to Asbury on April 14,		

2000)..... $ -- $ 24,843 ========
========

See Notes to Combined Financial Statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

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

REVENUE RECOGNITION

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

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

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

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

(DOLLARS IN THOUSANDS)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid investments that have an original maturity of three months or less at the date of purchase.

CONTRACTS-IN-TRANSIT

(DOLLARS IN THOUSANDS)

Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

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

PROPERTY AND EQUIPMENT

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

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

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

GOODWILL

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

IMPAIRMENT OF LONG-LIVED ASSETS

The recoverability of the Company's long-lived assets, including goodwill and other intangibles, is assessed by comparing the carrying amounts of such assets to the estimated undiscounted cash flows relating to those assets. The Company does not believe its long-lived assets are impaired at December 31, 1999.

TAX STATUS

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

ADVERTISING

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

USE OF ESTIMATES

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

STATEMENTS OF CASH FLOWS

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

CONCENTRATION OF CREDIT RISK

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

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

SEGMENT REPORTING

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

RECENT ACCOUNTING PRONOUNCEMENTS

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

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

3. FLOOR PLAN NOTES PAYABLE

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

4. OPERATING LEASES

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

5. COMMITMENTS AND CONTINGENCIES

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

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

6. RETIREMENT PLAN

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

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Asbury Automotive Group L.L.C.:

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

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

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

/s/ ARTHUR ANDERSEN LLP

New York, New York
April 26, 2001

COMBINED STATEMENT OF INCOME
(DOLLARS IN THOUSANDS)

FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH DECEMBER 9, 1999	
REVENUES: New vehicles	$ 86,120
Used vehicles	60,084
Parts, service and collision repair	8,610
Finance and insurance, net	4,142
Total revenues	

158,956 COST OF SALES: New vehicles.....
80,892 Used vehicles.....
54,930 Parts, service and collision repair..... 4,362 -------- Total cost of sales.....
140,184 -------- GROSS PROFIT.....
18,772 OPERATING EXPENSES: Selling, general and administrative..... 15,471 Depreciation and amortization..... 371 ------- - Income from operations..... 2,930 -- ------ OTHER INCOME (EXPENSE): Floor plan interest expense..... (800) Other interest expense.....
(83) Loss on sale of assets..... (25) Other income, net.....
204 -------- Total other expense, net..... (704) --------
Income before income taxes..... 2,226 INCOME TAX EXPENSE..... --
-------- Net income.....
$ 2,226 ========

See Notes to Combined Financial Statements.

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

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

See Notes to Combined Financial Statements.

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

FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH DECEMBER 9, 1999 ---------- CASH FLOW FROM OPERATING ACTIVITIES: Net income.....
$2,226 Adjustments to reconcile net income to net cash provided by operating activities-- Depreciation and amortization..... 371 Loss on sale of assets..... 25 Change in operating assets and liabilities, net of effects from divestiture of assets-- Contracts-in-transit..... 60 Accounts receivable, net..... 192 Due from related parties..... --
Inventories.....
3,022 Floor plan notes payable..... 754 Accounts payable and accrued liabilities..... (3,339)
Other.....
(505) ------ Net cash provided by operating activities..... 2,806 ------ CASH FLOW FROM INVESTING ACTIVITIES: Capital expenditures..... (158)
Proceeds from the sale of assets..... -- Net issuance of finance contracts..... -- ------ Net cash used in investing activities..... (158)
------ CASH FLOW FROM FINANCING ACTIVITIES: Distributions to shareholders..... --
Contributions.....

1,375 Repayments of debt..... (291) Proceeds from borrowings..... -- ------ Net cash provided by (used in) financing activities... 1,084 ------ Net increase in cash and cash equivalents..... 3,732 CASH AND CASH EQUIVALENTS, beginning of period..... 2,397 ------ CASH AND CASH EQUIVALENTS, end of period..... $6,129 ====== SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for-- Interest..... $ 883 ====== Income taxes..... $ -- ====== Non-cash distributions (net assets of the business sold to Asbury on December 4, 1998)..... $ -- ======

See Notes to Combined Financial Statements.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements include the results of Toyota for the year ended December 31, 1998 and for the period from January 1, 1999 through December 9, 1999.

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

REVENUE RECOGNITION

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

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

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid investments that have an original maturity of three months or less at the date of purchase.

CONTRACTS-IN-TRANSIT

Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

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

PROPERTY AND EQUIPMENT

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

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

TAX STATUS

The shareholders of the Company's subsidiaries, with the exception of TACN, have elected to be treated as "S" corporations. The shareholders of the S corporations are taxed on their share of those companies' taxable income. Therefore, no provision for federal or state income taxes has been included in the financial statements for the S corporations.

TACN is a "C" corporation under the provisions of the U.S. Internal Revenue Code and, accordingly, follows the liability method of accounting for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes." Under this method, deferred income taxes are recorded based upon differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the underlying assets are realized and liabilities are

settled. A valuation allowance reduces deferred tax assets when it is more likely than not that some or all of the deferred tax assets will not be realized.

ADVERTISING

The Company expenses production and other costs of advertising as incurred. Advertising expense for the period from January 1, 1999 through December 9,

1999, totaled $2,483, of which $989, was paid to an entity in which the majority shareholder had a substantial interest.

USE OF ESTIMATES

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

STATEMENTS OF CASH FLOWS

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

CONCENTRATION OF CREDIT RISK

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

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

SEGMENT REPORTING

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

RECENT ACCOUNTING PRONOUNCEMENTS

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

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

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

3. INTEREST EXPENSE

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

The Company's notes payable are due to financing institutions and are secured by rental vehicles bearing interest at variable rates and mature at various dates all in 1999.

4. OPERATING LEASES

The Company leases various facilities and equipment under long-term operating lease agreements, including leases with its majority shareholder or entities controlled by its majority shareholder. Rent expense for the period from January 1, 1999 through December 9, 1999, totaled $1,078. Of this amount, $887 was paid to entities controlled by its shareholders.

5. COMMITMENTS AND CONTINGENCIES

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

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

Prior to the sale of the business, the Company was in the practice of guaranteeing consumer installment loans on a limited recourse basis. Substantially all of these loans were issued to one

finance company pursuant to vehicle sales by the Company. Under the guarantee, upon repossession of the vehicle collateralizing the loans by the finance company, the Company was liable for all or part of the loan balance. The accompanying combined financial statements include a provision for repossession losses of $619 which is included in selling, general and administrative expenses, for the period from January 1, 1999 through December 9, 1999.

In December 1999, prior to the sale of Toyota to Asbury, the Company and Asbury collectively agreed to transfer all remaining recourse liability back to the finance company initially issuing the paper. The transaction resulted in a $223 gain in the period from January 1, 1999, through December 9, 1999.

6. RETIREMENT PLANS

The Company maintains a 401(k) salary deferral/savings plan for the benefit of all its employees upon reaching one year of service with the Company. Employees electing to participate in the plan may contribute up to 15% of their annual compensation limited to the maximum amount that can be deducted for income tax purposes each year. Participants vest upon the completion of seven years of service. The Company matches a portion of the employee's contributions dependent upon reaching certain operating goals. Expenses related to Company matching totaled $25 for the period from January 1, 1999 through December 9, 1999.

7. RELATED-PARTY TRANSACTIONS

The Company had $15,162 of vehicle sales to Asbury and $5,516 of vehicle purchases from Asbury for the period from January 1, 1999 through December 9, 1999, respectively.

The Company paid management fees of $596 during the period from January 1, 1999 through December 9, 1999, to Asbury.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Asbury Automotive Group L.L.C.:

We have audited the accompanying combined statements of income, shareholders' equity and cash flows of the Business Acquired by Asbury Automotive Arkansas L.L.C. referred to as "the McLarty Combined Entities" (see Note 1) for the period from January 1, 1999 through November 17, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform

the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of the McLarty Combined Entities for the period from January 1, 1999 through November 17, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Little Rock, Arkansas
July 18, 2001

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE ARKANSAS L.L.C.
(MCLARTY COMBINED ENTITIES)

COMBINED STATEMENT OF INCOME

(DOLLARS IN THOUSANDS)

FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH NOVEMBER 17, 1999 ---------- REVENUE: New vehicle..... $78,076 Used vehicle..... 32,368 Parts, service and collision repair..... 6,663 Finance and insurance, net..... 1,968 -- ------ Total revenue..... 119,075 -------- COST OF SALES: New vehicle..... 71,924 Used vehicle..... 30,028 Parts, service and collision repair..... 3,739 -------- Total cost of sales..... 105,691 --- ----- GROSS PROFIT..... 13,384 OPERATING EXPENSES: Selling, general and administrative..... 10,072 Depreciation and amortization..... 110 -------- Income from operations..... 3,202 -------- OTHER INCOME (EXPENSE): Floor plan interest expense..... (1,030) Other interest expense..... (13) Other income, net..... 152 -------- Total other expense..... (891) ------ -- NET INCOME..... $2,311 ========

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE ARKANSAS L.L.C.
(MCLARTY COMBINED ENTITIES)

COMBINED STATEMENT OF SHAREHOLDERS' EQUITY

(DOLLARS IN THOUSANDS)

COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL EARNINGS TOTAL ---------- -------- -------- BALANCE AS OF DECEMBER 31, 1998..... $4,477 $ 3,673 $ 8,150 Net income..... -- 2,311 2,311 Distributions..... -- (2,224) (2,224) Contributions..... 1,989 -- 1,989 ------ ------- ------- BALANCE AS OF NOVEMBER 17, 1999..... $6,466 $3,760 $10,226 ====== ======= =======

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE ARKANSAS L.L.C.
(MCLARTY COMBINED ENTITIES)

COMBINED STATEMENT OF CASH FLOWS

(DOLLARS IN THOUSANDS)

FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH NOVEMBER 17, 1999	
CASH FLOW FROM OPERATING ACTIVITIES: Net income	$ 2,311
Adjustments to reconcile net income to net cash provided by operating activities- Depreciation and amortization	110
Gain on sale of assets	(63)
Change in operating assets and liabilities, net of effects from acquisitions and divestiture of assets- Contracts-in-transit	(1,104)
Accounts receivable, net	(734)
Inventories	3,723
Prepaid expenses and other current assets	(8)
Other assets	308
Floor plan notes payable	14,099
Accounts payable and accrued liabilities	1,156
Other long-term liabilities	(237)
Net cash provided by operating activities	19,561
CASH FLOW FROM INVESTING ACTIVITIES: Capital expenditures	(266)
Proceeds from the sale of assets	80
Cash and cash equivalents contributed to Asbury Arkansas under Exchange Agreement	(2,120)
Other	588
Net cash used in investing activities	(1,718)
CASH FLOW FROM FINANCING ACTIVITIES: Distributions	(2,224)
Contributions	1,989
Repayment of debt	(1,174)
Proceeds from debt	--
Net advances from (repayments to) related parties	(17,791)
Net cash used in financing activities	(19,200)
Net decrease in cash and cash equivalents	(1,357)
CASH AND CASH EQUIVALENTS, beginning of period	1,357
CASH AND CASH EQUIVALENTS, end of period	$ --
SUPPLEMENTAL INFORMATION: Cash paid for interest	$ 1,008

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE ARKANSAS L.L.C.
(MCLARTY COMBINED ENTITIES)

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

The McLarty Combined Entities (the "Company") represents the combined dealership operations of North Point Ford, Inc., North Point Mazda, Inc., Premier Autoplaza, Inc., Hope Auto Company, McLarty Auto Mall, Inc. (collectively referred to as the "First Dealerships"), and Prestige, Inc. ("Prestige").

On February 23, 1999, pursuant to an exchange agreement (the "Exchange Agreement") among Asbury Arkansas L.L.C. ("Asbury Arkansas"), the Company and Asbury Automotive Group, L.L.C. ("AAG"), the operations of the First Dealerships were transferred to Asbury Arkansas in exchange for cash and a 49% interest in Asbury Arkansas. Concurrently, AAG contributed $13,995 in cash in exchange for a 51% interest in Asbury Arkansas. On November 18, 1999, the operations of Prestige were transferred to Asbury Arkansas in consummation of the Exchange Agreement.

The accompanying 1999 combined statements of income, shareholders' equity and cash flows reflect the activities of the First Dealerships from January 1, 1999 through February 22, 1999, which represents the date of closing of the exchange transactions involving the First Dealerships, and the activities of Prestige from January 1, 1999 through November 17, 1999.

The Company operates six automobile dealerships in the central and southwestern regions of the State of Arkansas. The dealerships are engaged in the sale of new and used motor vehicles and related products and services, including vehicle service and parts, finance and insurance products and other after-market products.

The business combination described above was accounted for under the purchase method of accounting on the financial statements of Asbury Arkansas. The accompanying financial statements do not include the effect of any adjustments resulting from the ultimate allocation of the purchase price by Asbury Arkansas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF COMBINATION

The financial statements for each of these entities are presented on a combined basis as they have substantially common ownership. All significant intercompany transactions and balances have been eliminated in combination.

REVENUE RECOGNITION

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

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

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

termination provisions of the applicable contracts. Finance, insurance and vehicle service contract revenue, net of estimated chargebacks, is included in finance and insurance revenue in the accompanying combined statements of income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid investments that have an original maturity of three months or less at date of purchase.

CONTRACTS-IN-TRANSIT

Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources arranged by the Company.

INVENTORIES

The majority of the Company's inventories are accounted for using the "first-in, first-out" method ("FIFO") and are valued using the lower of cost or market. The Company's parts inventories are stated at replacement cost in accordance with industry practice. The Company valued certain inventories using the "last-in, first-out" method ("LIFO"). If the FIFO method had been used to determine the cost of inventories, net income would have been greater by $56 for the period from January 1, 1999 through November 17, 1999.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation and amortization are provided utilizing the straight-line method over the estimated useful lives of the assets.

GOODWILL

Goodwill represents the excess of purchase price over the face value of the net tangible and other intangible assets acquired at the date of acquisition net of accumulated amortization. Goodwill is amortized on a straight-line basis over 40 years.

FINANCE RECEIVABLES AND ADVANCES

The Company has an arrangement with a finance company, whereby the finance company extends credit to certain of the Company's customers in connection with

vehicle sales. Under the arrangement, the Company originates installment contracts, which are assigned to the finance company without recourse, along with security interests in the related vehicles. The finance company advances the Company a portion of the payments due under the contracts, groups the contracts into pools and services the contracts. The finance company retains a servicing fee equal to 20% of contractual payments due on a pool-by-pool basis. In the event of customer default, the Company has no obligation to repay any advanced amounts or other fees to the finance company.

TAX STATUS

The entities comprising the Company are Subchapter "S" Corporations, as defined in the Internal Revenue Code of 1986, and thus the taxable income or losses of the Company are included in the individual tax returns of the shareholders for federal and state income tax purposes.

Therefore, no provisions for taxes have been included in the accompanying combined financial statements.

ADVERTISING

The Company expenses production and other costs of advertising as incurred or when such advertising initially takes place. The Company's combined statement of income includes advertising expense of $1,444 for the period from January 1, 1999 through November 17, 1999.

USE OF ESTIMATES

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

STATEMENTS OF CASH FLOWS

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

CONCENTRATION OF CREDIT RISK

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

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

SEGMENT REPORTING

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

MAJOR SUPPLIERS AND DEALERSHIP AGREEMENTS

The Company enters into agreements with the automakers that supply new vehicles and parts to its dealerships. The Company's overall sales could be impacted by the automakers' ability or unwillingness to supply the dealerships with a supply of new vehicles. Dealership agreements generally limit location of dealerships and retain automaker approval rights over changes in dealership management and ownership. Each automaker is entitled to terminate the dealership agreement if the dealership is in material breach of its terms.

RECENT ACCOUNTING PRONOUNCEMENTS

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

3. INTEREST EXPENSE

Floor plan notes payable reflect amounts payable for purchase of specific vehicle inventories and are due to various floor plan lenders bearing interest at variable rates based on prime. The interest rates related to floor plan notes payable ranged from 7.75% to 8.75%. Floor plan arrangements permit borrowings based upon new and used vehicle inventory levels. Vehicle payments on notes are due when the related vehicles are sold. The notes are collateralized by substantially all vehicle inventories of the Company and are subject to certain financial and other covenants.

Long-term debt consists of various notes payable to banks and corporations, bearing interest at both fixed and variable rates and secured by certain of the Company's assets. Interest rates ranged from 7.75% to 8.75%.

4. COMMITMENTS AND CONTINGENCIES

The Company leases various facilities and equipment under non-cancelable operating lease agreements, including leases with related parties. Rent expense for the period presented in the accompanying combined statements of income is shown below:

FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH NOVEMBER 17, 1999
Related parties
$529 Third parties
127
Total
$656

Substantially all of the Company's facilities are subject to federal, state and local provisions regarding the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Company expect such compliance to have, any material effect upon the

capital expenditures, net earnings, financial condition, liquidity or competitive position of the Company. Management believes that its current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements.

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

5. RELATED-PARTY TRANSACTIONS

The Company had amounts payable to related parties that consisted primarily of advances made to the Company by certain shareholders and officers. These balances accrued interest at rates corresponding to interest rates charged by

certain floor plan institutions.

The Company paid management fees to an entity that is owned by certain Company shareholders totaling approximately $52 during the period from January 1, 1999 through November 17, 1999.

The entities included in the Company had various levels of ownership interest in the Sunlight Mesa Insurance Company ("Mesa"), which aggregate to 100%. Mesa operates as a reinsurer of credit life, accident and health insurance and has no direct policies in force. As Mesa's results of operations and financial position were not material, they have not been combined into the accompanying financial statements. Instead, the Company has recorded their interest in Mesa using the cost method of accounting for investments. The Company's investment in Mesa was not contributed to Asbury Arkansas as a part of the business combination discussed in Note 1.

6. RETIREMENT PLANS

The Company maintains 401(k) plans (the "Plans") at each of the dealerships, which cover substantially all employees. The Company makes matching contributions to the Plans of up to 2% of participating employees' salaries. The Company's combined statement of income includes contributions of $16 for the period from January 1, 1999 through November 17, 1999.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Asbury Automotive Group L.L.C.:

We have audited the accompanying combined statements of income, shareholders' equity and cash flows of the Business Acquired by Asbury Automotive North Carolina L.L.C. (Crown Automotive Group) for the period from January 1, 1999 through April 6, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of the Business Acquired by Asbury Automotive North Carolina L.L.C. for the period from January 1, 1999 through April 6, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

New York, New York
July 18, 2001

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
(CROWN AUTOMOTIVE GROUP)

COMBINED STATEMENT OF INCOME

(DOLLARS IN THOUSANDS)

FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH APRIL 6, 1999 ------------------ REVENUE: New vehicle.....
$14,424 Used vehicle.....
13,148 Parts, service and collision repair..... 4,815 Finance and insurance, net..... 555 -- ----- Total revenue.....
32,942 ------- COST OF SALES: New vehicle.....
13,413 Used vehicle.....
12,341 Parts, service and collision repair..... 2,556 ------- Total cost of sales.....
28,310 ------- GROSS PROFIT.....
4,632 OPERATING EXPENSES: Selling, general and administrative..... 3,579 Depreciation and amortization..... 18 ------- Income from

operations..... 1,035 ----
--- OTHER INCOME (EXPENSE): Floor plan interest
expense..... (93) Other
interest expense.....
(48) Other income,
net..... 687 ----
--- Net
income..... $
1,581 =======

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
(CROWN AUTOMOTIVE GROUP)

COMBINED STATEMENT OF SHAREHOLDERS' EQUITY

(DOLLARS IN THOUSANDS)

COMMON STOCK RETAINED AND ADDITIONAL EARNINGS PAID-IN
CAPITAL (DEFICIT) TOTAL ---------- --------- ------
-- BALANCE AS OF DECEMBER 31,
1998..... $3,424 $ (713) $2,711 -
----- ------ ------
Distributions.....
-- (340) (340) Net
income..... --
1,581 1,581 ------ ------ ------ BALANCE AS OF APRIL 6,
1999..... $3,424 $ 528 $3,952
====== ====== ======

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.

(CROWN AUTOMOTIVE GROUP)

COMBINED STATEMENT OF CASH FLOWS

(DOLLARS IN THOUSANDS)

FOR THE PERIOD FROM JANUARY 1, 1999 THROUGH APRIL 6, 1999
---------- CASH FLOW FROM OPERATING ACTIVITIES:
Net
income.....
$1,581 Adjustments to reconcile net income to net cash
provided by operating activities-- Depreciation and
amortization..... 18 Change in
operating assets and liabilities, net of effects from
acquisitions and divestiture of assets-- Contracts-in-
transit..... (580) Accounts
receivable, net..... (1,450)
Inventories.....
(743) Prepaid and
other..... 3 Floor plan
notes payable..... (428)
Accounts payable and accrued liabilities.....
2,074 ------- Net cash provided by operating
activities..... 475 ------- CASH FLOW FROM INVESTING
ACTIVITIES: Capital
expenditures..... (15)
Net issuance of notes
receivable..... -- ------- Net cash
used in investing activities..... (15) -------
CASH FLOW FROM FINANCING ACTIVITIES:
Contributions.....
-- Repayments of notes
payable..... --
Distributions.....
(340) ------- Net cash used in financing
activities..... (340) ------- Net increase
(decrease) in cash and cash
equivalents..... 120 ----
--- CASH AND CASH EQUIVALENTS, beginning of
period..... -- ------- CASH AND CASH
EQUIVALENTS, end of period..... $ 120
======= SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:
Cash paid for
interest..... $ 76 =======
Non-cash distributions (net assets of the business sold
to Asbury on December 11,
1998)..... $ -- =======

See Notes to Combined Financial Statements.

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
(CROWN AUTOMOTIVE GROUP)

NOTES TO COMBINED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Asbury Automotive North Carolina L.L.C. ("Asbury") acquired its dealership operations through the December 11, 1998, acquisition of the non-Honda/Acura operations of CAC Automotive, Inc. ("CAC"), CAR Automotive, Inc. ("CAR"), CFC Finance, Inc. ("CFC"), and CAM Automotive, Inc. ("CAM") and the April 7, 1999, acquisition of the Honda/Acura dealerships of the above-mentioned entities. The combined accounts of the entities mentioned above will from hereafter be referred to collectively as "the Company" or "Crown Automotive Group." These combined statements do not include the real estate entities in which the Company conducts its dealership operations. As a result, rent expense is included in the accompanying combined statements of income as discussed in Note 3.

On December 11, 1998, the non-Honda/Acura operations of CAC, CAR, CFC, CAM and the real estate assets of Asbury North Carolina Real Estate Holdings L.L.C. were acquired by Asbury for $80,828 in cash and the issuance of a 49% equity interest to certain of the former shareholders of the Company.

On April 7, 1999, the Honda/Acura dealerships operations were acquired by Asbury for $10,073 in cash and the issuance of a 49% equity interest to the same shareholders.

The Company is engaged in the sale of new and used vehicles, light trucks and replacement parts, provides vehicle maintenance, warranty, paint and repair services and arranges vehicle finance, insurance and service contracts for its automotive customers located in Greensboro, Chapel Hill and Raleigh, North Carolina, and Richmond, Virginia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying combined financial statements reflect the combined accounts of the Honda/ Acura operations for the year ended December 31, 1998 and for the period from January 1, 1999 through April 6, 1999.

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

REVENUE RECOGNITION

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

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

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

BUSINESS ACQUIRED BY ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
(CROWN AUTOMOTIVE GROUP)

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

(DOLLARS IN THOUSANDS)

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid investments that have an original maturity of three months or less at date of purchase.

CONTRACTS-IN-TRANSIT

Contracts-in-transit represent receivables from finance companies for the portion of the vehicle purchase price financed by customers through sources

arranged by the Company.

INVENTORIES

New and used vehicle inventories are valued at the lower of cost or market utilizing the "last-in, first-out" (LIFO) method. Parts inventories are valued at the lower of cost or market utilizing the "first-in, first-out" (FIFO) method. If the FIFO method had been used to determine cost for inventories valued using the LIFO method, net income would have increased by $10 for the period from January 1, 1999 through April 6, 1999.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation and amortization are provided for utilizing the straight-line method over the estimated useful life of the asset.

TAX STATUS

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

ADVERTISING

The Company expenses production and other costs of advertising as incurred or when such advertising initially takes place. Advertising costs aggregated approximately $250 for the period from January 1, 1999, through April 6, 1999.

USE OF ESTIMATES

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

STATEMENTS OF CASH FLOWS

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

CONCENTRATION OF CREDIT RISK

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

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

SEGMENT REPORTING

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

RECENT ACCOUNTING PRONOUNCEMENTS

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

fair value of a derivative (gains or losses) depends on the intended use of the derivative and the resulting designation. SFAS No. 137 amended the effective date to all fiscal quarters of fiscal years beginning after June 15, 2000. SFAS No. 138, issued in June 2000, addressed a limited number of issues that were causing implementation difficulties for numerous entities applying SFAS No. 133. The Company has determined that the adoption of SFAS No. 133 will not have a material impact on its results of operations, financial position, liquidity or cash flows.

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

3. RELATED-PARTY TRANSACTIONS

Asbury acquired the real estate used in the dealership operations of the entities included in these financial statements in the December 10, 1998 acquisition. Prior to the acquisition, the real estate was owned by the majority shareholder of the Company or owned through entities in which the majority shareholder of the Company held a controlling interest. Rent expense included in the

accompanying statement of income paid to those real estate entities totaled $497 for the period from January 1, 1999 through April 6, 1999. The related real estate had a fair market value of $56,200 at the date of acquisition by Asbury.

4. OPERATING LEASES

The Company held various lease agreements for land expiring through 2005.

In addition to the related party real estate leases mentioned above, the Company is party to various equipment operating leases with remaining terms in excess of one year. Expense related to these leases approximated $45 for the period from January 1, 1999 through April 6, 1999.

5. COMMITMENTS AND CONTINGENCIES

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

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

Included in other income, net is $683 of income from the settlement of a class action lawsuit with a certain vehicle manufacturer.

6. RETIREMENT PLAN

The Company participates in a retirement program administered by the National Automobile Dealers and Associates Retirement Plan (the "Plan"). The Plan is a multi-employer defined contribution 401(k) plan. Each regular full-time employee who is at least 21 years of age, but not over 56, and who has been continuously employed by the Company for one year or more is eligible to participate in the Plan. The Plan requires that the Company match the employees' voluntary contributions to the extent of 2% of the compensation of participants. Contributions to the Plan made by the Company amounted to approximately $26 for the period from January 1, 1999 through April 6, 1999.

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Through and including , 2002 (the 25th day after the date of this prospectus) all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

7,700,000 Shares

ASBURY AUTOMOTIVE
GROUP, INC.

Common Stock

[LOGO]

GOLDMAN, SACHS & CO.
MERRILL LYNCH & CO.
SALOMON SMITH BARNEY

RAYMOND JAMES

STEPHENS, INC.

Representatives of the Underwriters

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the expenses (other than underwriting compensation expected to be incurred) in connection with this offering. All such amounts (except the SEC registration fee and the NASD filing fee) are estimated.

SEC registration fee	$ 37,500
NYSE listing fee	125,000
NASD filing fee	15,500
Blue Sky fees and expenses	15,000
Printing and engraving costs	300,000
Legal fees and expenses	1,500,000
Accounting fees and expenses	1,400,000
Transfer Agent and Registrar fees and expenses	25,000
Miscellaneous	582,000
Total	$4,000,000

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware provides that we may indemnify our directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with various actions, suits or proceedings, whether civil, criminal, administrative or investigative other than an action by or in the right of the corporation, a derivative action if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that we may only extend indemnification to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such actions, and the statute requires that we obtain court approval before we may satisfy any such indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's by-laws, disinterested director vote, shareholder vote, agreement or otherwise.

Our certificate of incorporation provides that each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director or officer of us or is or was serving at our request as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such proceeding is the alleged action of such person in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, will be indemnified and held harmless by us to the fullest extent authorized by the General Corporation Law of the State of Delaware, as the same exists or

may hereafter be amended against all expense, liability and loss reasonably incurred or suffered by such person in connection therewith (including attorneys' fees, judgments, fines, amounts paid or to be paid in settlement and excise taxes or penalties). Our certificate of incorporation also provides that we will pay the expenses incurred in defending any such proceeding in advance of its final disposition, subject to the provisions of the General Corporation Law of the State of Delaware. Such rights are not exclusive of any other right which any person may have or thereafter acquire under any statute, provision of the certificate, by-law agreement, vote of shareholders or disinterested directors or otherwise. No repeal or modification of such provision will in any way diminish or adversely affect the rights of any director, officer, employee or agent of us thereunder in respect of any occurrence or matter arising prior to any such repeal or modification. Our certificate of incorporation also specifically authorizes us to maintain insurance and to grant similar indemnification rights to our employees or agents.

The General Corporation Law of the State of Delaware permits a corporation to provide in its certificate of incorporation that a director of the

corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to the corporation or its shareholders;

- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

- payments of unlawful dividends or unlawful stock repurchases or redemptions; or

- any transaction from which the director derived an improper personal benefit.

Our certificate of incorporation provides that none of our directors will be personally liable to us or our shareholders for monetary damages for breach of fiduciary duty as a director, except, if required by the General Corporation Law of the State of Delaware as amended from time to time, for liability:

- for any breach of the director's duty of loyalty to us or our shareholders;

- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

- under Section 174 of the General Corporation Law of the State of Delaware, which concerns unlawful payments of dividends, stock purchases or redemptions; or

- for any transaction from which the director derived an improper personal benefit. Neither the amendment nor repeal of such provision will eliminate or reduce the effect of such provision in respect of any matter occurring, or any cause of action, suit or claim that, but for such provision, would accrue or arise prior to such amendment or repeal.

Reference is made to Article X of the Articles of Incorporation of Asbury concerning indemnification and limitation of liability of directors, officers, employees and agents.

At present there is no pending litigation or proceeding involving a director or officer of Asbury as to which indemnification is being sought nor is Asbury aware of any threatened litigation that may result in claims for indemnification by Asbury by any officer or director.

Asbury has also purchased and maintains insurance policies covering the directors and officers identified in the prospectus which forms a part of this registration statement with respect to certain liabilities, including liabilities arising under the Securities Act or otherwise.

Section Eight of the Underwriting Agreement, to be filed as Exhibit 1.1, provides that the Underwriters named therein will indemnify us and hold us harmless and each of our directors, officers or controlling persons from and against certain liabilities, including liabilities under the

Securities Act. Section Eight of the Underwriting Agreement also provides that such Underwriters will contribute to certain liabilities of such persons under the Securities Act.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

The following sets forth information, as of the date hereof, regarding all sales of unregistered securities of the Registrant during the past three years. All such shares were issued in reliance upon an exemption or exemptions from registration under the Securities Act by reason of Section 4(2) of the Securities Act or Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving a public offering or transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701. In connection with the transactions for which an exemption is claimed pursuant to Section 4(2) of the Securities Act, the securities were sold to a limited number of persons, such persons were provided access to all relevant information regarding the Registrant and represented to the Registrant that they were either "sophisticated" investors or were represented by persons with knowledge and experience in financial and business matters who were capable of evaluating the merits and risks of the prospective investment, and such persons represented to the Registrant that the shares were purchased for investment purposes only and with no view toward distribution. In connection with the issuances of securities for which an exemption is claimed pursuant to Rule 701, the securities have been offered and issued by the Registrant to executive officers and employees and consultants for compensating purposes pursuant to written plans or arrangements.

From January 1, 1999, to February 5, 2002, we issued to 21 of our employees, pursuant to our 1999 option plan, options to purchase membership interests which represent the right to purchase an aggregate of 1,072,738 shares of our common stock, based upon the presently expected exchange ratio of shares for membership interests. The following table sets forth the date of each issuance, the number of optionee's granted options on that date and the number of shares eligible to be purchased based on the foregoing assumptions:

DATE OF ISSUANCE	NUMBER OF OPTIONEES	NUMBER OF SHARES
January 1, 1999	1	13,577
April 1, 1999	1	9,698
April 26, 1999	1	3,879
August 2, 1999	1	3,879
November 1, 1999	1	5,819
April 1, 2000	1	5,819
April 3, 2000	2	8,534
May 22, 2000	1	3,879
June 5, 2000	1	15,517
June 12, 2000	1	5,819
November 27, 2000	1	3,879
January 8, 2001	1	1,940
March 26, 2001	1	15,517
May 25, 2001	1	5,819
July 11, 2001	9	36,076
December 3, 2001	1	737,500
January 30, 2002	1	38,793
January 31, 2002	1	23,276
February 4, 2002	1	7,759
February 5, 2002	1	125,759

On February 1, 2000, in connection with his employment agreement, we issued a carried interest to Brian E. Kendrick of up to 0.7667%. A carried interest provides the holder with a contractual right to receive a percentage of our earnings, either in cash or in our common stock, after such time as a preferred return of approximately $435 million is achieved and distributed to

those holding ownership interests, as directed by the board of directors. Prior to this offering no distributions relating to the carried interest had been made to Mr. Kendrick.

On April 30, 2000, in connection with a reorganization, which we refer to as the "Minority Membership Transaction", Asbury Automotive Oregon L.L.C. issued membership interests to Asbury Automotive Holdings L.L.C. and platform dealers and managers in exchange for their respective membership or partnership interests in their platform groups. Those already holding membership interests in Asbury Automotive Oregon retained those interests. To determine the number of Asbury Automotive Oregon membership interests that each party would be entitled to in the Minority Membership Transaction, the platforms were valued using the market multiple approach. Concurrently with the Minority Membership Transaction, Asbury Automotive Oregon changed its name to Asbury Automotive Group L.L.C. and the former Asbury Automotive Group L.L.C. changed its name to Asbury Automotive Holdings L.L.C.

On July 1, 2001, in connection with a capital contribution of $366,765, Paula Tabar received membership interests equal to .0952% of all membership interests then outstanding.

On July 1, 2001, in connection with a capital contribution of $110,765, Joseph Umbriano received membership interests equal to .0287% of all membership interests then outstanding.

On September 1, 2000, Asbury Automotive Arkansas L.L.C. issued membership interests to Mark Escude Nissan, Inc. equal to .6581% of all membership interests then outstanding in connection with the acquisition of Mark Escude

Nissan, Inc., Mark Escude Nissan North, Inc., Mark Escude Motors, Inc., Mark Escude Daewoo, Inc. and Regency Toyota, Inc.

On September 1, 2000, Asbury Automotive Jacksonville, L.P. issued membership interests to Buddy Hutchinson Chevrolet, Inc. equal to 1.3161% of all membership interests then outstanding in connection with the acquisition of Buddy Hutchinson Cars, Inc., Buddy Hutchinson Imports, Inc., Buddy Hutchinson Chevrolet, Inc., MFH Realty, Inc., B&N Realty, Inc., MFH Improvements, Inc., BH of Jacksonville, Inc., Hutchinson Realty, Inc. and Hutchinson Corporation.

On September 1, 2000, Asbury Automotive North Carolina L.L.C. issued membership interests to Childs & Associates Inc. equal to .4935% of all membership interests then outstanding in connection with the acquisition of Purvis Brothers Ford.

On September 1, 2001, in connection with a capital contribution of $308,310, Robert Dennis received membership interests equal to .08% of all membership interests then outstanding.

On September 1, 2000, in connection with a capital contribution of $75,000, Jeff King received membership interests equal to .0197% of all membership interests then outstanding.

On July 2, 2001, Asbury Automotive Group L.L.C. issued membership interests to Brandon Ford, Inc. equal to 1.299% of all membership interests then outstanding.

On January 1, 2002, in connection with a capital contribution of $500,000, Thomas Gilman received membership interests equal to 0.1295% of all membership interests then outstanding.

On January 1, 2002, in connection with a capital contribution of $300,000, Thomas McCollum received membership interests equal to 0.0777% of all membership interests then outstanding.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

EXHIBIT NUMBER DESCRIPTION
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----- 1.1 Form of Underwriting Agreement 3.1 Form of Amended and Restated Certificate of Incorporation of Asbury Automotive Group, Inc. 3.2 Form of Amended and Restated By-laws of Asbury Automotive Group, Inc. 5.1 Opinion of Cravath, Swaine & Moore* 10.1 1999 Option Plan* 10.2 2002 Stock Option Plan* 10.3 Intentionally omitted 10.4 Form of Fourth Amended and Restated Limited Liability Company Agreement of Asbury Automotive Group L.L.C. 10.5 Severance Pay Agreement of

Thomas R. Gibson* 10.6 Employment Agreement of Kenneth B. Gilman* 10.7 Intentionally omitted 10.8 Severance Pay Agreement of Phillip R. Johnson* 10.10 Credit Agreement, dated as of January 17, 2001, between Asbury Automotive Group L.L.C. and Ford Motor Credit Company, Chrysler Financial Company, L.L.C., and General Motors Acceptance Corporation.+* 10.11 Form of Shareholders Agreement between Asbury Automotive Holdings and the shareholders named therein 10.12 Chrysler Dodge Dealer Agreement* 10.13 Ford Dealer Agreement* 10.14 General Motors Dealer Agreement* 10.15 Honda Dealer Agreement* 10.16 Mercedes Dealer Agreement* 10.17 Nissan Dealer Agreement* 10.18 Toyota Dealer Agreement* 10.19 Employment Agreement of C.V. Nalley* 10.20 Employment Agreement of Ben David McDavid* 10.21 Employment Agreement of Luther Coggin* 10.22 Severance Pay Agreement of Thomas F. Gilman* 10.23 Severance Pay Agreement of Thomas G. McCollum* 10.24 Severance Pay Agreement of Allen T. Levenson*

10.25	Severance Pay Agreement of Robert D. Frank*
10.26	Severance Pay Agreement of John C. Stamm*
10.27	Form of Transfer and Exchange Agreement
21.1	List of subsidiaries of the registrant*
23.1	Consent of Arthur Andersen LLP
23.2	Consent of Arthur Andersen LLP
23.3	Consent of Arthur Andersen LLP

EXHIBIT NUMBER	DESCRIPTION
23.4	Consent of Arthur Andersen LLP
23.5	Consent of Arthur Andersen LLP
23.6	Consent of Dixon Odom, P.L.L.C.
23.7	Consent of Cravath, Swaine & Moore (contained in Exhibit 5)
23.8	Power of Attorney*
23.9	Power of Attorney*

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* Previously filed.

\+ Confidential treatment has been requested with respect to certain portions of this document and has been filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedules

The financial statement schedules are omitted because they are inapplicable or the requested information is shown in the consolidated financial statements of Asbury Automotive Group or related notes thereto.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes as follows:

(1) The undersigned will provide to the Underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(2) For purposes of determining any liability under the Securities Act, the

information omitted from the form of prospectus filed as part of this registration statement in reliance on Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(3) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14 or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, the State of New York, on the 13th day of March, 2002.

ASBURY AUTOMOTIVE GROUP, INC.

By: /s/ KENNETH B. GILMAN

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

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

SIGNATURE	TITLE	DATE
*	President and Chief Executive Officer	March 13, 2002
Kenneth B. Gilman *	Senior Vice President and Chief Financial Officer	March 13, 2002
Thomas F. Gilman *	Controller	March 13, 2002

Michael C. Paul *	Director	March 13, 2002
Timothy C. Collins *	Director	March 13, 2002
Thomas Gibson *	Director	March 13, 2002
Ian K. Snow *	Director	March 13, 2002
John M. Roth		

SIGNATURE	TITLE	DATE
- *	Director	March 13, 2002
Ben David McDavid * By: /s/ KENNETH B. GILMAN -- Kenneth B. Gilman Attorney-in-Fact for each of the persons indicated		

EXHIBIT 1.1

ASBURY AUTOMOTIVE GROUP, INC.

COMMON STOCK (PAR VALUE $0.01)

FORM OF UNDERWRITING AGREEMENT

March....., 2002

Goldman, Sachs & Co.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Salomon Smith Barney Inc.
Raymond James & Associates, Inc.
Stephens, Inc.
As representatives of the several Underwriters
named in Schedule I hereto
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Ladies and Gentlemen:

Asbury Automotive Group, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in SCHEDULE I hereto (the "Underwriters") an aggregate of . . . . . .shares and, at the election of the Underwriters, up to . . . . . additional shares of Common Stock, par value $.01 per share ("Stock") of the Company and the stockholders of the Company named in SCHEDULE II hereto (the "Selling Stockholders") propose, subject to the terms and conditions stated herein, to sell to the Underwriters an aggregate of . . . . . shares of Stock. The aggregate of . . . . shares to be sold by the Company and the Selling Stockholders is herein called "Firm Shares" and the aggregate of . . . . . additional shares to be sold by the Company is herein called the "Optional Shares". The Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof are herein collectively called the "Shares".

Prior to the First Time of Delivery (as defined below), substantially all of the membership interests in Asbury Automotive Group L.L.C., a Delaware limited liability company ("Asbury Automotive LLC"), will be contributed to the Company and to a wholly-owned subsidiary of the Company pursuant to that certain Transfer and Exchange Agreement, to be dated as of March , 2002, among Asbury Automotive Holdings L.L.C., the Company and the Dealers and Managers parties thereto (the "Transfer and Exchange Agreement"). The transfer of substantially all of the membership interests in Asbury Automotive LLC to the Company and a wholly-owned subsidiary pursuant to the Transfer and Exchange Agreement is hereinafter referred to as the "Transfer".

1. (a) The Company and Asbury Automotive LLC, jointly and severally, represent and warrant to, and agree with, each of the Underwriters that:

(i) A registration statement on Form S-1 (File No. 333-65998) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and

any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto, to you for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement

became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus");

(ii) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein or by a Selling Stockholder expressly for use in the preparation of the answers therein to Item 7 of Form S-1;

(iii) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein or by a Selling Stockholder expressly for use in the preparation of the answers therein to Item 7 of Form S-1;

(iv) Neither the Company, Asbury Automotive LLC nor any of their respective subsidiaries has sustained since the date of the latest audited financial statements included in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from

any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any change in the capital stock or membership interests, short-term debt or long-term debt of the Company, Asbury Automotive LLC or any of their respective subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity, members' equity or results of operations of the Company, Asbury Automotive LLC and their respective subsidiaries, otherwise than as set forth or contemplated in the Prospectus;

(v) The Company, Asbury Automotive LLC and each of their respective subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus (including, without limitation, such liens imposed under the Credit Agreement, dated as of January 17, 2001, between Asbury Automotive LLC and the lenders named therein, and the Wholesale Agreement of even date therewith and between such parties (collectively, the "Credit Facility"))or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company, Asbury Automotive LLC and each of their respective subsidiaries; and any real property and buildings held under lease by the Company, Asbury Automotive LLC and each of their respective subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company, Asbury Automotive LLC and each of their respective subsidiaries, subject, as to enforcement, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights, and to general equity principles;

(vi) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any

business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; each "significant subsidiary" (as such term is defined in Rule 1-02 of Regulation S-X promulgated under the Act) of the Company that is a corporation has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation; each significant subsidiary of the Company that is a limited liability company has been duly formed and is validly existing as a limited liability company in good standing under the laws of its jurisdiction of formation; and each significant subsidiary of the Company that is a limited partnership has been duly formed and is validly existing as a limited partnership in good standing under the laws of its jurisdiction of formation;

(vii) Asbury Automotive LLC has been duly formed and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with power and authority (limited liability company and other) to own its properties and conduct the business of the Company as described in the Prospectus prior to the consummation of the Transfer and to conduct its business as a wholly-owned subsidiary of the Company upon the consummation of the Transfer, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the

laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; each significant subsidiary of Asbury Automotive LLC that is a corporation has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation; each significant subsidiary of Asbury Automotive LLC that is a limited liability company has been duly formed and is validly existing as a limited liability company in good standing under the laws of its jurisdiction of formation; and each significant subsidiary of Asbury Automotive LLC that is a limited partnership has been duly formed and is validly existing as a limited partnership in good standing under the laws of its jurisdiction of formation

(viii) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description of the Stock contained in the Prospectus under the caption "Description of Capital Stock"; and all of the issued shares of capital stock, all of the issued membership interests and limited partnership interests of each subsidiary of the Company and Asbury Automotive LLC have been duly and validly authorized and issued, are, in the case of shares of capital stock, fully paid and non-assessable and (except for directors' qualifying shares) are owned directly or indirectly by the Company or Asbury Automotive LLC, as the case may be, free and clear of all liens (other than liens imposed under the Credit Facility), encumbrances, equities or claims;

(ix) All of the issued membership interests of Asbury Automotive LLC have been duly and validly authorized and issued; upon the effective time of the Transfer as provided in the Transfer and Exchange Agreement, 100 percent of the membership interests of Asbury Automotive LLC shall be owned directly or indirectly by the Company;

(x) The unissued Shares to be issued and sold by the Company to the Underwriters hereunder have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform to the description of the Stock contained in the Prospectus;

(xi) The Transfer and Exchange Agreement has been duly authorized by the Company and Asbury Automotive LLC and the Transfer will conform in all material respects to the description thereof contained in the Prospectus;

(xii) The issue and sale of the Shares to be sold by the Company, the Transfer and the compliance by the Company and Asbury Automotive LLC with all of the provisions of this Agreement and the Transfer and Exchange Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, Franchise Agreement (as defined herein), framework franchise agreement or other material agreement or instrument to which the Company, Asbury Automotive LLC or any of their respective subsidiaries is a party or by which the Company, Asbury Automotive LLC or any of their respective subsidiaries is bound or to which any of the property or assets of the Company, Asbury Automotive LLC or any of their respective subsidiaries is subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation

or By-laws of the Company, the Certificate of Formation or Limited Liability Company Agreement of Asbury Automotive LLC, or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, Asbury

Automotive LLC or any of their respective subsidiaries or any of their properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares, the consummation of the Transfer or the consummation by the Company and Asbury Automotive LLC of the transactions contemplated by this Agreement and the Transfer and Exchange Agreement, except the registration under the Act of the Shares and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(xiii) Neither the Company nor any of those of its or Asbury Automotive LLC's subsidiaries that are corporations are in violation of their respective Certificates of Incorporation or By-laws; neither Asbury Automotive LLC nor any of those of its or the Company's subsidiaries that are limited liability companies are in violation of their respective Certificates of Formation or Limited Liability Company Agreements; none of the Company's or Asbury Automotive LLC's subsidiaries that are limited partnerships are in violation of their Certificates of Limited Partnership or Limited Partnership Agreements; and neither the Company, Asbury Automotive LLC nor any of their respective subsidiaries are in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other material agreement or instrument to which they are parties or by which they or any of their properties may be bound;

(xiv) The statements set forth in the Prospectus under the caption "Description of Capital Stock", insofar as they purport to constitute a summary of the terms of the Stock, and under the caption "Underwriting", insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair;

(xv) Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company, Asbury Automotive LLC or any of their respective subsidiaries is a party or of which any property of the Company, Asbury Automotive LLC or any of their respective subsidiaries is the subject which, if determined adversely to the Company, Asbury Automotive LLC or any of their respective subsidiaries, would individually or in the aggregate have a material adverse effect on the current or future consolidated financial position, stockholders' equity, members' equity, partners' equity or results of operations of the Company, Asbury Automotive LLC or any of their respective subsidiaries; and, to the best of the Company's and Asbury Automotive LLC's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(xvi) Neither the Company nor Asbury Automotive LLC is and, after giving effect to the offering and sale of the Shares, neither the Company nor Asbury Automotive LLC will be an "investment company", as such term is defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(xvii) Arthur Andersen LLP, which has certified certain financial statements of the Company, Asbury Automotive LLC and their respective subsidiaries, and Dixon Odom P.L.L.C., which has certified certain financial statements of Nalley Chevrolet, Inc. and affiliated entities are each independent public accountants as required by the Act and the rules and regulations of the Commission thereunder;

(xviii) The Company, Asbury Automotive LLC and their respective subsidiaries have obtained all environmental permits, licenses and other authorizations

required by federal, state and local law in order to conduct their businesses as described in the Prospectus, except where failure to do so would not have a material adverse effect on the current or future consolidated financial position, stockholders' equity, members' equity, partners' equity or results of operations of the Company, Asbury Automotive LLC or any of their respective subsidiaries (a "Material Adverse Effect"); the Company and its subsidiaries are conducting their businesses in compliance with such permits, licenses and authorizations and with applicable environmental laws, except where the failure to be in compliance would not, individually or in the aggregate, have a Material Adverse Effect; and neither the Company, Asbury Automotive LLC nor any of their respective subsidiaries are in violation of any

Federal or state law or regulation relating to the storage, handling, disposal, release or transportation of hazardous or toxic materials, which violation would subject the Company, Asbury Automotive LLC or any of their respective subsidiaries to any liability or disability, except where such violations would not, individually or in the aggregate, have a Material Adverse Effect;

(xix) The Company, Asbury Automotive LLC and each of their respective subsidiaries have all licenses, franchises, permits, authorizations, approvals and orders and other concessions of and from all governmental or regulatory authorities that are necessary to own or lease their properties and conduct their businesses as described in the Prospectus, except for such licenses, franchises, permits authorizations, approvals and orders the failure to obtain which would not, individually or in the aggregate, have a Material Adverse Effect;

(xx) The Company, Asbury Automotive LLC and each of their respective subsidiaries are conducting business in compliance with all applicable statutes, rules, regulations, standards, guides and orders administered or issued by any governmental or regulatory authority in the jurisdictions in which it is conducting business, except where the failure to be so in compliance would not, individually or in the aggregate, have a Material Adverse Effect;

(xxi) The Company, Asbury Automotive LLC or a wholly-owned direct or indirect subsidiary (except in the case of CK Chevrolet L.L.C. d/b/a Coggin Chevrolet and CK Motors L.L.C. d/b/a Coggin Pontiac-GMC- Buick and Coggin Motor Mall, which are each majority owned, and Asbury St. Louis LR L.L.C. d/b/a Plaza Land Rover St. Louis, which is minority owned) has entered into a franchise agreement with each of the manufacturers listed on Schedule III hereto (collectively, the "Franchise Agreements", and each a "Franchise Agreement"), each of which has been duly authorized, executed and delivered by the Company, Asbury Automotive LLC or such subsidiary, is in full force and effect and constitutes the valid and binding agreement between the parties thereto, enforceable in accordance with its terms, subject to applicable Federal and state franchise laws and subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights, and to general equity principles; the Franchise Agreements permit the Company, Asbury Automotive LLC or a subsidiary or subsidiaries to operate a vehicle sales franchise at the locations indicated on Schedule III; the Company, Asbury Automotive LLC and their subsidiaries are in compliance with all material terms and conditions of the Franchise Agreements, and, to the best knowledge of the Company and Asbury Automotive LLC, there has not occurred any material default under any of the Franchise Agreements or any event that with the giving of notice or the lapse of time would constitute a material default thereunder; and

(xxii) Except as disclosed in the Prospectus, no holders of any securities of the Company or Asbury Automotive LLC have any rights to require the Company or Asbury Automotive LLC to register any securities of the Company under the Act.

(b) Each of the Selling Stockholders severally represents and warrants to, and agrees with, each of the Underwriters, the Company and Asbury Automotive LLC that:

(i) All consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Stockholder of this Agreement and the Power of Attorney and the Custody Agreement hereinafter referred to, and for the sale and delivery of the Shares to be sold by such Selling Stockholder hereunder, have been obtained; and such Selling Stockholder has full right, power and authority to enter into this Agreement, the Power-of-Attorney and the Custody Agreement and, upon the issuance of the Shares to or on behalf of the Selling Stockholder prior to the First Time of Delivery, such Selling Stockholder shall have full right, power and authority to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder;

(ii) The sale of the Shares to be sold by such Selling Stockholder hereunder and the compliance by such Selling Stockholder with all of the provisions of this Agreement, the Power of Attorney and the Custody Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any statute, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, nor will such action result in any violation of the provisions of the Certificate of Formation or Limited Liability Company Agreement of such Selling Stockholder if such Selling Stockholder is a limited liability company or any statute or any order, rule or regulation of

any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property of such Selling Stockholder;

(iii) Assuming that the Shares to be sold by such Selling Stockholder have been validly issued to such Selling Stockholder by the Company, such Selling Stockholder shall have, immediately prior to the First Time of Delivery (as defined in Section 4 hereof), good and valid title to the Shares to be sold by such Selling Stockholder hereunder, free and clear of all liens, encumbrances, equities or claims; and, upon delivery of such Shares and payment therefor pursuant hereto, good and valid title to such Shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several Underwriters;

(iv) Such Selling Stockholder shall not, during the period beginning from the date hereof and continuing to and including the date two years after the date of the Prospectus, offer, sell, contract to sell or otherwise dispose of, except as provided hereunder, any securities of the Company that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement), without the prior written consent of Goldman, Sachs & Co.;

(v) Such Selling Stockholder has not taken and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(vi) To the extent that any statements or omissions made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto are made in reliance upon and in conformity with written

information furnished to the Company by such Selling Stockholder expressly for use therein, such Preliminary Prospectus and the Registration Statement did, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus, when they become effective or are filed with the Commission, as the case may be, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(vii) In order to avoid backup withholding of U.S. Federal income tax on the cash received in connection with the transactions herein contemplated, such Selling Stockholder will deliver to you prior to or at the First Time of Delivery (as hereinafter defined) a properly completed and executed United States Internal Revenue Service Form W-9 (or other applicable form or statement specified by applicable regulations of the United States Department of the Treasury in lieu thereof);

(viii) Immediately prior to the First Time of Delivery, certificates in negotiable form representing all of the Shares to be sold by such Selling Stockholder hereunder shall have been placed in custody under a Custody Agreement, in the form heretofore furnished to you (the "Custody Agreement"), duly executed and delivered by such Selling Stockholder to Ian K. Snow and Tony W. Lee, each as custodian (the "Custodian"), and such Selling Stockholder has duly executed and delivered a Power of Attorney, in the form heretofore furnished to you (the "Power of Attorney"), appointing the persons indicated in SCHEDULE II hereto, and each of them, as such Selling Stockholder's attorneys-in-fact (the "Attorneys-in-Fact") with authority to execute and deliver this Agreement on behalf of such Selling Stockholder, to determine the purchase price to be paid by the Underwriters to the Selling Stockholders as provided in Section 2 hereof, to authorize the delivery of the Shares to be sold by such Selling Stockholder hereunder and otherwise to act on behalf of such Selling Stockholder in connection with the transactions contemplated by this Agreement and the Custody Agreement; and

(ix) The Shares represented by the certificates to be held in custody for such Selling Stockholder under the Custody Agreement shall be subject to the interests of the Underwriters hereunder; the arrangements made by such Selling Stockholder for such custody, and the appointment by such Selling Stockholder of the Attorneys-in-Fact by the Power of Attorney, are to that extent irrevocable; the obligations of the Selling Stockholders hereunder to the extent permitted by applicable law shall not be terminated by operation of law, whether by the death or incapacity of any individual Selling Stockholder or, in the case of an estate or trust, by the death or incapacity of any executor or trustee or the termination of such estate or trust, or in

the case of a partnership or corporation, by the dissolution of such partnership or corporation, or by the occurrence of any other event; if any individual Selling Stockholder or any such executor or trustee should die or become incapacitated, or if any such estate or trust should be terminated, or if any such partnership or corporation should be dissolved, or if any other such event should occur, before the delivery of the Shares hereunder, certificates representing the Shares shall be delivered by or on behalf of the Selling Stockholders in accordance with the terms and conditions of this Agreement and of the Custody Agreements; and actions taken by the Attorneys-in-Fact pursuant to the Powers of Attorney to the extent permitted by applicable law shall be as valid as if such death, incapacity, termination, dissolution or other event had not occurred, regardless of whether or not the Custodian, the Attorneys-in-Fact, or any of them, shall have received notice of such death, incapacity, termination, dissolution or other event.

2. Subject to the terms and conditions herein set forth, the Company and each of the Selling Stockholders agree, severally and not jointly, to sell to each of the Underwriters,

and each of the Underwriters agrees, severally and not jointly, to purchase from the Company and each of the Selling Stockholders, at a purchase price per share of $....., the number of Firm Shares (to be adjusted by you so as to eliminate fractional shares) determined by multiplying the aggregate number of Shares to be sold by the Company and each of the Selling Stockholders as set forth opposite their respective names in SCHEDULE II hereto by a fraction, the numerator of which is the aggregate number of Firm Shares to be purchased by such Underwriter as set forth opposite the name of such Underwriter in SCHEDULE I hereto and the denominator of which is the aggregate number of Firm Shares to be purchased by all of the Underwriters from the Company and all of the Selling Stockholders hereunder and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share set forth in clause (a) of this Section 2, that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in SCHEDULE I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company, as and to the extent indicated in SCHEDULE II hereto, hereby grants to the Underwriters the right to purchase at their election up to ..... Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares. Any such election to purchase Optional Shares may be exercised only by written notice from you to the Company and, given within a period of 30 calendar days after the date of this Agreement and setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless you and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by you of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as Goldman, Sachs & Co. may request upon at least forty-eight hours' prior notice to the Company and the Selling Stockholders shall be delivered by or on behalf of the Company and the Selling Stockholders to Goldman, Sachs & Co., for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company and the Custodian on behalf of each of the Selling Stockholders, as their interests may appear, to Goldman, Sachs & Co. at least forty-eight hours in advance. The Company will cause the certificates representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of Goldman, Sachs & Co., 85 Broad Street, New York, New York 10004 (the "Designated Office"). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York time, on ....., 2002 or such other time and date as Goldman, Sachs & Co., the Company and the Selling Stockholders may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by Goldman, Sachs & Co. in the written notice given by Goldman, Sachs & Co. to the Company of the Underwriters' election to purchase such Optional Shares, or such other time and date as Goldman, Sachs & Co. and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery", such time and date for

delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery", and each such time and date for delivery is herein called a "Time of Delivery".

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 7(n), will be delivered at the offices of Sullivan & Cromwell, 125 Broad Street, New York, New York 10004 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location at 1:00 p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4 and Section 5, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Company and Asbury Automotive LLC, jointly and severally, agree with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or Prospectus which shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish you with copies thereof; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus or suspending any such qualification, promptly to use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) As soon as practicable on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the

Prospectus in order to comply with the Act, to notify you and upon your request to prepare and furnish without charge to each Underwriter and to any dealer in securities as many written and electronic copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance, and in case any Underwriter is required to deliver a prospectus in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to the Company's stockholders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which

need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus, not to offer, sell, contract to sell or otherwise dispose of, except as provided hereunder, any securities of the Company that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities (other than (A) pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement or (B) in connection with acquisitions, provided that such securities shall not exceed in the aggregate 10% of the Stock to be outstanding immediately following the offering contemplated hereby and provided, further, that the recipients of such securities agree to be bound by this Section 5(e) for the duration of the 180 day period), without the prior written consent of Goldman, Sachs & Co.;

(f) To furnish to the Company's stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to the Company's stockholders consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail;

(g) During a period of five years from the effective date of the Registration Statement, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to the Company's stockholders generally or to the Commission);

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Prospectus under the caption "Use of Proceeds";

(i) To use its best efforts to list, subject to notice of issuance, the Shares on the New York Stock Exchange (the "Exchange);

(j) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act; and

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act; and

6. The Company, Asbury Automotive LLC and each of the Selling Stockholders covenant and agree with one another and with the several Underwriters that (a) the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey; (iv) all fees and expenses in connection with listing the Shares on the Exchange; (v) the filing fees incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates; (vii) the cost and charges of any transfer agent or registrar, and (viii) all other costs and expenses incident to the performance of the obligations of the Company, Asbury Automotive LLC and the Selling Stockholders hereunder which are not otherwise specifically provided for in this Section; and (b) each Selling Stockholder will pay or cause to be paid all costs and expenses incident to the performance of such Selling Stockholder's obligations hereunder which are not

otherwise specifically provided for in this Section, including (i) any fees and expenses of counsel for such Selling Stockholder; (ii) such Selling Stockholder's pro rata share of the fees and expenses of the Attorneys-in-Fact and the Custodian; and (iii) all expenses and taxes incident to the sale and delivery of the Shares to be sold by such Selling Stockholder to the Underwriters hereunder. It is understood, however, that the Company, and Asbury Automotive LLC shall bear, and the Selling Stockholders shall not be required to pay or to reimburse the Company or Asbury Automotive LLC for, the cost of any other matters not directly relating to the sale and purchase of the Shares pursuant to this Agreement, and that, except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company, Asbury Automotive LLC and of the Selling Stockholders herein are, at and as of such Time of Delivery, true and correct, the condition that the Company, Asbury Automotive LLC and the Selling Stockholders shall have performed all of its and their obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations

under the Act and in accordance with Section 5(a) hereof; if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Sullivan & Cromwell, counsel for the Underwriters, shall have furnished to you such written opinion or opinions, dated such Time of Delivery, with respect to the incorporation of the Company, the validity of the Shares, the Registration Statement, the Prospectus and such other related matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Cravath, Swaine & Moore, counsel for the Company, shall have furnished to you, in form and substance satisfactory to you, (i) their written opinion, dated such Time of Delivery, to the effect that:

(A) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus;

(B) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company (including the Shares being delivered at such Time of Delivery) have been duly and validly authorized and issued and are fully paid and non-assessable; and the Shares conform to the description of the Stock contained in the Prospectus;

(C) This Agreement has been duly authorized, executed and delivered by the Company and Asbury Automotive LLC;

(D) The issue and sale of the Shares being delivered at such Time of Delivery to be sold by the Company and the compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any (x) indenture, or loan agreement with a financial institution, or (y) material mortgage, deed of trust or other agreement or instrument, in the case of the agreements and instruments described in clause (y), known to such counsel, to which the Company or any of its significant subsidiaries is a party or by which the Company or any of its significant subsidiaries is bound or to which any of the property or assets of the Company or any of its significant subsidiaries is subject (excluding the Franchise Agreements), nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company or any statute or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over the Company or any of its significant subsidiaries or any of their properties;

(E) No consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Act of the Shares, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters; provided, that such opinion may be limited to the laws of the United States, the laws of the State of New York and the General Corporation Law and Limited Liability Company Act of the State of Delaware;

(F) Each "significant subsidiary" (as defined in Rule 1-02 of Regulation S-X promulgated under the Act) of the Company that is a corporation has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation; and all of the issued shares of capital stock of each such subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable, and (except for directors' qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims (such counsel being entitled to (i) rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions and certificates, and (ii) exclude from such opinion such liens as are imposed under the terms of the Credit Facility);

(G) The statements set forth in the Prospectus under the caption "Description of Capital Stock", insofar as they purport to constitute a summary of the terms of the Stock, and under the caption "Underwriting" insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair; and

(H) The Company is not an "investment company", as such term is defined in the Investment Company Act; and

(ii) their letter, dated such Time of Delivery, to the effect that:

The Registration Statement and the Prospectus and any further amendments and supplements thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the rules and regulations thereunder; although they do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus, except for those referred to in the opinion in subsection (vi) of this Section 7(c), they have no reason to believe that, as of its effective date, the Registration Statement or any further amendment thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the

statements therein not misleading or that, as of its date, the Prospectus or any further amendment or supplement thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or that, as of such Time of Delivery, either the Registration Statement or the Prospectus or any further amendment or supplement thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature

therein, as to which such counsel need express no opinion) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and they do not know of any amendment to the Registration Statement required to be filed or of any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be described in the Registration Statement or the Prospectus which are not filed or described as required.

(d) General counsel to the Company or other counsel of the Company satisfactory to you shall have furnished to you, in form and substance satisfactory to you, (i) his written opinion, dated such Time of Delivery, to the effect that:

(A) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus;

(B) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company (including the Shares being delivered at such Time of Delivery) have been duly and validly authorized and issued and are fully paid and non-assessable; and the Shares conform to the description of the Stock contained in the Prospectus;

(C) The Company has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of failure to be so qualified in any such jurisdiction (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions and certificates);

(D) (x) Each significant subsidiary of the Company that is a limited liability company has been duly formed and is validly existing as a limited liability company in good standing under the laws of its jurisdiction of formation; and all of the issued membership interests of each such subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and

clear of all liens, encumbrances, equities or claims; and (y) each significant subsidiary of the Company that is a limited partnership has been duly formed and is validly existing as a limited partnership in good standing under the laws of its jurisdiction of formation; and all the issued limited partnership interests of each such subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company free and clear of all liens, encumbrances, equities or claims; (such counsel being entitled to (i) rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions and certificates, and (ii) exclude from such opinion such liens and encumbrances as are imposed under the terms of the Credit Facility);

(E) To such counsel's knowledge, the Company and its subsidiaries have good and marketable title in fee simple to all real property owned by them, in each case free and clear of all liens, encumbrances and defects except such as do not interfere with the use and continued use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use and continued use made and proposed to be made of such property and buildings by the Company and its subsidiaries (in giving the opinion in this clause, such counsel may (i) state that no examination of record titles for the purpose of such opinion has been made, and that they are relying upon a general review of the titles of the Company and its subsidiaries, upon

opinions of local counsel and abstracts, reports and policies of title companies rendered or issued at or subsequent to the time of acquisition of such property by the Company or its subsidiaries, upon opinions of counsel to the lessors of such property and, in respect of matters of fact, upon certificates of officers of the Company or its subsidiaries, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions, abstracts, reports, policies and certificates, (ii) exclude from such opinion liens, encumbrances, defects and exceptions that would not have a Material Adverse Effect and (iii) exclude from such opinion such liens and encumbrances as are imposed under the terms of the Credit Facility);

(F) To such counsel's knowledge and other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect; and, to such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(G) This Agreement has been duly authorized, executed and delivered by the Company and Asbury Automotive LLC;

(H) (x) The Company is not in violation of its Certificate of Incorporation or By-laws, nor is it in default in the performance or

observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, or lease or agreement or other instrument to which it is a party or by which it or any of its properties may be bound;

(y) To such counsel's knowledge, none of the significant subsidiaries of the Company that are corporations are in violation of their respective Certificates of Incorporation or By-laws, none of the significant subsidiaries of the Company that are limited liability companies are in violation of their respective Certificates of Formation or Limited Liability Company Agreements, none of the significant subsidiaries of the Company that are limited partnerships are in violation of their respective Certificates of Limited Partnership or Limited Partnership Agreements, and no such significant subsidiary is in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any material indenture, mortgage, deed of trust, loan agreement, or lease or agreement or other material instrument to which it is a party or by which it or any of its properties may be bound; and

(z) To the knowledge of such counsel, none of the subsidiaries of the Company that are not significant subsidiaries are (I) in the case of corporations, in violation of their respective Certificates of Incorporation or By-laws, (II) in the case of limited liability companies, in violation of their respective Certificates of Formation or Limited Liability Company Agreements, and (III) in the case of limited partnerships, in violation of their respective Certificates of Limited Partnership or Limited Partnership Agreements, and no such subsidiary is in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any material indenture, mortgage, deed of trust, loan agreement, or lease or agreement or other material instrument to which it is a party or by which it or any of its properties may be bound;

provided that such counsel may exclude from such opinion (i) the Franchise Agreements and (ii) such violations and defaults that would not have a Material Adverse Effect;

(ii) his letter dated such Time of Delivery, to the effect that:

The Registration Statement and the Prospectus and any further amendments and supplements thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the rules and regulations thereunder; they have no reason to believe that, as of its effective date, the Registration Statement or any further amendment thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that, as of its date, the Prospectus or any further amendment or supplement

thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or that, as of such Time of Delivery, either the Registration Statement or the Prospectus or any further amendment or supplement thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and information of a financial or accounting nature therein, as to which such counsel need express no opinion) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and they do not know of any amendment to the Registration Statement required to be filed or of any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be described in the Registration Statement or the Prospectus which are not filed or described as required.

(e) With respect to the First Time of Delivery, the respective counsel for each of the Selling Stockholders, as indicated in SCHEDULE II hereto, each shall have furnished to you their written opinion with respect to each of the Selling Stockholders for whom they are acting as counsel (a draft of each such opinion is attached as ANNEX II hereto), dated such Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) A Power-of-Attorney and a Custody Agreement have been duly executed and delivered by such Selling Stockholder and constitute valid and binding agreements of such Selling Stockholder in accordance with their terms;

(ii) This Agreement has been duly executed and delivered by or on behalf of such Selling Stockholder; and the sale of the Shares to be sold by such Selling Stockholder hereunder and the compliance by such Selling Stockholder with all of the provisions of this Agreement, the Power-of-Attorney and the Custody Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any terms or provisions of, or constitute a default under, any statute, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, nor will such action result in any violation of the provisions of the Certificate of Formation or Limited Liability Company Agreement of such Selling Stockholder if such Selling Stockholder is a limited liability company or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property of such Selling Stockholder;

(iii) No consent, approval, authorization or order of any court or governmental agency or body is required for the consummation of the transactions contemplated by this Agreement in connection with the Shares to be sold by such Selling Stockholder hereunder, except for those consents that have been duly obtained and are in full force and effect, such as have been obtained under the Act and such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of such Shares by the Underwriters;

(iv) Assuming that the Shares to be sold by such Selling Stockholder have been validly issued to such Selling Stockholder by the Company, immediately prior

to such Time of Delivery, such Selling Stockholder had good and valid title to the Shares to be sold at such Time of Delivery by such Selling Stockholder under this Agreement, free and clear of all liens, encumbrances or claims, and full right, power and authority to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder; and

(v) Good and valid title to such Shares, free and clear of all liens, encumbrances or claims, has been transferred to each of the several Underwriters; provided that the Underwriters paid value therefore and have purchased such Shares without notice of an adverse claim thereto (within the meaning of the Uniform Commercial Code as in effect as of such Time of Delivery in the State of New York).

In rendering the opinion in paragraph (iv), such counsel may rely upon a certificate of such Selling Stockholder in respect of matters of fact as to ownership of, and liens, encumbrances or claims on, the Shares sold by such Selling Stockholder, provided that such counsel shall state that they believe that both you and they are justified in relying upon such certificate. In rendering such opinions such counsel may qualify such opinions by noting that no opinion is pressed as to the validity or enforceability of any provision which purports to provide that the powers granted under a power of attorney will survive the death or incompetence of the principal. Such counsel may also note that it is not expressing any opinion with respect to the accuracy or completeness of any representation or warranty made by the Selling Stockholder or any other party in the Registration Statement, this Agreement or any document or instrument executed in connection with the transactions contemplated thereby.

(f) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Arthur Andersen LLP shall have furnished to you a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to you, to the effect set forth in ANNEX I hereto;

(g) (i) Neither the Company, Asbury Automotive LLC nor any of their respective subsidiaries shall have sustained since the date of the latest audited financial statements included in the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus, and (ii) since the respective dates as of which information is given in the Prospectus there shall not have been any change in the capital stock or membership interests, short-term debt or long-term debt of the Company, Asbury Automotive LLC or any of their respective subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity, members' equity or results of operations of the Company, Asbury Automotive LLC and any of their respective subsidiaries, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(h) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war; or (v) the occurrence of any

other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(i) The Shares at such Time of Delivery shall have been duly listed, subject to notice of issuance, on the Exchange;

(j) The Company has obtained and delivered to the Underwriters executed copies of an agreement from each of (i) Asbury Automotive Holdings L.L.C. and (ii) the persons listed on SCHEDULE IV (such persons, the "Designated Persons"), substantially to the effect that during the period beginning from the date hereof and continuing to and including the date, (i) in the case of Asbury Automotive Holdings L.L.C., 180 days and (ii) in the case of each Designated Person, two years after the date of the Prospectus, such persons shall not offer, sell contract to sell or otherwise dispose of any Shares or securities of

the Company that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement), without the prior written consent of Goldman, Sachs & Co.;

(k) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement;

(l) Prior to the First Time of Delivery, the Transfer and Exchange Agreement shall have been duly authorized, executed and delivered by each of the parties thereto, and the Transfer shall have taken place;

(m) No legal action challenging the Transfer, the terms of the Transfer and Exchange Agreement or the transactions contemplated thereby shall have been filed and remain outstanding, the effect of which, in the judgment of Goldman, Sachs & Co. makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the same manner contemplated by the Prospectus;

(n) The Company, Asbury Automotive LLC and the Selling Stockholders shall have furnished or caused to be furnished to you at such Time of Delivery certificates of officers of the Company and of the Selling Stockholders, respectively, satisfactory to you as to the accuracy of the representations and warranties of the Company, Asbury Automotive LLC and the Selling Stockholders, respectively, herein at and as of such Time of Delivery, as to the performance by the Company, Asbury Automotive LLC and the Selling Stockholders of all of their respective obligations hereunder to be performed at or prior to such Time of Delivery, and as to such other matters as you may reasonably request, and the Company and Asbury Automotive LLC shall have furnished or caused to be furnished certificates as to the matters set forth in subsections (a), (f), (l) and (m) of this Section; and

(o) Akin, Gump, Strauss, Hauer & Feld, L.L.P., special counsel to Asbury Automotive LLC, shall have furnished to you, in form and substance satisfactory to you, their written opinion, dated such Time of Delivery, to the effect that the offer and sale of the Shares will not result in a breach of the Franchise Agreements with the franchisors named in such opinion.

8. (a) The Company and Asbury Automotive LLC, jointly and severally, will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that neither the Company, Asbury Automotive LLC nor Nalley shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein.

(b) Each of the Selling Stockholders, and incuding, in the case of CNC Automotive, L.L.C., Royce Reynolds, will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder expressly for use therein; and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that such Selling Stockholder shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the

Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein; and provided further that no Selling Stockholder shall be liable under this Section 8(b) in an aggregate amount greater than the product of (x) the number of Shares purchased by the Underwriters from such Selling Stockholder under Section 2 hereof, TIMES (y) the initial public offering price per Share as set forth on the front cover of the Prospectus.

(c) Each Underwriter will indemnify and hold harmless the Company, Asbury Automotive LLC and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any

Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through Goldman, Sachs & Co. expressly for use therein; and will reimburse the Company, Asbury Automotive LLC and each Selling Stockholder for any legal or other expenses reasonably incurred by the Company, Asbury Automotive LLC or such Selling Stockholder in connection with investigating or defending any such action or claim as such expenses are incurred.

(d) Promptly after receipt by an indemnified party under subsection (a), (b) or (c) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation, unless the indemnified party shall have reasonably concluded (with the advice of counsel) that there may be defenses available to it which are different from those or in addition to those available to the indemnifying party, in which case, the indemnifying party shall be responsible for the fees and expenses of counsel for the indemnified party it being understood, however, that the Company and the Selling Stockholders shall not be responsible for the fees and expenses of more than one separate firm of attorneys for the Underwriters or controlling persons in any one action or series of related actions. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(e) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a), (b) or (c) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company, Asbury Automotive LLC and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (d) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company, Asbury Automotive LLC and the Selling Stockholders on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the

Company, Asbury Automotive LLC and the Selling Stockholders on the

one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company, Asbury Automotive LLC and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, Asbury Automotive LLC or the Selling Stockholders in question on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, Asbury Automotive LLC, each of the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (e) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (e), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (e) to contribute are several in proportion to their respective underwriting obligations and not joint.

(f) The obligations of the Company, Asbury Automotive LLC and the Selling Stockholders under this Section 8 shall be in addition to any liability which the Company, Asbury Automotive LLC and the respective Selling Stockholders may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company), each officer and director of Asbury Automotive LLC and to each person, if any, who controls the Company, Asbury Automotive LLC or any Selling Stockholder within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company and the Selling Stockholders shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company and the Selling Stockholders that you have so arranged for the purchase of such Shares, or the Company and the Selling Stockholders notify you that they have so arranged for the purchase of such Shares, you or the Company and the Selling Stockholders shall have the right to postpone Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement or the Prospectus which in your opinion

may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such

Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all of the Shares to be purchased at such Time of Delivery, or if the Company and the Selling Stockholders shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company or the Selling Stockholders, except for the expenses to be borne by the Company and the Selling Stockholders and the Underwriters as provided in Section 6 hereof, the indemnity and contribution agreements in Section 8 hereof and the obligations of Asbury Automotive LLC in Section 13 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company, Asbury Automotive LLC, the Selling Stockholders and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any of the Selling Stockholders, or any officer or director or controlling person of the Company, Asbury Automotive LLC or any controlling person of any Selling Stockholder, and shall survive delivery of and payment for the Shares.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, neither the Company, Asbury Automotive LLC nor the Selling Stockholders shall then be under any liability to any Underwriter except as provided in Sections 6, 8 and 13 hereof; but, if for any other reason any Shares are not delivered by or on behalf of the Company and the Selling Stockholders as provided herein, the Company and each of the Selling Stockholders pro rata (based on the number of Shares to be sold by the Company and such Selling Stockholder hereunder), will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company, Asbury Automotive LLC and the Selling Stockholders shall then be under no further liability to any Underwriter in respect of the Shares not so delivered except as provided in Sections 6, 8 and 13 hereof.

12. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by Goldman, Sachs & Co. on behalf of you as the representatives; and in all dealings with any Selling Stockholder hereunder, you, the Company and Asbury Automotive LLC shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of such Selling Stockholder made or given by any or all of the Attorneys-in-Fact for such Selling Stockholder.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the representatives in care of Goldman, Sachs & Co., 32 Old Slip, 21st Floor, New York, New York 10005, Attention: Registration Department; if to any Selling Stockholder shall be delivered or sent by mail, telex or facsimile transmission to counsel for such Selling Stockholder at its address set forth in SCHEDULE II hereto; and if to the Company or Asbury Automotive LLC shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Secretary; provided, however, that any notice to an Underwriter pursuant to Section 8(d) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire or telex constituting such Questionnaire, which address will be supplied to the Company, Asbury Automotive LLC or the Selling Stockholders by you on request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. Asbury Automotive LLC covenants and agrees with the Underwriters that it shall ensure and guarantee the compliance by the Company with all of the Company's obligations hereunder.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company, Asbury Automotive LLC and the Selling Stockholders and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company, Asbury Automotive LLC and each person who controls the Company, Asbury Automotive LLC any Selling Stockholder or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by

virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

18. The Company and the Selling Stockholders are authorized, subject to applicable law, to disclose any and all aspects of this potential transaction that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transaction, without the Underwriters imposing any limitation of any kind.

If the foregoing is in accordance with your understanding, please sign and return to us ten (10) counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the

Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters, the Company, Asbury Automotive LLC and each of the Selling Stockholders. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company, Asbury Automotive LLC and the Selling Stockholders for examination, upon request, but without warranty on your part as to the authority of the signers thereof.

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FORM OF AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF ASBURY AUTOMOTIVE GROUP, INC.

ARTICLE I

NAME

SECTION 1.01. The name of the corporation is Asbury Automotive Group, Inc. (the "CORPORATION").

ARTICLE II

REGISTERED AGENT

SECTION 2.01. The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle 19801. The name of the registered agent of the Corporation at such address is The Corporation Trust Company.

ARTICLE III

PURPOSE

SECTION 3.01. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV

CAPITAL STOCK

SECTION 4.01. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 100 million, of which 10 million shares shall be Preferred Stock, par value $.01 per share (the "PREFERRED STOCK"), and 90 million shares shall be Common Stock, par value $.01 per share (the "COMMON STOCK").

SECTION 4.02. PREFERRED STOCK. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the "BOARD OF DIRECTORS", each member thereof, a "DIRECTOR" and the total number of Directors which the Corporation would have if there were no vacancies or unfilled newly-created directorships, the "WHOLE BOARD") is hereby authorized to provide for the issuance of shares of Preferred Stock in series and, by filing a certificate pursuant to the DGCL (a "PREFERRED STOCK DESIGNATION"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, privileges, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(a) the designation of the series, which may be by distinguishing number, letter or title;

(b) the number of shares of the series, which number the Board of Directors may thereafter, except where otherwise provided in the applicable Preferred Stock Designation, increase or decrease, but not below the number of shares thereof then outstanding;

(c) whether dividends, if any, shall be cumulative or noncumulative, and, in the case of shares of any series having cumulative dividend rights, the date or dates or method of determining the date or dates from which dividends on the shares of such series shall be cumulative;

(d) the rate of any dividends, or method of determining such dividends, payable to the holders of the shares of such series, any conditions upon which such dividends shall be paid and the date or dates or the method for determining the date or dates upon which such dividends shall be payable;

(e) the price or prices, or method of determining such price or prices, at which, the form of payment of such price or prices (which may be cash, property or rights, including securities of the same or another corporation or other entity) for which, the period or periods within which and

the terms and conditions upon which the shares of such series may be redeemed, in whole or in part, at the option of the Corporation or at the option of the holder or holders

thereof or upon the happening of a specified event or events, if any;

(f) the obligation, if any, of the Corporation to purchase or redeem shares of such series pursuant to a sinking fund or otherwise and the price or prices at which, the form of payment of such price or prices (which may be cash, property or rights, including securities of the same or another corporation or other entity) for which, the period or periods within which and the terms and conditions upon which the shares of such series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(g) the amounts payable out of the assets of the Corporation on and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;

(h) provisions, if any, for the conversion or exchange of the shares of such series, at any time or times at the option of the holder or holders thereof or at the option of the Corporation or upon the happening of a specified event or events, into shares of any other class or classes or any other series of the same or any other class or classes of stock, or any other security, of the Corporation, or any other corporation or other entity, and the price or prices or rate or rates of conversion or exchange and any adjustments applicable thereto, the date or dates as of when such shares will be converted or exchanged and all other terms and conditions upon which such conversion or exchange may be made;

(i) restrictions on the issuance of shares of the same series or of any other class or series, if any; and

(j) the voting rights, if any, of the holders of shares of the series.

SECTION 4.03. COMMON STOCK. (a) The Common Stock shall be subject to the express terms of the Preferred Stock and any series thereof. Each share of Common Stock shall be equal to every other share of Common Stock, except as otherwise provided herein or required by law.

(b) Shares of Common Stock authorized hereby shall not be subject to preemptive rights. The holders of shares of Common Stock now or hereafter outstanding shall have no

preemptive right to purchase or have offered to them for purchase any of such authorized but unissued shares, or any shares of Preferred Stock, Common Stock or other equity securities issued or to be issued by the Corporation.

(c) The holders of shares of Common Stock shall be entitled to one vote for each such share upon all proposals presented to the stockholders on which the holders of Common Stock are entitled to vote. Except as otherwise provided by law or by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of any series of Preferred Stock, the Common Stock shall have the exclusive right to vote for the election of Directors and for all other purposes, and holders of Preferred Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the outstanding Common Stock, without a vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to any Preferred Stock Designation.

(d) Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends, the holders of the shares of Common Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the Corporation as may be declared on the Common Stock by the Board of Directors at any time or from time to time out of any funds legally available therefor.

(e) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up, the holders of shares of Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.

(f) The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not

the Corporation shall have notice thereof, except as expressly provided by applicable law.

ARTICLE V

ELECTION OF DIRECTORS

SECTION 5.01. Unless and except to the extent that the By-laws of the Corporation (the "BY-LAWS") shall so require, the election of Directors of the Corporation need not be by written ballot.

ARTICLE VI

BOARD OF DIRECTORS

SECTION 6.01. NUMBER, ELECTION AND TERMS. Except as otherwise fixed by or pursuant to the provisions of Article IV hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up to elect additional Directors under specified circumstances, the number of the Directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board (but shall not be less than three). The Directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, with one class to be originally elected for a term expiring at the first annual meeting of stockholders following the effectiveness of this Certificate of Incorporation, another class to be originally elected for a term expiring at the second annual meeting of stockholders following the effectiveness of this Certificate of Incorporation, and another class to be originally elected for a term expiring at the third annual meeting of stockholders following the effectiveness of this Certificate of Incorporation, with each Director to hold office until such person's successor is duly elected and qualified. At each annual meeting of stockholders, Directors elected to succeed those Directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each Director to hold office until such

person's successor shall have been duly elected and qualified.

SECTION 6.02. STOCKHOLDER NOMINATION OF DIRECTOR CANDIDATES; STOCKHOLDER PROPOSAL OF BUSINESS. Advance notice of stockholder nominations for the election of Directors and of the proposal of business by stockholders shall be given in the manner provided in the By-laws, as amended and in effect from time to time.

SECTION 6.03. NEWLY CREATED DIRECTORSHIPS AND VACANCIES. Except as otherwise provided for or fixed by or pursuant to the provisions of Article IV hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up to elect Directors under specified circumstances, newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall only be filled by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any Director elected in accordance with the preceding sentence shall serve for the remainder of the full term of the class of Directors in which the new directorship was created or the vacancy occurred and until such Director's successor shall have been duly elected and qualified. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

SECTION 6.04. REMOVAL. Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, dissolution or winding up to elect Directors under specified circumstances, any Director may be removed from office only for cause and only by the affirmative vote of the holders of at least 80% of the voting power of all Voting Stock then outstanding, voting together as a single class.

SECTION 6.05. OTHER PROVISIONS. Notwithstanding any other provision of this Article VI, and except as otherwise required by law, whenever the holders of one or more series of Preferred Stock shall have the right, voting separately as a class, to elect one or more Directors of the Corporation, the term of office, the filling of vacancies, the removal from office and other features of such

directorships shall be governed by the terms of this Certificate of Incorporation (including any Preferred Stock Designation). During any period when the holders of any series of Preferred Stock have the right to elect additional Directors as provided for or fixed pursuant to the provisions of Article IV hereof, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of Directors of the Corporation shall automatically be increased by such specified number of Directors, and the holders of such Preferred Stock shall be entitled to elect the additional Directors so provided for or fixed pursuant to said provisions, and (ii) each such additional Director shall serve until such Director's successor shall have been duly elected and qualified, or until such Director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his earlier death, disqualification, resignation or removal. Except as otherwise provided by the Whole Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional Directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional Directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional Directors, shall forthwith terminate and the total authorized number of Directors of the Corporation shall be reduced accordingly.

ARTICLE VII

STOCKHOLDERS

SECTION 7.01. MEETINGS. Meetings of stockholders may be held within or without the State of Delaware, as the By-laws may provide. The books of the Corporation may be kept (subject to provisions contained in the statutes of Delaware) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-laws of the Corporation.

SECTION 7.02. ACTION. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

ARTICLE VIII

BY-LAWS

SECTION 8.01. The By-laws may be altered or repealed and new By-laws may be adopted (a) at any annual or special meeting of stockholders, by the affirmative vote of the holders of a majority of the voting power of the Voting Stock then outstanding, voting together as a single class; PROVIDED, HOWEVER, that any proposed alteration or repeal of, or the adoption of any By-law inconsistent with, Section 2.02, 2.07 or 8.01 of the By-laws, by the stockholders shall require the affirmative vote of the holders of at least 80% of the voting power of all Voting Stock then outstanding, voting together as a single class; PROVIDED, FURTHER, HOWEVER, that in the case of any such stockholder action at a special meeting of stockholders, notice of the proposed alteration, repeal or adoption of the new By-law or By-laws must be contained in the notice of such special meeting, or (b) by the affirmative vote of a majority of the Whole Board.

ARTICLE IX

AMENDMENT OF CERTIFICATE OF INCORPORATION

SECTION 9.01. The Corporation reserves the right at any time from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and any other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and, except as set forth in Article X, all rights, preferences and privileges of whatsoever nature conferred upon stockholders, Directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80% of the Voting Stock then outstanding, voting together as a single class, shall be required to alter, amend, adopt any provision inconsistent with or repeal Article VI, VII, VIII or this Article IX. For purposes of this Certificate of Incorporation, "VOTING STOCK" shall mean the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of Directors.

ARTICLE X

LIMITED LIABILITY; INDEMNIFICATION

SECTION 10.01. LIMITED LIABILITY OF DIRECTORS. A Director shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except, if required by the DGCL, as amended from time to time, for liability (a) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL, or (d) for any transaction from which the Director derived an improper personal benefit. Neither the amendment nor repeal of this Section 10.01 shall eliminate or reduce the effect of this Section 10.01 in respect of any matter occurring, or any cause of action, suit or claim that, but for this Section 10.01 would accrue or arise, prior to such amendment or repeal.

SECTION 10.02. INDEMNIFICATION AND INSURANCE. (a) RIGHT TO INDEMNIFICATION. Each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "PROCEEDING"), by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a Director or officer of the Corporation or, while a Director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a Director, officer, employee or agent or in any other capacity while serving as a Director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, amounts paid or to be paid in settlement, and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974, as in effect from time to time) reasonably incurred or suffered by such person in connection therewith if such person acted in good faith and in a manner such person reasonably believed to be in compliance with the standard of conduct set forth in Section 145 (or any successor provision) of the DGCL and such indemnification shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of such person's heirs, executors and administrators; PROVIDED, HOWEVER, that, except as provided in paragraph (b) hereof, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The Corporation shall pay the expenses incurred in defending any such proceeding in advance of its final disposition with any advance payments to be paid by the Corporation within 20 calendar days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; PROVIDED, HOWEVER, that, if and to the extent the DGCL requires, the payment of such expenses incurred by a Director or officer in such person's capacity as a Director or officer (and not in any other capacity in which service was or is rendered by such person while a Director or

officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such Director or officer, to repay all amounts so advanced if it shall ultimately be determined that such Director or officer is not entitled to be indemnified under this Section 10.02 or otherwise. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to have the Corporation pay the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and officers of the Corporation.

(b) RIGHT OF CLAIMANT TO BRING SUIT. If a claim under paragraph (a) of this Section 10.02 is not paid in full by the Corporation within 30 calendar days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standard of conduct which makes it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of

Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) NON-EXCLUSIVITY OF RIGHTS. The right to indemnification and the payment of expenses incurred in

defending a proceeding in advance of its final disposition conferred in this Section 10.02 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-law, agreement, vote of stockholders or disinterested Directors or otherwise. No repeal or modification of this Article X shall in any way diminish or adversely affect the rights of any Director, officer, employee or agent of the Corporation hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

(d) INSURANCE. The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

(e) SEVERABILITY. If any provision or provisions of this Article X shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article X (including, without limitation, each portion of any paragraph of this Article X containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Article X (including, without limitation, each such portion of any paragraph of this Article X containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

FORM OF AMENDED AND RESTATED
BYLAWS OF
ASBURY AUTOMOTIVE GROUP, INC.

Incorporated under the laws
of the State of Delaware

BY-LAWS

BY-LAWS

of

ASBURY AUTOMOTIVE GROUP, INC.

ARTICLE I

OFFICES

SECTION 1.01. DELAWARE OFFICE. The principal office of Asbury Automotive Group, Inc. (the Corporation) in the State of Delaware shall be in the City of Wilmington, County of New Castle, and the resident agent in charge thereof shall be The Corporation Trust Company.

SECTION 1.02. OTHER OFFICES. The Corporation may have offices at such other place or places as from time to time the board of directors of the Corporation (the "Board of Directors", and each member thereof, a "Director") may determine or the business of the Corporation may require.

SECTION 1.03. BOOKS AND RECORDS. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 2.01. ANNUAL MEETING. The annual meeting of the stockholders of the Corporation shall be held on such date and at such time as may be fixed by resolution of the Board of Directors.

SECTION 2.02. SPECIAL MEETING. Except as otherwise required by law and subject to the rights of the holders of any class or series of stock having a preference over the common stock, par value $0.01 per share, of the Corporation (the "COMMON STOCK") as to dividends or upon liquidation, dissolution or winding up, special meetings of stockholders of the Corporation for any purpose or purposes may be called only by (a) the Board of Directors pursuant to

a resolution stating the purpose or purposes thereof approved by a majority of the total number of Directors which the Corporation would have if there were no vacancies or unfilled newly-created directorships (the "WHOLE BOARD"), or (b) by the Chairman of the Board of Directors (the "CHAIRMAN OF THE BOARD"), either upon his own initiative or the written request of the holders of at least 50% of the voting power of all Voting Stock then outstanding. No business other than that stated in the notice shall be transacted at any special meeting.

SECTION 2.03. PLACE OF MEETING. The Board of Directors or the Chairman of the Board, as the case may be, may designate the place, if any, of meeting for any annual meeting or for any special meeting of the stockholders. If no designation is so made, the place of meeting shall be the principal office of the Corporation.

SECTION 2.04. NOTICE OF MEETING. Notice, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than 10 calendar days nor more than 60 calendar days before the date of the meeting, either personally, by mail or by other lawful means, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at such person's address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Meetings may be held without notice if all

stockholders entitled to notice are present (except when stockholders entitled to notice attend the meeting for the express purpose of objecting, at the beginning of the meeting, because the meeting is not lawfully called or convened), or if notice is waived by those not present in accordance with Section 6.04. Any previously scheduled meeting of the stockholders may be postponed, and any special meeting of the stockholders may be canceled, by resolution of the Board of Directors, upon public notice given prior to the date previously scheduled for such meeting of stockholders.

SECTION 2.05. QUORUM AND ADJOURNMENT; VOTING. Except as otherwise provided by law or by the Certificate of

Incorporation of the Corporation (the "CERTIFICATE OF INCORPORATION"), the holders of a majority of the voting power of all outstanding shares of the Corporation entitled to vote generally in the election of Directors (the "VOTING STOCK"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The chairman of the meeting may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 2.06. PROXIES. At all meetings of stockholders, a stockholder may vote by proxy in accordance with the General Corporation Law of the State of Delaware (the "DGCL") or by such person's duly authorized attorney in fact.

SECTION 2.07. NOTICE OF STOCKHOLDER BUSINESS AND NOMINATIONS. (a) ANNUAL MEETINGS OF STOCKHOLDERS. (i) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (A) pursuant to the Corporation's notice of meeting pursuant to Section 2.04, (B) by or at the direction of the Chairman of the Board or (C) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (a)(i) of this Section 2.07, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of

business on the ninetieth calendar day nor earlier than the close of business on the one hundred twentieth calendar day prior to the first anniversary of the preceding year's annual meeting; PROVIDED, HOWEVER, that in the event that the date of the annual meeting is more than thirty calendar days before or more than sixty calendar days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth calendar day prior to such annual meeting and not later than the close of business on the later of the ninetieth calendar day prior to such annual meeting or the tenth calendar day following the calendar day on which public announcement of the date of such meeting is first made by the Corporation. For purposes of determining whether a stockholder's notice shall have been delivered in a timely manner for the annual meeting of stockholders in 2002, the first anniversary of the previous year's meeting shall be deemed to be June 1, 2002. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (A) as to each person whom the stockholder proposes to nominate for election or reelection as a Director all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected); (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these By-Laws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf

the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (2) the class and number of shares of stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (3)

a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, and (4) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies from stockholders in support of such proposal or nomination. The foregoing notice requirements shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of his or her intention to present a proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a Director.

(iii) Notwithstanding anything in the second sentence of paragraph (a)(ii) of this Section 2.07 to the contrary, in the event that the number of Directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for Director or specifying the size of the increased Board of Directors at least one hundred calendar days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth calendar day following the day on which such public announcement is first made by the Corporation.

(b) SPECIAL MEETINGS OF STOCKHOLDERS. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting under Section 2.04. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which Directors are to be elected

(i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Chairman of the Board or (iii) provided that the Board of Directors has determined that Directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this By-Law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this By- Law. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more Directors to the Board of Directors, any stockholder entitled to vote in such election of Directors may nominate pursuant to clause (iii) of the immediately preceding sentence of this Section 2.07(b) a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(ii) of this Section 2.07 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth calendar day prior to such special meeting and not later than the close of business on the later of the ninetieth calendar day prior to such special meeting or the tenth calendar day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) GENERAL. (i) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.07 shall be eligible to serve as Directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.07 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such

stockholder's representation as required by clause (a)(ii)(C)(4) of this Section 2.07) and, if any proposed nomination or business is not in compliance with this By- Law, to declare that such defective proposal or nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 2.07, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(ii) For purposes of this By-Law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this Section 2.07, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.07. Nothing in this Section 2.07 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) of the holders of any series of preferred stock of the Corporation ("PREFERRED STOCK") to elect Directors under an applicable Preferred Stock Designation (as defined in the Certificate of Incorporation).

SECTION 2.08. PROCEDURE FOR ELECTION OF DIRECTORS; REQUIRED VOTE. Election of Directors at all meetings of the stockholders at which Directors are to be elected shall be by ballot, and, subject to the rights of the holders of any series of Preferred Stock to elect Directors under an applicable Preferred Stock Designation, a plurality of the votes cast thereat shall elect Directors. Except as otherwise provided by law, the Certificate of Incorporation, a Preferred Stock Designation, applicable stock exchange rules or other rules and regulations applicable to the Corporation or these By-Laws, in all matters other than the election of Directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the

meeting and entitled to vote on the matter shall be the act of the stockholders.

SECTION 2.09. INSPECTORS OF ELECTIONS; OPENING AND CLOSING THE POLLS. (a) The Board of Directors by resolution shall appoint, or shall authorize an officer of the Corporation to appoint, one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspector(s) to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging such person's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such person's ability. The inspector(s) shall have the duties prescribed by law.

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding officer, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (i) an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed

for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding officer at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding officer should so determine, such person shall so declare to the meeting that any such matter or business not properly brought before the meeting shall not be transacted or considered.

Unless and to the extent determined by the Board of Directors or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE III

BOARD OF DIRECTORS

SECTION 3.01. GENERAL POWERS. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

SECTION 3.02. REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held without other notice than this By-Law in conjunction with the annual meeting of stockholders. The Board of Directors may, by resolution, provide the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 3.03. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board, the President and Chief Executive Officer or a majority of the Board of Directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

SECTION 3.04. NOTICE. Notice of any special meeting of Directors shall be given to each Director at such person's business or residence in writing by hand delivery, first-class or overnight mail or courier service, telegram or facsimile transmission, orally by telephone or any other lawful means. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mail so addressed, with postage thereon prepaid, at least 5 calendar days before such meeting. If by telegram, overnight mail or courier service, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company or the notice is delivered to the overnight mail or courier service company at least 24 hours before such meeting. If by facsimile transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least 12 hours before such meeting. If by telephone, by hand delivery or by other lawful means, the notice shall be given at least 12 hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these By-Laws, as provided under Section 8.01. A meeting may be held at any time without notice if all the Directors are present (except when Directors attend for the express purpose of objecting, at the beginning of the meeting, because it is not lawfully called or conveyed) or if those not present waive notice of the meeting either before or after such meeting.

SECTION 3.05. ACTION BY CONSENT OF BOARD OF DIRECTORS. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in accordance with applicable law.

SECTION 3.06. CONFERENCE TELEPHONE MEETINGS. Members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.07. QUORUM. Subject to Article VI of the Certificate of Incorporation, a whole number of

Directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the Directors present may adjourn the meeting from time to time without further notice. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 3.08. COMMITTEES OF THE BOARD OF DIRECTORS. (a) The Board of Directors may from time to time designate committees, which shall consist of one or more Directors. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee may, to the extent permitted by law, exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. In the

absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Each committee shall keep written minutes of its proceedings and shall report such proceedings to the Board of Directors when required.

(b) A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board of Directors shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 3.04. The Board of Directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board of Directors from appointing one or more committees consisting in whole or in part of persons who are not Directors; PROVIDED, HOWEVER, that no such committee shall have or may exercise any authority of the Board of Directors.

SECTION 3.09. RECORDS. The Board of Directors shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board of Directors and of the stockholders, appropriate stock books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Corporation.

ARTICLE IV

OFFICERS

SECTION 4.01. ELECTED OFFICERS. The elected officers of the Corporation shall be a Chairman of the Board, a President and Chief Executive Officer, a Secretary, a Treasurer, and such other officers (including, without limitation, Senior Vice Presidents and Executive Vice Presidents and Vice Presidents) as the Board of Directors from time to time may deem proper. The Chairman of the Board shall be chosen from among the Directors. All officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. The Board of Directors or any committee thereof may from time to time elect, or the Chairman of the Board or President and Chief Executive Officer may appoint, such other officers (including one or more Vice Presidents, Controllers, Assistant Secretaries and Assistant Treasurers), as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these By-Laws or as may be prescribed by the Board of Directors or such committee or by the Chairman of the Board or President and Chief Executive Officer, as the case may be.

SECTION 4.02. ELECTION AND TERM OF OFFICE. The elected officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held in conjunction with the annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until such person's successor shall have been duly elected and shall have qualified or until such person's death or until he shall resign or be removed pursuant to Section 4.08.

SECTION 4.03. CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board shall perform all duties incidental to such person's office which may be required by law and all such other duties as are properly required of him by the Board of Directors. The Chairman of the Board shall make reports to the Board of Directors and the stockholders, and shall see that all orders and resolutions of the Board of Directors and of any committee thereof are carried into effect. The Chairman of the Board shall be the President and Chief Executive Officer of the Corporation if no other person has been elected as the President and Chief Executive Officer. The Board of Directors also may elect a Vice-Chairman to act in the place of the Chairman of the Board upon his or her absence or inability to act.

SECTION 4.04. PRESIDENT; CHIEF EXECUTIVE OFFICER. The President shall be the Chief Executive Officer of the Corporation, shall act in a general executive capacity and shall be responsible for the administration and operation of the Corporation's business and general supervision of its policies and affairs. The President and Chief Executive Officer, if he or she is also a Director, shall, in the absence of or because of the inability to act of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of stockholders and of the Board of Directors.

SECTION 4.05. VICE PRESIDENTS. Each Senior Vice President and Executive Vice President and any Vice President shall have such powers and shall perform such duties as shall be assigned to such person by the Board of Directors or by the President and Chief Executive Officer.

SECTION 4.06. (a) TREASURER. The Treasurer shall exercise

general supervision over the receipt, custody and disbursement of corporate funds. The Treasurer shall cause the funds of the Corporation to be deposited in such banks as may be authorized by the Board of Directors, or in such banks as may be designated as depositories in the manner provided by resolution of the Board of Directors. The Treasurer shall have such further powers and duties and shall be subject to such directions as may be granted or imposed from time to time by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer.

(b) The Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate one or more Assistant Treasurers who shall have such of the authority and perform such of the duties of the Treasurer as may be assigned to them by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer. During the Treasurer's absence or inability, the Treasurer's authority and duties shall be possessed by such Assistant Treasurer(s) as the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate.

SECTION 4.07. SECRETARY. (a) The Secretary shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Board of Directors, the committees of the Board of Directors and the stockholders; shall see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law; shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal and shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and in general, shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer.

(b) The Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate one or more Assistant Secretaries who shall have such of the authority and perform such of the duties of the Secretary as may be provided in these By-Laws or assigned to them by the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer. During the Secretary's absence or inability, the Secretary's authority and duties shall be possessed by such Assistant Secretary or Assistant Secretaries as the Board of Directors, the Chairman of the Board or the President and Chief Executive Officer may designate.

SECTION 4.08. REMOVAL. Any officer or agent of the Corporation may be removed by the affirmative vote of a

majority of the Board of Directors whenever, in their judgment, the best interests of the Corporation would be served thereby. Any officer or agent appointed by the Chairman of the Board or the President and Chief Executive Officer may be removed by him or her whenever, in such person's judgment, the best interests of the Corporation would be served thereby. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of such person's successor, such person's death, such person's resignation or such person's removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee benefit plan.

SECTION 4.09. VACANCIES. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors. Any vacancy in an office appointed by the Chairman of the Board or the President and Chief Executive Officer because of death, resignation, or removal may be filled by the Chairman of the Board or the President and Chief Executive Officer.

ARTICLE V

STOCK CERTIFICATES AND TRANSFERS

SECTION 5.01. STOCK CERTIFICATES AND TRANSFERS. The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the Corporation may from time to time prescribe. The shares of the stock of the Corporation shall be transferred on the books of the Corporation by the holder thereof in person or by such person's attorney, upon surrender for cancelation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as

the Corporation or its agents may reasonably require. The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe or as may otherwise be permitted by applicable law, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. Notwithstanding the foregoing provisions regarding share certificates, the Corporation may provide that, subject to the rights of stockholders under applicable law, some or all of any or all classes or series of the Corporation's common or any preferred shares may be uncertificated shares.

SECTION 5.02. LOST, STOLEN OR DESTROYED CERTIFICATES. No certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond or indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors or any financial officer may in its or such person's discretion require.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.01. FISCAL YEAR. The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December of each year.

SECTION 6.02. DIVIDENDS. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 6.03. SEAL. The corporate seal shall have inscribed thereon the words "Corporate Seal," the year of incorporation and the word "Delaware."

SECTION 6.04. WAIVER OF NOTICE. Whenever any notice is required to be given to any stockholder or Director under the provisions of the DGCL or these By-Laws, a waiver thereof given in accordance with applicable law shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

SECTION 6.05. AUDITS. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be done annually.

SECTION 6.06. RESIGNATIONS. Any Director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chairman of the Board, the President and Chief Executive Officer, or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the President and Chief Executive Officer, or the Secretary, or at such later time as is specified therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

ARTICLE VII

CONTRACTS, PROXIES, ETC.

SECTION 7.01. CONTRACTS. Except as otherwise required by law, the Certificate of Incorporation, a Preferred Stock Designation, or these By-Laws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time direct. Such authority may be general or confined to specific instances as the Board of Directors may determine. The Chairman of the Board, the President and Chief Executive Officer or any Senior Vice President, Executive Vice President or Vice President may execute bonds, contracts, deeds, leases and other instruments to be made or executed or for or on behalf of the Corporation. Subject to any restrictions imposed by the Board of Directors or the Chairman of the Board, the President and Chief Executive Officer or any Senior Vice President, Executive Vice President or Vice President of the Corporation may delegate contractual powers to others under such person's jurisdiction, it being understood, however,

that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

SECTION 7.02. PROXIES. Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board, the President and Chief Executive Officer or any Senior Vice President, Executive Vice President or Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holders of stock or other securities in any other entity, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other entity, or to consent in accordance with applicable law, in the name of the Corporation as such holder, to any action by such other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such proxies, consents or other instruments as such person may deem necessary or proper in the premises.

ARTICLE VIII

AMENDMENTS

SECTION 8.01. AMENDMENTS. The By-Laws may be altered or repealed and new By-Laws may be adopted (a) at any annual or special meeting of stockholders by the affirmative vote of the holders of a majority of the voting power of the Voting Stock then outstanding, voting as a single class, PROVIDED, HOWEVER, that any proposed alteration or repeal of, or the adoption of any By-Law inconsistent with, Section 2.02, Section 2.07 or this Section 8.01, by the stockholders shall require the affirmative vote of the holders of at least 80% of the voting power of all Voting Stock then outstanding, voting together as a single class, and PROVIDED, FURTHER, HOWEVER, that, in the case of any such stockholder action at a special meeting of stockholders, notice of the proposed alteration, repeal or adoption of the new By-Law or By-Laws must be contained in the notice of such special meeting, or (b) by the affirmative vote of a majority of the Whole Board.

EXHIBIT 10.4

ASBURY AUTOMOTIVE GROUP L.L.C.

FORM OF FOURTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") dated as of [ ], 2002, of ASBURY AUTOMOTIVE GROUP L.L.C., a Delaware limited liability company (the "Company"), adopted by Asbury Automotive Group, Inc., a Delaware corporation ("AAG"), and ASBURY AUTOMOTIVE GROUP HOLDINGS, INC., a Delaware corporation ("Sub"), as the members.

PRELIMINARY STATEMENT

WHEREAS Asbury Villanova IV L.L.C., a Delaware limited liability company, caused the Company to be formed under the Delaware Limited Liability Company Act (6 DEL. C. ss. 18-101, ET SEQ., as amended from time to time (the "Delaware Act")) by filing with the Secretary of State of the State of Delaware on May 15, 1998, the certificate of formation of the Company and by entering into the original limited liability company agreement, dated as of May 15, 1998, of the Company, which agreement was amended and restated in its entirety pursuant to the First Amended and Restated Limited Liability Company Agreement dated as of December 4, 1998, the Second Amended and Restated Limited Liability Company Agreement dated as of March 18, 1999 and the Third Amended and Restated Limited Liability Company Agreement dated as of February 1, 2000 (the "Previous Agreement");

WHEREAS, pursuant to Article VIII of the Previous Agreement, Asbury Automotive Holdings L.L.C., a Delaware limited liability company ("AAH") has the right to cause an IPO (as defined in the Previous Agreement), and in connection with the IPO, AAH and the Previous Members (as defined below) have entered into the Transfer and Exchange Agreement dated as of March 1, 2002 (the "Transfer and Exchange Agreement"), among AAG, AAH and the Previous Members;

WHEREAS in connection with the Transfer and Exchange (as defined in the Transfer and Exchange Agreement) effected by the Transfer and Exchange Agreement, all of the members of the Company under the Previous Agreement (such members, the "Previous Members") transferred their membership interests in the Company to AAG and Sub, as

described in the Transfer and Exchange Agreement, in exchange for shares of common stock, par value $0.01 per share, of AAG. As a result of the Transfer and Exchange, there are no members of the Company (the "Members") other than AAG and Sub, accordingly, AAG and Sub are the Members of the Company;

WHEREAS, pursuant to Section 8.05 of the Previous Agreement, AAH holds a power of attorney and irrevocable proxy from each of the Previous Members to enter into this Agreement on their behalf; and

WHEREAS as the Previous Members, AAG and Sub desire to amend and restate the Previous Agreement.

Accordingly, AAG and Sub hereby adopt the following as the "Limited Liability Company Agreement" of the Company within the meaning of the Delaware Act:

ARTICLE I

GENERAL PROVISIONS

SECTION 1.01. NAME. The name of the Company is "Asbury Automotive Group L.L.C.".

SECTION 1.02. PURPOSE. The purpose of the Company is to engage in any lawful act or activity for which a limited liability company may be organized under the Delaware Act.

SECTION 1.03. REGISTERED OFFICE. The registered office of the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

SECTION 1.04. REGISTERED AGENT. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

SECTION 1.05. MEMBERS. The name and the address of the Members are as follows:

Asbury Automotive Group, Inc.
3 Landmark Square
Suite 500
Stamford, CT 06901
Attention: General Counsel
Telephone: (203) 356-4400
Telecopy: (203) 356-4450

Asbury Automotive Group Holdings, Inc.
c/o Asbury Automotive Group, Inc.
3 Landmark Square
Suite 500
Stamford, CT 06901
Attention: General Counsel
Telephone: (203) 356-4400
Telecopy: (203) 356-4450

SECTION 1.06. PREVIOUS WITHDRAWAL. Each Previous Member of the Company under the Previous Agreement hereby withdraws as a Member upon and as of the occurrence of the Transfer and Exchange pursuant (and as defined in) to the Transfer and Exchange Agreement.

ARTICLE II

MANAGEMENT

SECTION 2.01. MANAGEMENT. (a) Subject to Section 2.01(b), the business and affairs of the Company shall be managed solely by AAG, who shall have the exclusive power and authority, on behalf of the Company, to take any action of any kind not inconsistent with the express provisions of this Agreement and to do anything and everything it deems necessary or appropriate to carry on the business and purposes of the Company. AAG is, to the extent of its rights and powers set forth in this Agreement, an agent of the Company for the purpose of the Company's business, and its actions taken in accordance with such rights and powers shall bind the Company. AAG shall exercise its authority as such in its capacity as a Member.

The Company shall not have any "managers" within the meaning of the Delaware Act.

(b) AAG may adopt, amend and revoke regulations of the Company (the "Regulations") setting forth such matters concerning the management of the Company and not inconsistent with the express provisions of this Agreement as may be determined from time to time by AAG. Such Regulations (including any amendment or revocation thereof) shall be in writing and shall be executed by AAG. AAG may assign to any person such powers, duties and titles as AAG may from time to time determine and set forth in the Regulations.

SECTION 2.02. DISSOLUTION. The Company shall be dissolved and its affairs shall be wound up only upon the decision of AAG to dissolve the Company.

SECTION 2.03. LIQUIDATION. Upon a dissolution pursuant to Section 2.02, the Company business and Company assets shall be liquidated in an orderly manner. AAG shall be the liquidator to wind up the affairs of the Company pursuant to this Agreement. In performing its duties, the liquidator is authorized to sell, distribute, exchange or otherwise dispose of Company assets in accordance with the Delaware Act in any reasonable manner that the liquidator shall determine to be in the best interest of the Members.

ARTICLE III

CAPITAL CONTRIBUTIONS

SECTION 3.01. PERCENTAGE INTERESTS. The percentage interests of the Members of the Company are as follows:

MEMBER	PERCENTAGE INTEREST
Asbury Automotive Group, Inc.	90%
Asbury Automotive Group Holdings, Inc.	10%

SECTION 3.02. CAPITAL CONTRIBUTIONS. The Members shall have no obligation to make any capital contribution to the Company after the date hereof, but may do so from time to time.

SECTION 3.03. TAX MATTERS. The Company shall be treated as a partnership for U.S. federal income tax purposes. The Company shall maintain a capital account for each Member in accordance with Treasury Regulation Section 1.704-1(b). The Company's taxable income and tax losses shall be allocated PRO RATA based on Percentage Interests. AAG shall act as the "tax matters partner" within the meaning of Section 6231(a)(7) of the Internal Revenue Code of 1986, as amended.

ARTICLE IV

TRANSFER OF INTERESTS

SECTION 4.01. DISTRIBUTIONS. (a) Distributions shall be made at the times and in the aggregate amounts determined by AAG.

(b) Notwithstanding anything in this Agreement to the contrary, the provisions of the Previous Agreement necessary to administer the Company's outstanding accounting and tax matters (including Section 6.01(c) of the Previous Agreement)_with respect to periods prior to the effectiveness of the IPO (as defined in the Previous Agreement) shall survive the amendment and restatement of the Previous Agreement and shall remain in effect following effectiveness of the IPO solely for such purpose.

SECTION 4.02. RESTRICTIONS ON TRANSFER. Any Member shall have the right to sell, assign, dispose of, or otherwise transfer, pledge or encumber, all or any part of its membership interest or economic interest in the Company.

SECTION 4.03. ADMISSION OF ADDITIONAL OR SUBSTITUTE MEMBERS. No substitute or additional Members

shall be admitted to the Company without the written approval of AAG, acting in its sole discretion.

ARTICLE V

MISCELLANEOUS

SECTION 5.01. LIABILITY OF MEMBERS. Except as may be otherwise provided by the Delaware Act or herein, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member. No Member shall be liable to make up any deficit in its capital account. This Section 5.01 shall survive any termination of this Agreement and the dissolution of the Company.

SECTION 5.02. SCOPE OF PERMITTED INDEMNIFICATION. (a) GENERAL RULE. The Company will indemnify, to the fullest extent permitted by law, an indemnified representative on an after-tax basis against any liability incurred in condition with any proceeding in which the indemnified representative may be involved as a party or otherwise by reason of the fact that such person is or was serving in an indemnified capacity, including liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement or act giving rise to strict or products liability; PROVIDED that no indemnity shall be payable hereunder against any liability incurred by such indemnified representative by reason of (i) fraud, wilful violation of law, gross negligence or its material breach of this Agreement or its bad faith or (ii) the receipt by such indemnified representative from the Company of a personal benefit to which such indemnified representative is or was not legally entitled. Such an indemnity may be provided to an indemnified representative pursuant to the Regulations of the Company or pursuant to a written agreement of the Company.

(b) DEFINITIONS. For purposes of this Section 5.02: (i) "indemnified capacity" means any and all past, present and future service by an indemnified

representative in one or more capacities as a Member, director, officer, employee or agent of the Company, or, at the request of the Company, as a member, partner, stockholder, director, officer, employee, agent, fiduciary or trustee of another limited liability company, corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, (ii) "indemnified representative" means any and all Members, directors and officers of the Company and any other person designated as an indemnified representative by AAG as the sole Member (which may, but need not, include any person serving, at the request of the Company, as a member, stockholder, partner, director, officer, employee, agent, fiduciary or trustee of another limited liability company, corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise), (iii) "liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax or cost or expense of any nature (including attorneys' fees and disbursements) and (iv) "proceeding" means any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the Company, its Members or otherwise.

SECTION 5.03. BENEFITS OF AGREEMENT. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of any Member; PROVIDED, HOWEVER, that Sections 5.01 and 5.02 shall benefit the persons referred to therein.

SECTION 5.04. GOVERNING LAW. This Agreement shall be governed by and construed under the internal laws of the State of Delaware, all rights and remedies being governed by such laws without regard to principles of conflict of law. This Agreement shall be construed in accordance with Section 18-1101 of the Delaware Act.

SECTION 5.05. HEADINGS. The titles of Sections of this Agreement are for convenience only and shall not be interpreted to limit or amplify the provisions

of this Agreement.

SECTION 5.06. SEVERABILITY. Each provision of this Agreement shall be considered separable, and if for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Agreement as of the date first above written.

Members:

ASBURY AUTOMOTIVE GROUP, INC.

by _____
Name:
Title:

ASBURY AUTOMOTIVE GROUP HOLDINGS, INC.

by _____
Name:
Title:

Previous Members:

ASBURY AUTOMOTIVE HOLDINGS L.L.C.,

by _____
Name:
Title:

NALLEY MANAGEMENT SERVICES, INC.

by _____
Name:
Title:

NALLEY CHEVROLET, INC.

by _____
Name:
Title:

SPECTRUM SOUND & ACCESSORIES, INC.

by _____
Name:
Title:

NALLEY MARIETTA AUTOMOBILES, INC.

by _____
Name:
Title:

NALLEY LUXURY IMPORTS, INC.

by _____
Name:
Title:

NALLEY ATLANTA IMPORTS, INC.

by _____
Name:
Title:

SPECTRUM LEASING, INC.

by _____
Name:
Title:

THOMAS F. MCLARTY III

by _____
Name:
Title:

MARK C. MCLARTY

by _____
Name:
Title:

THE FRANKLIN H. MCLARTY IRREVOCABLE TRUST

by _____
Name:
Title:

THE CALDWELL FAMILY LIMITED PARTNERSHIP

by _____
Name:
Title:

RIVER RIDGE INVESTMENTS, LLC

by _____
Name:
Title:

THE LAURA M. HUMPHRIES IRREVOCABLE TRUST

by _____
Name:
Title:

THE MATTHEW B. HUMPHRIES
IRREVOCABLE TRUST

by _____
Name:
Title:

ROB FERON

by _____
Name:
Title:

TODD SHORES

by _____
Name:
Title:

PHILLIP H. MAYFIELD

by _____
Name:
Title:

LUTHER COGGIN

by _____
Name:
Title:

TRACYE C. HAWKINS 1999 ATT TRUST

by _____
Name:
Title:

CHRISTY C. HAYDEN 1999 ATT TRUST

by _____
Name:
Title:

CINDY S. COGGIN 1999 ATT TRUST

by _____
Name:
Title:

RICHARD A. CARACELLO

by _____
Name:
Title:

KEVIN DELANEY

by _____
Name:
Title:

MITCHELL W. LEGLER AND HARRIETTE D. LEGLER, TENANTS BY THE ENTIRETIES

by _____
Name:
Title:

LINDA L. MARLETTE

by _____
Name:

Title:

CHARLES L. MCINTOSH

by _____
Name:
Title:

NANCY D. NOBLE

by _____
Name:
Title:

THOMAS G. ROETS, JR.

by _____
Name:
Title:

JOHN M. ROOKS

by _____
Name:
Title:

TODD F. SETH

by _____
Name:
Title:

CHARLIE (C.B.) TOMM AND ANITA DESAUSSURE TOMM, TENANTS BY THE ENTIRETIES

by _____
Name:
Title:

STEPHEN M. SILVERIO

by _____
Name:
Title:

CNC AUTOMOTIVE, LLC

by _____
Name:
Title:

DEALER GROUP LLC

by _____
Name:
Title:

JOHN R. CAPPS

by _____
Name:
Title:

J.I.W. ENTERPRISES, INC.

by _____
Name:
Title:

DMCD AUTOS IRVING, INC.

by _____
Name:
Title:

DMCD AUTOS HOUSTON, INC.

by _____
Name:
Title:

JAMES TORDA

by _____
Name:
Title:

DAVE WEGNER

by _____
Name:
Title:

CHILDS & ASSOCIATES INC.

by _____
Name:
Title:

BUDDY HUTCHINSON CARS, INC.

by _____
Name:
Title:

JEFF KING

by _____
Name:
Title:

ROBERT E. GRAY

by _____
Name:
Title:

NOEL DANIELS

by _____
Name:
Title:

STEVEN INZINNA

by _____
Name:
Title:

JOSEPH UMBRIANO

by _____
Name:
Title:

PAULA TABAR

by _____
Name:
Title:

GIBSON FAMILY PARTNERSHIP, L.P.

by _____
Name:
Title:

ROBERT DENNIS

by _____
Name:
Title:

THOMAS G. MCCOLLUM

by _____
Name:
Title:

AND EACH OTHER MEMBER OF THE COMPANY

by ASBURY AUTOMOTIVE HOLDINGS L.L.C., as attorney-in-fact for the other Members pursuant to the Powers of Attorney granted pursuant to Section 8.05 of the AAG LLC Agreement.

by _____
Name:
Title:

EXHIBIT 10.11

FORM OF SHAREHOLDERS AGREEMENT dated as of March 1, 2002 (this "Agreement"), among ASBURY AUTOMOTIVE GROUP, INC., a Delaware corporation (the "Company"), ASBURY AUTOMOTIVE HOLDINGS L.L.C., a Delaware limited liability company ("AAH"), and the other stockholders listed on the signature pages hereto (collectively, the "Specified Shareholders" and, together with AAH, the "Shareholders").

PRELIMINARY STATEMENTS

WHEREAS, the Shareholders were members of Asbury Automotive Group L.L.C., a Delaware limited liability company ("Oldco"), and are parties to the LLC Agreement (as defined below); and

WHEREAS, the LLC Agreement provided for the IPO (as defined below) and the execution of this Agreement by the Shareholders and the Company; and

WHEREAS, the Company, as successor to Oldco, currently intends to consummate the IPO.

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

ARTICLE I

DEFINITIONS

SECTION 1.01. DEFINITION OF CERTAIN TERMS USED HEREIN. (a) As used herein, the following terms shall have meanings specified below:

"AFFILIATE" shall mean, with respect to any person, any other person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with such person. For the purposes of this definition, "control" when used with respect to any particular person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or

otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"AAH MATTER" shall mean any matter brought before a Shareholders Meeting and proposed or sponsored by AAH to be acted upon by the stockholders of the Company at such Shareholders Meeting.

"AAH NOMINEE" shall mean any person nominated by AAH for election as a director to the Board of Directors.

"BENEFICIAL OWNER" shall have the meaning assigned to such term in Rule 13d-3 under the Exchange Act.

"BLACKOUT PERIOD" shall have the meaning specified in Section 5.01(b).

"BOARD OF DIRECTORS" shall mean the Board of Directors of the Company.

"CLAIMS" shall have the meaning specified in Section 5.06(a).

"COMMON STOCK" shall mean the common stock, par value $0.01 per share, of the Company.

"DEALER NOMINEE" shall mean any person nominated by the holders of a majority of the Shares held by the Specified Shareholders for election as a director to the Board of Directors, provided such person is reasonably acceptable to AAH. AAH agrees that each of the individuals set forth on Schedule I is an acceptable Dealer Nominee so long as such individual continues to be employed by the Company or an Affiliate of the Company.

"DEMAND HOLDER" shall mean (i) AAH or (ii) a Majority in Interest of the Specified Shareholders .

"DEMAND NUMBER" shall mean (i) with respect to AAH, five and (ii) with respect to the Specified Shareholders, two; PROVIDED that if a Triggering Event occurs and if the Voting Termination Date has not occurred, the Demand Number with respect to the Specified Shareholders shall be three; PROVIDED, FURTHER, that if a Triggering Event is no longer continuing or if the Voting Termination Date occurs, the Specified Shareholders' Demand Number shall

revert to two. Each Specified Shareholder shall be deemed to have exercised a Demand Request if a Majority in Interest of the Specified Shareholders make a Demand Request.

"DEMAND PERIOD" shall have the meaning specified in Section 5.01(a).

"DEMAND REGISTRATION" shall have the meaning specified in Section 5.01(a).

"DEMAND REQUEST" shall have the meaning specified in Section 5.01(a).

"DIRECTORS" shall mean members of the Board of Directors.

"DGCL" shall mean the Delaware General Corporation Law, as amended.

"EFFECTIVE PERIOD" shall have the meaning specified in Section 5.04(a)(iii).

"EFFECTIVE TIME" shall mean one hour prior to the time at which the IPO is consummated.

"ELECTION MEETING" shall mean any Shareholders Meeting relating to the election of Directors to the Board of Directors.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"EXERCISING DEMAND HOLDER" shall mean a Demand Holder who has exercised a Demand Request that it is entitled to exercise under the terms of this Agreement (together with any Subsidiary Holder thereof whose shares are included in such Demand Request). If a Majority in Interest of the Specified Shareholders make a Demand Request, each Specified Shareholder participating in such Demand Request shall be deemed an Exercising Demand Holder.

"GOVERNMENTAL ENTITY" shall mean any Federal, state or local government or any court, administrative or regulatory agency or commission or other governmental authority or agency, domestic or foreign.

"INSPECTORS" shall have the meaning specified in Section 5.04(a)(iv).

"IPO" shall have the meaning assigned to such term in the LLC Agreement.

"LIENS" shall mean any pledges, claims, liens, charges, encumbrances or security interests of any kind or nature whatsoever.

"LLC AGREEMENT" shall mean the Third Amended and Restated Limited Liability Company Agreement of Asbury Automotive Group L.L.C. dated as of February 1, 2000, among AAH and the Specified Shareholders.

"MAJORITY IN INTEREST OF THE SPECIFIED SHAREHOLDERS" shall mean the Specified Shareholders who, at the time in question, hold (together with their Subsidiary Holders) Shares aggregating more than 50% of all Shares held by all Specified Shareholders (together with their Subsidiary Holders).

"MATERIAL TRANSACTION" shall have the meaning specified in Section 5.01(b).

"MAXIMUM NUMBER" shall have the meaning specified in Section 5.02(b).

"OTHER HOLDER" shall have the meaning specified in Section 5.02(b).

"OTHER MATTER" shall mean any matter (including the election of directors to the Board of Directors) brought before a Shareholders Meeting and proposed or sponsored by a person other than AAH, to be acted upon by the stockholders of the Company.

"PIGGY BACK REGISTRATION" shall have the meaning specified in Section 5.02(a).

"PIGGY BACK REQUEST" shall have the meaning specified in Section 5.02(a).

"RECORDS" shall have the meaning specified in Section 5.04(a)(iv).

"REGISTERED SHARES" shall have the meaning specified in Section 5.04(a)(xvii).

"REGISTRATION" shall have the meaning specified in Section 5.02(a).

"REGISTRATION EXPENSES" shall have the meaning specified in Section 5.05.

"SEC" shall mean the United States Securities and Exchange Commission or any other United States federal agency at the time administering the Securities Act or the Exchange Act, as applicable, whichever is the relevant statute.

"SECURITIES ACT" shall mean the Securities Act of 1933 and the rules and regulations thereunder.

"SHAREHOLDERS MEETING" shall mean (i) any annual or special meeting of the stockholders of the Company or (ii) any action by written consent of the stockholders of the Company.

"SHARES" shall mean, with respect to a Shareholder, the shares of Common Stock owned by such Shareholder or any Subsidiary Holder, including any shares of Common Stock acquired by such Shareholder or any subsidiary Holder after the date of this Agreement.

"SUBSIDIARY HOLDER" shall mean any Affiliate of a Shareholder which has beneficial ownership of any of the Shares while this Agreement is in effect and has executed a counterpart hereto in accordance with Section 7.06 hereof.

"TRIGGERING EVENT" shall mean (i) the declaration, pronouncement, ruling, order, decision or written opinion of the SEC or a United States federal court that a voting arrangement factually similar to Section 3.01(a) of this Agreement causes all of the Specified Shareholders collectively to constitute a single "affiliate" of the Company for purposes of the sale of Shares by the Specified Shareholders in compliance with the provisions of Rule 144(e)(1) promulgated under the Securities Act or (ii) the Company's refusal to cause stop transfer restrictions to be released or the legends described in Section 7.02 to be removed if the Company has taken the position that the Specified Shareholders collectively constitute a single "affiliate" of the Company. A Triggering Event shall be deemed to continue (i) for so long as such declaration, pronouncement, ruling, order, decision or written opinion remains in effect or is not rescinded, overruled, repealed or superseded or (ii) until the Company either (x) causes stop transfer restrictions to be released and the legends described in Section 7.02 to be removed or (y) ceases to take the position that the Specified Shareholders collectively constitute a single "affiliate" of the Company.

"VOTING TERMINATION DATE" shall mean the earlier of the date that (i) is the fifth anniversary of the Effective Time, (ii) is two years after the date that AAH and its Subsidiary Holders first are the beneficial owners in aggregate of less than 20% of the outstanding shares of Common Stock or (iii) AAH and its Subsidiary Holders first are the beneficial owners in aggregate of less than 5% of the outstanding shares of Common Stock.

(b) All other terms used herein without definitions shall have the meanings ascribed to such terms in the LLC Agreement.

SECTION 1.02. USAGE. The definitions in this Article I shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All references in this Agreement to Articles, Sections and Exhibits shall be deemed to be references to Articles, Sections and Exhibits of or to this Agreement, unless the context shall otherwise require. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", regardless of whether such phrase so appears.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to each other party that it is a corporation duly organized and validly existing under the laws of the State of Delaware and has all requisite corporate power and authority to execute and deliver this Agreement, to carry out the provisions hereof and to perform its obligations hereunder. The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly and validly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms.

SECTION 2.02. REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS. Each Shareholder hereby represents and warrants to the Company and each other Shareholder that this Agreement has been duly and validly executed and delivered by such Shareholder and constitutes the legal, valid and binding obligation of such Shareholder, enforceable against it in accordance with its terms.

ARTICLE III

VOTING

SECTION 3.01. AGREEMENT TO VOTE. (a) At each and every Shareholders Meeting held after the Effective Time and prior to the Voting Termination Date, each Specified Shareholder hereby agrees (x) if any annual or special meeting of the stockholders of the Company is held, to appear at such meeting or otherwise cause its Shares to be counted as present thereat for purposes of establishing a quorum, and to vote or (y) to act by written consent with respect to (or cause to be voted or acted upon by written consent), (i) all Shares for which such Specified Shareholder or any Subsidiary Holder thereof is the record holder or beneficial owner at the time of such vote or action by written consent and (ii) all Shares as to which such Specified Shareholder or any Subsidiary Holder thereof at the time of such vote or action by written consent has voting control, in each case:

(A) In favor of:

(i) All of the AAH Nominees;

(ii) Any AAH Matter; and/or

(iii) Any Other Matter, only if AAH has informed (by oral or written notice) the Specified Shareholders that AAH intends to vote in favor of such Other Matter; and

(B) Against:

(i) The election of any person or persons nominated in opposition to the AAH Nominees;

(ii) Any matter brought before such Shareholders Meeting to be acted upon by the

shareholders of the Company that is in opposition to an AAH Matter; and/or

(iii) Any Other Matter, only if AAH has informed (by oral or written notice) the Specified Shareholders that AAH intends to vote against such Other Matter.

(b) At each and every Shareholders Meeting held after the Effective Time and prior to the Voting Termination Date, each Shareholder hereby agrees (x) if any annual or special meeting of the stockholders of the Company is held, to appear at such meeting or otherwise cause its Shares to be counted as present thereat for purposes of establishing a quorum, and to vote or (y) act by written consent with respect to (or cause to be voted or acted upon by written consent), (i) all Shares for which such Shareholder or any Subsidiary Holder thereof is the record holder or beneficial owner at the time of such vote or action by written consent and (ii) all shares as to which such Shareholder or any Subsidiary Holder thereof at the time of such vote or action by written consent has voting control, in each case in favor of (A) at least one Dealer Nominee if the total number of Directors (excluding Directors that are employees of the Company) on the Board of Directors at the time of such Shareholders Meeting is less than seven and at least two Dealer Nominees if such number of Directors is more than six and (B) against the election of any person or persons nominated in opposition to such Dealer Nominee(s).

SECTION 3.02. FINANCIAL AND OTHER INFORMATION. Each Shareholder shall be entitled to receive, and the Company shall provide to such Shareholder (i) quarterly unaudited financial statements and reports, (ii) annual audited financial statements and reports, (iii) budgets and financial plans and (iv) such other data relating to the business, affairs, prospects or condition (financial or otherwise) of the Company as is available to the Company that (A) such Shareholder may reasonably request so long as such Shareholder is the record holder or beneficial owner of at least 5% of the outstanding shares of Common Stock or (B) such Shareholder is, or is controlled by, one of the individuals listed on Schedule I hereto.

SECTION 3.03. GRANT OF IRREVOCABLE PROXY. In the event that any Specified Shareholder shall fail at any time to vote or act by written consent with respect to any of such Specified Shareholder's Shares as agreed by such

Specified Shareholder in this Agreement, such Specified Shareholder hereby irrevocably grants to and appoints AAH (and any officer of AAH or each of them individually), such Specified Shareholder's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of such Specified Shareholder, to vote, act by written consent or grant a consent, proxy or approval in respect of such Shares with respect to such vote or action by written consent exclusively as agreed by such Specified Shareholder in this Agreement. Each Specified Shareholder hereby affirms that any such irrevocable proxy set forth in this Section 3.03 is given in connection with the consummation of the IPO and that such irrevocable proxy is given to secure the performance of obligations of such Specified Shareholder under this Agreement. Each such Specified Shareholder hereby further affirms that any such proxy hereby granted shall be irrevocable and shall be deemed coupled with an interest, in accordance with Section 212(e) of the DGCL. Each Specified Shareholder agrees to execute and deliver any further powers of attorney, consents, proxies or other agreements necessary or appropriate to give effect to this Section 3.03. This Section 3.03 shall terminate upon the occurrence of the Voting Termination Date.

SECTION 3.04. CERTAIN ACTIONS. Each Shareholder agrees that it will, and will cause its subsidiaries and Affiliates to, take all action as a stockholder of the Company or as is otherwise within its control as are necessary to give effect to the provisions of this Agreement and to perform, pay and satisfy all of their respective obligations and liabilities hereunder as and when due.

ARTICLE IV

COVENANTS

SECTION 4.01. LOCK-UP. Each Specified Shareholder hereby agrees that, without the prior written consent of the Company, it will not, during the period ending two years after the Effective Time (the "Lock-Up Period"), (i) offer, pledge, sell, assign, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any of its Shares or any securities convertible into or exercisable or exchangeable for Common Stock or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash, property or otherwise (any action prohibited by the foregoing clauses (i) or (ii), a "Transfer") except that a Specified Shareholder (x) 180 days or more following the Effective Time, may Transfer any of its Shares to (A) a person, other than a charity or a trust for the benefit of a charity, that is a Permitted Transferee (as defined in clauses (ii) or (iii) of the definition of "Permitted Transferee" in the LLC Agreement) or (B) a charity or a trust for the benefit of a charity solely controlled by such Specified Shareholder so long as during the Lock-Up Period such Specified Shareholder does not Transfer in aggregate pursuant to this clause (x)(B) more than 15% of the Shares it held at the Effective Time, (y) 180 days or more following the Effective Time, may pledge Shares to a lender solely in connection with a recourse loan to such Specified Shareholder so long as the aggregate principal amount of such recourse loan does not exceed 20% of the fair market value (determined at the time such recourse loan is made) of the Shares that such Specified Shareholder pledges as security for such recourse loan pursuant to this clause (y) and (z) may pledge Shares solely to the extent the pledge of such Shares is in substitution for and to the same Lender as a pledge by such Specified Shareholder prior to the Effective Time of all or a portion of its equity interest in the Company or the predecessor entity of the Company, as applicable, and such prior pledge complied with Section 7.01(c)(iv) of the LLC Agreement; PROVIDED that each transferee pursuant to the foregoing clauses (x), (y) and (z) prior to such Transfer shall agree in writing in a form reasonably acceptable to the Company to be bound by this Section 4.01. In addition, each Specified Shareholder agrees that, without the prior written consent of the Company, it will not during the Lock-

Up Period exercise any right available to it under Article V of this Agreement with respect to the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock. Each Specified Shareholder agrees to enter into a "lockup" agreement with the underwriters of the IPO for a term equal to the Lock-Up Period and that otherwise is substantially the same as this Section 4.01.

SECTION 4.02. NONCOMPETITION. This Section 4.02 applies to each employee of the Company or any subsidiary of the Company who owns Shares, whether directly or indirectly, in the Company who is a Specified Shareholder of the Company or is the beneficial owner of interests in a Specified Shareholder of the Company (or a Subsidiary Holder thereof) and is not bound by a non-competition restriction contained in a consulting or employment agreement between such employee and the Company or any of its subsidiaries (each, a

"MANAGEMENT EMPLOYEE"); PROVIDED, HOWEVER, that this Section 4.02 shall not apply to any Management Employee that is an Affiliate of AAH (including for this purpose any member of the Board of Directors who was an AAH Nominee). Each Management Employee shall agree in writing (or if a party to this Agreement, hereby agrees) that following any termination of his employment by the Company or a subsidiary thereof "for cause" or his voluntary resignation from such employment (a) he shall not compete, directly or indirectly (including as an employee, proprietor, owner, partner, shareholder, member, joint venturer or agent of, or as a consultant to, any person or entity which competes), with the retail motor vehicle business of the Company or any of its subsidiaries within 50 miles of any motor vehicle dealership owned by the Company or any of its subsidiaries where such Management Employee worked during the year prior to the termination of his employment and (b) he shall not violate Section 4.03 (with respect to each Management Employee, a "NON-COMPETE COVENANT"). A Management Employee's Non-Compete Covenant shall become effective on the date that such Management Employee's employment by the Company or a subsidiary thereof terminates and shall terminate on the first anniversary of such date. The Company shall not be obligated to provide any Specified Shareholders with the benefit of any of the Company's obligations under Section 4.01 or Article V unless each Management Employee that is a direct or indirect beneficial owner of such Specified Shareholder has provided the Company with such written agreement in a form reasonably satisfactory to the Company.

SECTION 4.03. NONSOLICITATION. No Specified Shareholder (or if such Specified Shareholder is not a natural person, any natural person that owns a beneficial interest in such Specified Shareholder or a Subsidiary Holder thereof) shall, during the time such Specified Shareholder is a Specified Shareholder and for one (1) year after such Specified Shareholder ceases to be a Specified Shareholder or such natural person ceases to own a beneficial interest in such Specified Shareholder or a Subsidiary Holder thereof, (i) directly or indirectly employ, solicit, entice or encourage to leave the employ of the Company or any of its subsidiaries, any person who is, or at any time during the preceding twelve months was, employed by, or otherwise engaged to perform services for, the Company or any of its subsidiaries or (ii) otherwise intentionally interfere with the relationship of the Company or any of its subsidiaries with any person who is employed by or otherwise engaged to perform services for the Company or any of its subsidiaries; PROVIDED, HOWEVER, that the restrictions set forth in this Section 4.03 shall not apply to AAH, any Affiliate of AAH or to any Specified Shareholder or natural person who is bound by a non-solicitation restriction contained in a consulting or employment agreement between such Member or natural person or the Company or its subsidiaries.

ARTICLE V

REGISTRATION RIGHTS

SECTION 5.01. DEMAND REGISTRATIONS. (a) Any time following the Effective Time and prior to the date on which the Company shall have obtained a written opinion of legal counsel reasonably satisfactory to each Demand Holder and addressed to the Company and such Demand Holder to the effect that the Shares may be publicly offered for sale in the United States by such Demand Holder or any Subsidiary Holder thereof without restriction as to manner of sale and amount of securities sold and without registration or other restriction under the Securities Act (such period, the "DEMAND PERIOD"), such Demand Holder shall have the right on a number of occasions equal to the Demand Number for such Demand Holder to require the Company to file a registration statement under the Securities Act in respect of all or a portion of the Shares then held by such Demand Holder and any Subsidiary Holder thereof (so long as such request covers at least 1% of the shares of Common Stock then outstanding), by delivering to the Company written notice stating that such right is being exercised, specifying the number of the Shares to be included in such registration and describing the intended method of distribution thereof (a "DEMAND REQUEST"). In the case of any Demand Holder other than AAH, (i) such Demand Holder may not make a Demand Request during the Lock-Up Period, (ii) such Demand Holder may only make one Demand Request during each successive one- year period following the termination of the Lock-Up Period and (iii) the first Demand Request made by such Demand Holder shall be limited with respect to each applicable Exercising Demand Holder to a number of Shares that is less than or equal to 50% of the number of Shares owned at such time by such Exercising Demand Holder and any Subsidiary Holder thereof; PROVIDED that such Exercising Demand Holders may not in aggregate register pursuant to such Demand Request more than 20% of the aggregate number of Shares owned at such time by the Specified Shareholders and any Subsidiary Holders thereof (the "SHARE LIMIT"); PROVIDED, FURTHER, that if the aggregate number of Shares that such Exercising Demand Holders have included in their Demand Request exceeds the Share Limit, the Shares of each Exercising Demand Holder requesting the registration of more than 20% of the aggregate number of Shares owned at such time by such Exercising Demand Holder and any Subsidiary Holder thereof (with respect to each Exercising Demand Holder, its "20% LIMIT") shall be excluded from the Demand Requests, to

the extent necessary to comply with the Share Limit, on a pro rata basis according to the total number of Shares requested to be registered by all such Exercising Demand Holders until the Demand Request of each such

Exercising Demand Holder has been reduced to (and not below) its 20% Limit. As promptly as practicable, but in no event later than forty-five (45) days after the Company receives a Demand Request, the Company shall file with the SEC and thereafter use its reasonable best efforts to cause to be declared effective promptly a registration statement (a "DEMAND REGISTRATION") providing for the registration of such number of Shares as such Exercising Demand Holder(s) shall have demanded be registered for distribution in accordance with such intended method of distribution.

(b) Anything in this Agreement to the contrary notwithstanding, the Company shall be entitled to postpone and delay, for a reasonable period of time, not to exceed forty-five (45) days in the case of clauses (i) and (ii) below, or fifteen (15) days in the case of clause (iii) below (each, a "BLACKOUT PERIOD"), the filing of any Demand Registration if the Company shall determine that any such filing or the offering of any Shares would (i) in the good faith judgment of the Board, unreasonably impede, delay or otherwise interfere with any pending or contemplated material acquisition, corporate reorganization or other material matter involving the Company (each, a "MATERIAL TRANSACTION"), (ii) based upon advice from the Company's investment banker or financial advisor, materially adversely affect any pending or contemplated financing, offering or sale of any class of securities by the Company, or (iii) in the reasonable and good faith judgment of the Board require disclosure of material non-public information (other than information relating to an event described in clause (i) or (ii) of this subsection (b)) which, if disclosed at such time, would be materially harmful to the interests of the Company and its stockholders; PROVIDED, HOWEVER, that in the case of a Blackout Period pursuant to clause (i) or (ii) above, the Blackout Period shall earlier terminate upon the completion or abandonment of the relevant securities offering or sale, financing, acquisition, corporate reorganization or other similar material transaction; and PROVIDED, FURTHER, that in the case of a Blackout Period pursuant to clause (iii) above, the Company shall give written notice of its determination to postpone or delay the filing of any Demand Registration and in the case of clause (iii) above, the Blackout Period shall earlier terminate upon public disclosure by the Company or public admission by the Company of such material non-public information or such time as such material non-public information shall be publicly disclosed without breach by the Exercising Demand

Holder(s) of the penultimate sentence of this subsection (b); and PROVIDED, FURTHER, that in the case of a Blackout Period pursuant to clause (i), (ii) or (iii) above, the Company shall furnish to the Exercising Demand Holder(s) a certificate of an executive officer of the Company to the effect that an event permitting a Blackout Period has occurred. Notwithstanding anything herein to the contrary, the Company shall not exercise pursuant to clause (i), (ii), or (iii) of the preceding sentence the right to postpone or delay the filing of any Demand Registration for an aggregate period of more than ninety (90) days in any twelve (12) month period. Upon notice by the Company to each Exercising Demand Holder of any such determination, such Exercising Demand Holder covenants that it shall keep the fact of any such notice strictly confidential, and, in the case of a Blackout Period pursuant to clause (iii) above or Section 5.01(c) below, promptly halt any offer, sale, trading or transfer by it or any of its Affiliates of any Common Stock for the duration of the Blackout Period set forth in such notice (or until such Blackout Period shall be earlier terminated in writing by the Company) and promptly halt any use, publication, dissemination or distribution of the Demand Registration, each prospectus included therein, and any amendment or supplement thereto by it and any of its Affiliates for the duration of the Blackout Period set forth in such notice (or until such Blackout Period shall be earlier terminated in writing by the Company) and, if so directed by the Company, will deliver to the Company any copies then in such Exercising Demand Holder's possession of the prospectus covering such Shares, that was in effect at the time of receipt of such notice. After the expiration of any Blackout Period and without further request from any Demand Holder, the Company shall effect the filing of the relevant Demand Registration and shall use its reasonable best efforts to cause any such Demand Registration to be declared effective as promptly as practicable unless such Demand Holder shall have, prior to the effective date of such Demand Registration, withdrawn in writing its initial request, in which case such withdrawn request shall not constitute a Demand Registration for purposes of determining the number of Demand Registrations to which such Demand Holder is entitled under this Agreement.

(c) Anything in this Agreement to the contrary notwithstanding, in case a Demand Registration has been filed, if a Material Transaction has occurred, the Company may cause such Demand Registration to be withdrawn and its effectiveness terminated or may postpone amending or

supplementing such Demand Registration for a reasonable period of time, not to exceed forty-five (45) days; PROVIDED, HOWEVER, that in no event shall a Demand Registration so withdrawn by the Company count for the purposes of determining the number of Demand Registrations to which the applicable Demand Holder is entitled under Section 5.01(a); PROVIDED FURTHER that the Company shall not so withdraw or terminate a Demand Registration Statement more than one time or postpone or delay amending or supplementing any Demand Registration Statements for an aggregate period of more than ninety (90) days during any twelve (12) month period.

(d) A Demand Holder may withdraw a Demand Request in circumstances including, but not limited to, the following: if (i) the Company is in material breach of its obligations hereunder and has not cured such breach after having received notice thereof and a reasonable opportunity to do so or (ii) the withdrawal occurs during a Blackout Period. Any Demand Request withdrawn (x) pursuant to subsection (d)(ii) prior to such Demand Registration becoming effective or (y) pursuant to subsection (d)(i) shall not constitute a Demand Registration for the purposes of determining the number of Demand Registrations to which such Demand Holder is entitled under Section 5.01(a).

(e) Subject to Section 5.02, the Company may elect to include in any registration statement filed pursuant to this Section 5.01 any Common Stock to be issued by it or held by any of its subsidiaries or by any other shareholders only to the extent such Common Stock is offered and sold pursuant to, and on the terms and subject to the conditions of, any underwriting agreement or distribution arrangements entered into or effected by the applicable Demand Holder and only to the extent the managing underwriter thereof does not reasonably and in good faith advise each applicable Exercising Demand Holder prior to the consummation of any Demand Registration that the inclusion in such registration statement of any such Common Stock to be issued by the Company or sold by any of its subsidiaries or any other shareholder will not create a substantial risk that the price per share of Common Stock that the Exercising Demand Holder(s) will derive from such Demand Registration will be materially and adversely affected or that the number of shares of Common Stock sought to be registered (including any shares of Common Stock sought to be registered at the request of the Company and any other shareholder and those

sought to be registered by such Exercising Demand Holder(s)) is a greater number than can be reasonably sold.

(f) The managing underwriter for any Demand Registration shall be selected by the Demand Holder exercising the Demand Request, PROVIDED that such managing underwriter or underwriters shall be of recognized national standing.

SECTION 5.02. "PIGGY-BACK" REGISTRATIONS. (a) Subject to Section 4.01, if, at any time following the Effective Time, the Company proposes to register any Common Stock under the Securities Act, whether or not for sale for its own account, on a registration statement on Form S-1, Form S-2 or Form S-3 (or any equivalent general registration form then in effect) for purposes of a primary offering, secondary offering (including any Demand Registration) or combined offering of such Common Stock, the Company shall give prompt written notice to each Shareholder of its intention to do so. Such notice shall specify, at a minimum, the number of shares of Common Stock so proposed to be registered, the proposed date of filing of such registration statement, any proposed means of distribution of such Common Stock, any proposed managing underwriter or underwriters of such offering and a good faith estimate by the Company of the proposed maximum offering price thereof, as such price is proposed to appear on the facing page of such registration statement. Upon the written direction of a Shareholder (a "PIGGY-BACK REQUEST"), given within thirty (30) business days following the receipt by such Shareholder of any such written notice (which direction shall specify the number of the Shares intended to be disposed of by such Shareholder or any Subsidiary Holder thereof), the Company shall include in such registration statement (a "PIGGY-BACK REGISTRATION" and, collectively with a Demand Registration, a "REGISTRATION"), subject to the provisions of Section 5.02 hereof, such number of the Shares as shall be set forth in any such Piggy-Back Request delivered by a Shareholder.

(b) In the event that the Company proposes to register Common Stock in connection with an underwritten offering and a nationally recognized independent investment banking firm selected by the Company or a Demand Holder to act as managing underwriter thereof reasonably and in good faith shall have advised the Company, any holder of Common Stock (including a Demand Holder if it has made a Demand Request) intending to offer such Common Stock in a secondary offering or combined offering (each, an "OTHER HOLDER") or

any Shareholder who submitted a Piggy-Back Request in writing that, in its opinion, the inclusion in the registration statement of some or all of the Shares sought to be registered by any such Shareholder making a Piggyback Request creates a substantial risk that the price per share of Common Stock that

the Company or any Other Holder will derive from such registration will be materially and adversely affected or that the number of shares of Common Stock sought to be registered (including any shares of Common Stock sought to be registered at the request of the Company and any Other Holder and those sought to be registered by any such Shareholder making a Piggyback Request) is a greater number than can reasonably be sold, the Company shall include in such registration statement such number of shares of Common Stock as the Company, any Other Holder and any such Shareholder making a Piggyback Request are so advised can be sold in such offering without such an effect (the "MAXIMUM NUMBER") as follows and in the following order of priority: (A) FIRST, in the case of a secondary or combined offering, if a Demand Holder has made a Demand Request, such number of shares of Common Stock as each applicable Exercising Demand Holder intended to be registered and sold by it (subject to any limitation pursuant to Section 5.01(a) on the number of Shares that may be registered under such Demand Request by such Exercising Demand Holder), PROVIDED that if such number exceeds the Maximum Number, the shares of Common Stock of such Shareholders will be excluded on a PRO RATA basis according to the total number of Shares requested to be registered by such persons (after giving effect to any limitation pursuant to Section 5.01(a)), (B) SECOND, in the case of a secondary or combined offering, if an Other Holder (other than such Exercising Demand Holder(s)) has exercised a similar demand registration right and if to the extent that such number of shares of Common Stock to be registered under clause (A) is less than the Maximum Number, such number of shares of Common Stock as the Other Holder intended to be registered and sold by it which, when added to the number of shares of Common Stock to be registered under clause (A), is less than or equal to the Maximum Number, (C) THIRD, in the case of a primary or combined offering and if and to the extent that such number of shares of Common Stock to be registered under clauses (A) and (B) is less than the Maximum Number, such number of shares of Common Stock as the Company intended to be registered and sold by the Company which, when added to the number of shares of Common Stock to be registered under clauses (A) and (B), is less than or equal to the Maximum Number, and (D) FOURTH, in the case of a secondary or

combined offering and if and to the extent that the number of shares of Common Stock to be registered under clauses (A) , (B) and (C) is less than the Maximum Number, such number of shares of Common Stock as the Shareholders who submitted Piggy-Back Requests shall have intended to register which, when added to the number of shares of Common Stock to be registered under clauses (A), (B), (C) and (D), is less than or equal to the Maximum Number; PROVIDED that if such number exceeds the Maximum Number, the shares of Common Stock of such Shareholders will be excluded on a PRO RATA basis according to the total number of Shares requested to be registered by such persons.

(c) No Piggy-Back Registration effected under this Section 5.02 shall be deemed to have been effected pursuant to Section 5.01 hereof or shall release the Company of its obligations to a Demand Holder to effect any Demand Registration upon request as provided under Section 5.01 hereof.

(d) Notwithstanding any request under this Section 5.02, each Shareholder who submitted a Piggy-Back Request may elect in writing to withdraw its request for inclusion of its Shares in any registration statement PROVIDED, HOWEVER, that (i) such request must be made in writing prior to the earlier of the execution of the underwriting agreement or the execution of the custody agreement with respect to such registration and (ii) such withdrawal shall be irrevocable and, after making such withdrawal, any such Shareholder shall no longer have any right to include Shares in the registration as to which such withdrawal was made.

(e) If, at any time after giving written notice of its intention to register any Common Stock and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such Common Stock, the Company may, at its election, give written notice of such determination to each Shareholder who submitted a Piggy-Back Request and (i) in the case of a determination not to register, shall be relieved of its obligation to register any Shares in connection with such abandoned registration, without prejudice, however, to the rights of an Exercising Demand Holder under Section 5.01 and (ii) in the case of a determination to delay such registration of the Company's Common Stock, shall be permitted to delay the registration

of such Shares for the same period as the delay in registering such other Common Stock.

(f) If, as a result of the proration provisions of this Section 5.02, each Shareholder who submitted a Piggy-Back Request shall not be entitled to include all Shares in a registration that each such Shareholder has requested to be included, each such Shareholder may elect to withdraw his request to include Shares in such registration or may reduce the number of Shares requested to be included, PROVIDED that the same limitations in subsection (d) shall apply.

SECTION 5.03. ADDITIONAL AGREEMENTS. Anything in this Agreement to the contrary notwithstanding, if at any time the Company shall

obtain a written opinion of legal counsel reasonably satisfactory to AAH and addressed to the Company and the Shareholders to the effect that the Shares may be publicly offered for sale in the United States by each Shareholder or any Subsidiary Holder without restriction as to manner of sale and amount of securities sold and without registration or other restriction under the Securities Act, the Company shall no longer be obligated to file or maintain a registration statement with respect to the Shares pursuant to this Agreement. In such case, the Company shall issue to each Shareholder certificates representing the Shares without any legend restricting transfer and shall remove all stop transfer orders relating to the Shares.

SECTION 5.04. REGISTRATION PROCEDURES. (a) In connection with each registration statement prepared pursuant to this Agreement, and in accordance with the intended method or methods of distribution of the Shares as described in such registration statement, the Company shall, as soon as reasonably practicable (and, in any event, subject to the terms of this Agreement, including, without limitation, Section 5.01(a), at or before the time required by applicable laws and regulations):

(i) prepare and file with the SEC a registration statement on an appropriate registration form of the SEC, with respect to such Shares, which form shall be selected by the Company with the Shareholder's reasonable consent, and use its reasonable best efforts to cause such registration statement to become and remain effective promptly; PROVIDED that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to one counsel selected by the Demand Holder exercising the Demand Request and one counsel to the Shareholders selling under a Piggy-Back Registration, and the sales or placement agent or agents, if any, for the Shares and the managing underwriter or underwriters, if any, draft copies of all such documents proposed to be filed at least seven (7) days prior to such filing, which documents will be subject to the reasonable review of the Shareholders, the sales or placement agent or agents, if any, for the Shares and the managing underwriter or underwriters, if any, and their respective agents and representatives and the Company will not file any Demand Registration or amendment thereto or any prospectus or any supplement thereto to which such Demand Holder exercising such Demand Request shall reasonably object in writing;

(ii) furnish without charge to the Shareholders, the sales or placement agent or agents, if any, and the managing underwriter or underwriters, if any, such number of copies of such registration statement and of each amendment and supplement thereto (in each case including all exhibits), such number of copies of the summary, preliminary, final, amended or supplemented prospectuses included in such registration statement in conformity with the requirements of the Securities Act and any regulations promulgated thereunder and (upon the reasonable request by the Shareholders) any documents incorporated therein by reference and such

other documents as the Shareholders may reasonably request in order to facilitate the public sale or other disposition of such Shares (the Company hereby consenting to the use in accordance with all applicable law of the prospectus or any amendment or supplement thereto by the Shareholders in connection with the offering and sale of the Shares covered by the prospectus or any amendment or supplement thereto);

(iii) use its reasonable best efforts to keep such registration statement effective for at least 180 days (not counting any period that such registration statement is not effective pursuant to Section 5.01(c)) (the "EFFECTIVE PERIOD"); prepare and file with the SEC such amendments, post-effective amendments and supplements to the registration statement and the prospectus as may be necessary to maintain the effectiveness of the registration for the Effective Period and to cause the prospectus (and any amendments or supplements thereto) to be filed pursuant to Rules 424 and 430A under the Securities Act and/or any successor rules that may be adopted by the SEC, as such rules may be amended from time to time; and comply with the provisions of the Securities Act with respect to the disposition of all Shares covered by such registration statement during the applicable period in accordance with the intended method or methods of distribution thereof, as specified in writing by the Shareholder;

(iv) except during any Blackout Period, make available for inspection by the Shareholders or by any underwriter, attorney, accountant or other agent retained by the Shareholders (collectively, the "INSPECTORS") financial and other records and pertinent corporate documents of the Company (collectively, the "RECORDS"), provide the Inspectors with opportunities to discuss the business of the Company with its officers and provide opportunities to discuss the business of the Company with the independent public accountants who have certified its most recent annual financial statements, in each case to the extent customary for transactions of the size and type intended, as specified

by the Shareholders, but only to the extent reasonably necessary to enable each Shareholder or any underwriter retained by the Shareholders to conduct a "reasonable investigation" for purposes of Section 11(a) of the Securities Act.

Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspector unless (A) the disclosure of such Records is necessary to avoid or correct a misstatement of a material fact or omission to state a material fact in the Registration, (B) the disclosure of such Records is required by any court or governmental body with jurisdiction over any of the Shareholders or Inspector or (C) all of the information contained in such Records has been made generally available to the public. Each Shareholder agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction or by any governmental body, promptly give prior notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of those Records deemed confidential;

(v) if requested by (i) a Demand Holder exercising a Demand Request, use reasonable best efforts to participate in and assist with a "road show" and other customary marketing efforts in connection with the sale of Shares pursuant to such registration statement, at such times and in such manner as the Company and such Demand Holder mutually may determine (and as do not unreasonably interfere with the Company's operations); PROVIDED that the executives of the Company shall not be required to participate in a "road show" unless the proposed aggregate offering price of the Shares being sold pursuant to such registration statement equals or exceeds $35,000,000 and (ii) a Demand Holder executing a block trade, use reasonable best efforts to assist with such block trade, at such times and in such manner as the Company and such Demand Holder mutually may determine (and as do not unreasonably interfere with the Company's operations);

(vi) use its reasonable best efforts to register or qualify the Shares covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions in the United States as the Shareholders shall reasonably request, keep such registrations or qualifications in effect for so long as the registration statement remains in effect, and do any and all other acts and things which may be reasonably necessary to enable the Shareholders or any underwriter to consummate the public sale or other

disposition of the Shares in such jurisdictions; PROVIDED, HOWEVER, that in no event shall the Company be required to qualify to do business as a foreign corporation in any jurisdiction where it is not so qualified; to execute or file any general consent to service of process under the laws of any jurisdiction; to take any action that would subject it to service of process in suits other than those arising out of the offer and sale of the Shares covered by the registration statement; or to subject itself to taxation in any jurisdiction where it would not otherwise be obligated to do so, but for this paragraph (vii);

(vii) use its reasonable best efforts to cause the Shares to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the Shareholders to consummate the public sale or other disposition of the Shares;

(viii) use its reasonable best efforts to cause all Shares covered by such registration statement to be approved for listing on a national securities exchange or approved for trading on a national interdealer quotation system or listed on the securities exchanges on which similar securities issued by the Company are then listed or traded;

(ix) promptly notify each Shareholder whose Shares are covered by a Registration, at any time when a prospectus relating to any of the Shares covered by such registration statement is required to be delivered under the Securities Act, of the Company's becoming aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, at the request of the Demand Holder exercising the Demand Request, promptly prepare and furnish to the Shareholders a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to the purchasers of such Shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the

statements therein not misleading in the light of the circumstances then existing;

(x) promptly notify the Shareholders whose Shares are covered by a Registration, the sales or placement agent or agents, if any, for the Shares and the managing underwriter or underwriters, if any, thereof, after becoming aware thereof, when the registration statement or any related prospectus or any amendment or supplement has been filed, and, with respect to the registration statement or any post-effective amendment, when the same has become effective, (A) of any request by the SEC for amendments or supplements to the registration statement or the related prospectus or for additional information, (B) of the issuance by the SEC of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings for that purpose, (C) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for sale in any jurisdiction or the initiation of any proceeding for such purpose or (D) within the Effective Period of the happening of any event which makes any statement in the registration statement or any post-effective amendment thereto, prospectus or any amendment or supplement thereto, or any document incorporated therein by reference untrue in any material respect or which requires the making of any changes in the registration statement or post- effective amendment thereto or any prospectus or amendment or supplement thereto so that they will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in light of the circumstances under which they were made) not misleading;

(xi) during the Effective Period, use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement or any post-effective amendment thereto;

(xii) permit AAH if, in AAH's sole judgment exercised in good faith, it believes it might be deemed to be a controlling person of the Company, to participate in the preparation of such registration statement and all discussions between the Company and the SEC or its staff with respect to such registration

statement, and to require the insertion therein of material, furnished to the Company in writing, which in the sole judgment exercised in good faith of AAH should be included;

(xiii) deliver promptly to each Shareholder whose Shares are subject to a Registration, upon such Shareholder's request, copies of all correspondence between the SEC and the Company, its counsel or auditors and all memoranda relating to discussions with the SEC or its staff with respect to the registration statement and permit such Shareholder to do such investigation, with respect to information contained in or omitted from the registration statement, as it deems reasonably necessary. Each such Shareholder agrees that it will use its reasonable efforts not to interfere unreasonably with the Company's business when conducting any such investigation;

(xiv) provide a transfer agent and registrar for all such Shares covered by such registration statement not later than the effective date of such registration statement, which transfer agent and registrar may be the Company, subject to any applicable law or regulations;

(xv) cooperate with each Shareholder whose Shares are subject to a Registration and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing such Shares to be sold under the registration statement, which certificates shall not bear any restrictive legends except as required by law; and, in the case of an underwritten offering, enable such Shares to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, may request in writing at least two (2) business days prior to any sale of the Shares to the underwriters;

(xvi) enter into such agreements (including, if the offering is an underwritten offering, an underwriting agreement) as are customary in transactions of such kind and take such other actions as are reasonably necessary in connection therewith in order to expedite or facilitate the disposition of such Shares; and (A) make such representations and warranties with respect to the registration statement,

post-effective amendment or supplement thereto, prospectus or any amendment or supplement thereto, and documents incorporated by reference, if any, to the managing underwriter or underwriters, if any, of the Shares and, at the option of each Shareholder whose Shares are subject to a Registration, make to and for the benefit of such Shareholder the representations, warranties and covenants of the Company which are being made to the underwriters, in form, substance and scope as are customarily made by the Company in connection with offerings of Shares in transactions of such kind (representations and warranties by the Other Holders shall also be made as are customary in agreements of that type); provided that the Company shall not be required to make any representations or warranties with respect to information specifically provided by such Other Holders for inclusion in the registration documents; (B) obtain an opinion of counsel to the Company (which counsel may be internal counsel for the Company unless the managing underwriter or underwriters shall otherwise reasonably request) in customary form and covering matters of the type customarily covered by such an opinion, addressed to such managing underwriter or underwriters, if any, and to the Shareholders and dated the date of the closing of the sale of the Shares relating thereto; (C) obtain a "comfort" letter or letters from the independent certified public accountants who have certified the Company's most recent audited financial statements that are incorporated by reference in the registration statement which is addressed to the Shareholders and the managing underwriter or underwriters, if any, and is dated the date of the prospectus used in connection with the offering of such Shares and/or the date of the closing of the sale of such Shares relating thereto, such letter or letters to be in customary form and covering such matters of the type customarily covered by "comfort" letters of such type; (D) deliver such documents and certificates as may be reasonably requested by any Shareholder whose Shares are subject to a Registration and the managing underwriter or underwriters, if any, of the Shares to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company; and (E) undertake such obligations relating to expense reimbursement, indemnification and contribution as provided in Sections 5.05 and 5.06 hereof; and

(xvii) comply with all applicable rules and regulations of the SEC and generally make available to its security holders an earnings statement (which need not be audited), as soon as reasonably practicable but in no event later than ninety (90) days after the end of the period of twelve (12) months commencing on the first day of any fiscal quarter next succeeding each sale by each Shareholder of Shares which have been registered pursuant to this Agreement (the "REGISTERED SHARES") after the date hereof, which earnings statement shall cover such twelve (12) month period and shall satisfy the provisions of Section 11(a) of the Securities Act and may be prepared in accordance with Rule 158 under the Securities Act.

(b) In the event that the Company would be required, pursuant to Section 5.04(a)(xi)(D) above, to notify any Shareholder, the sales or placement agent or agents, if any, for the Shares and the managing underwriter or underwriters, if any, thereof, the Company shall, subject to the provisions of Section 5.01(b) hereof, as promptly as practicable, prepare and furnish to each Shareholder, to each placement or sales agent, if any, and to each underwriter, if any, a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to purchasers of Registered Shares, such prospectus shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Each Shareholder agrees that, upon receipt of any notice from the Company pursuant to Section 5.04(a)(xi)(D) hereof, such Shareholder shall, and shall use its reasonable best efforts to cause any sales or placement agent or agents for the Shares and the underwriters, if any, thereof, to forthwith discontinue disposition of the Shares until such person shall have received copies of such amended or supplemented prospectus and, if so directed by the Company, to destroy or to deliver to the Company all copies, other than permanent file copies, then in its possession of the prospectus (prior to such amendment or supplement) covering such Shares as soon as practicable after such Shareholder's receipt of such notice.

(c) Each Shareholder whose Shares are covered by a Registration shall furnish to the Company in writing such information regarding such Shareholder and its intended

method of distribution of the Shares as the Company may from time to time reasonably request in writing, but only to the extent that such information is required in order for the Company to comply with its obligations under all applicable securities and other laws and to ensure that the prospectus relating

to such Shares conforms to the applicable requirements of the Securities Act and the rules and regulations thereunder. Each Shareholder whose Shares are covered by a Registration shall notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished by such Shareholder to the Company or of the occurrence of any event, in either case as a result of which any prospectus relating to the Shares contains or would contain an untrue statement of a material fact regarding such Shareholder or its intended method of distribution of such Shares or omits to state any material fact regarding such Shareholder or its intended method of distribution of such Shares required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and promptly furnish to the Company any additional information required to correct and update any previously furnished information or required so that such prospectus shall not contain, with respect to such Shareholder or the distribution of the Shares, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Each Shareholder agrees not to, and shall not cause any Subsidiary Holder to, effect any public sale or distribution of any Shares, including any sale pursuant to Rule 144 under the Securities Act, and not to effect any such public sale or distribution of any other equity security of the Company or of any security convertible into or exchangeable or exercisable for any equity security of the Company (in each case, other than as part of such underwritten public offering) during the ten (10) days prior to, and during the ninety (90) day period (or such longer period as the Shareholder and/or the applicable Subsidiary Holder agrees with the underwriter of such offering) beginning on, the consummation of any underwritten public offering of the Shares covered by a registration statement referred to in Section 5.02 to the extent the Shareholder's or Subsidiary Holder's Registered Shares are being sold thereunder.

(e) In the case of any registration under Section 5.01 pursuant to an underwritten offering, or in the case of a Registration under Section 5.02 if the Company has determined to enter into an underwriting agreement in connection therewith, all Shares to be included in such Registration shall be subject to such underwriting agreement and no person may participate in such Registration unless such person agrees to sell such person's securities on the basis provided therein which shall be the same for all Shareholders whose Shares are covered by such Registration and completes and executes all questionnaires, indemnities, underwriting agreements and other document s(other than powers of attorney) which must be executed in connection therewith, and provides such other information to the Company or the underwriter as may be reasonably requested to register such person's Shares.

SECTION 5.05. REGISTRATION EXPENSES. The Company agrees to bear and to pay, or cause to be paid, promptly upon request being made therefor, all expenses incident to the Company's performance of or compliance with this Agreement, including, without limitation: (a) all fees and expenses in connection with the qualification of the Registered Shares for offering and sale under state securities or "blue sky" laws referred to in Section 5.04(a)(vii) hereof, including reasonable fees and disbursements of counsel for any placement or sales agent or underwriter in connection with such qualifications, (b) all expenses relating to the preparation, printing, distribution and reproduction of the registration statement, each prospectus included therein or prepared for distribution pursuant hereto, each amendment or supplement to the foregoing, the certificates representing the Shares and all other documents relating hereto, (c) the costs and charges of any escrow agent, transfer agent, registrar, any custodian or attorney-in-fact appointed to act on behalf of the Shareholders (including, without limitation, all salaries and expenses of the Company's officers and employees performing legal or accounting duties), (d) fees, disbursements and expenses of the Company's counsel and its other advisors and experts and independent certified public accountants of the Company (including the expenses of any opinions or "comfort" letters required by or incident to such performance and compliance), (e) the fees and expenses incurred in connection with the listing of the Shares on The New York Stock Exchange, Inc. and any other stock exchange or national securities exchange on which Shares shall at such time be listed, and (f) fees, disbursements and

expenses of one counsel selected by a Demand Holder exercising a Demand Request and retained on behalf of all Shareholders registering Shares in connection with such Demand Request and any Piggyback Request in connection therewith (collectively, the "REGISTRATION EXPENSES"). To the extent that any Registration Expenses are incurred, assumed or paid by the Shareholders, any sales or placement agent or agents for the Shares and the underwriters, if any, thereof, the Company shall reimburse such person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a request therefor. Each Shareholder shall pay its pro rata portion of underwriting discounts and commissions and any capital gains, income or transfer taxes, if any, attributable to the sale of such Shareholder's Shares being registered.

SECTION 5.06. INDEMNIFICATION; CONTRIBUTION. (a)

INDEMNIFICATION BY THE COMPANY. The Company shall, and it hereby agrees to, indemnify and hold harmless each Shareholder, and each person who participates as a placement or sales agent or as an underwriter in any offering or sale of the Shares, against any losses, claims, damages or liabilities to which each such Shareholder or such agent or underwriter may become subject, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) (collectively, "CLAIMS") arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any registration statement pursuant to which any Shares of such Shareholder are registered pursuant to this Agreement, or any preliminary or final prospectus contained therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and the Company shall, and it hereby agrees to, reimburse each such Shareholder or any such agent or underwriter for any legal or other out-of-pocket expenses reasonably incurred by them in connection with investigating or defending any such Claims; PROVIDED, HOWEVER, that the Company shall not be liable to any such person in any such case to the extent that any such Claims arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, or preliminary or final prospectus, or amendment or supplement thereto, in reliance upon and in conformity with written

information furnished to the Company by such Shareholder or any agent, underwriter or representative of such Shareholder expressly for use therein, or by such Shareholder's failure to furnish the Company, upon request, with the information with respect to such Shareholder, or any agent, underwriter or representative of such Shareholder, or such Shareholder's intended method of distribution, that is the subject of the untrue statement or omission or if the Company shall sustain the burden of proving that such Shareholder or such agent or underwriter sold securities to the person alleging such Claims without sending or giving, at or prior to the written confirmation of such sale, a copy of the applicable prospectus (excluding any documents incorporated by reference therein) or of the applicable prospectus, as then amended or supplemented (excluding any documents incorporated by reference therein), if the Company had previously furnished copies thereof to such Shareholder or such agent or underwriter, and such prospectus corrected such untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement.

(b) INDEMNIFICATION BY THE SHAREHOLDERS AND ANY AGENTS OR UNDERWRITERS. Each Shareholder shall, and hereby agrees, severally and not jointly, to (i) indemnify and hold harmless the Company, its directors, officers, employees and controlling persons, if any, each other Shareholder, and each underwriter, its partners, officers, directors, employees and controlling persons, if any, in any offering or sale of Shares, against any Claims to which the Company, its directors, officers, employees and controlling persons, if any, may become subject, insofar as such Claims (including any amounts paid in settlement as provided herein), or actions or proceedings in respect thereof, arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in such registration statement, or any preliminary or final prospectus contained therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Shareholder or any agent, underwriter, or representative (as the case may be) expressly for use therein, and (ii)

reimburse the Company for any legal or other out-of-pocket expenses reasonably incurred by the Company in connection with investigating or defending any such Claim.

(c) NOTICE OF CLAIMS, ETC. Promptly after receipt by an indemnified party under subsection (a) or (b) above of written notice of the commencement of any action or proceeding for which indemnification under subsection (a) or (b) may be requested, such indemnified party shall, without regard to whether a claim in respect thereof is to be made against an indemnifying party pursuant to the indemnification provisions of, or as contemplated by, this Section 5.06, notify such indemnifying party and the underwriter in writing of the commencement of such action or proceeding; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party in respect of such action or proceeding on account of the indemnification provisions of or contemplated by Section 5.06(a) or 5.06(b) hereof unless the indemnifying party was materially prejudiced by such failure of the indemnified party to give such notice, and in no event shall such omission relieve the indemnifying party from any other liability it may have to such indemnified party. In case any such action or proceeding shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, unless in the reasonable opinion

of outside counsel to the indemnified party a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, such indemnifying party shall be entitled to participate therein and, to the extent that it shall determine, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party, and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, such indemnifying party shall not be liable to such indemnified party for any legal or any other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation (unless such indemnified party reasonably objects to such assumption on the grounds that there may be defenses available to it which are different from or in addition to the defenses available to such indemnifying party, in which event the indemnified party shall have the right to control its defense and shall be reimbursed by the indemnifying party for the expenses incurred in connection with retaining one separate counsel). If the indemnifying party is not entitled to, or elects not

to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one counsel for each indemnified party with respect to such claim. The indemnifying party will not be subject to any liability for any settlement made without its consent, which consent shall not be unreasonably withheld or delayed. No indemnifying party shall, without the prior written consent of the indemnified party, compromise or consent to entry of any judgment or enter into any settlement agreement with respect to any action or proceeding in respect of which indemnification is sought under Section 5.06(a) or (b) (whether or not the indemnified party is an actual or potential party thereto), unless such compromise, consent or settlement includes an unconditional term thereof the giving by the claimant or plaintiff to the indemnified party of a release from all liability in respect of such claim or litigation and does not subject the indemnified party to any material injunctive relief or other material equitable remedy.

(d) CONTRIBUTION. Each Shareholder and the Company agree that if, for any reason, the indemnification provisions contemplated by Sections 5.06(a) or 5.06(b) hereof are unavailable to or are insufficient to hold harmless an indemnified party in respect of any Claims referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such Claims in such proportion as is appropriate to reflect the relative fault of, and benefits derived by, the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The relative benefit derived by the parties shall be determined by reference to the fact that the Company entered into this Agreement as an integral part of the transactions pursuant to which the Shares were acquired. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5.06(d) were determined by any method of allocation which does not take account of the equitable considerations referred to in this Section 5.06(d). The amount paid or

payable by an indemnified party as a result of the Claims referred to above shall be deemed to include (subject to the limitations set forth in Section 5.06(c) hereof) any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action, proceeding or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The indemnification and contribution required by this Section 5.06 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(f) BENEFICIARIES OF INDEMNIFICATION. The obligations of the Company under this Section 5.06 shall be in addition to any liability that it may otherwise have and shall extend, upon the same terms and conditions, to each employee, officer, director and partner of each Shareholder or any Subsidiary Holder, each agent of such Shareholder or any Subsidiary Holder, each underwriter of the Shares and each person, if any, who controls such Shareholder or any Subsidiary Holder or any such agent or underwriter within the meaning of the Securities Act; and the obligations of such Shareholder and each Subsidiary Holder and any agents or underwriters contemplated by this Section 5.06 shall be in addition to any liability that such Shareholder or any Subsidiary Holder or their respective agents or underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his consent, is named in any registration statement as about to become a director of the Company) and to each person, if any, who controls the Company within the meaning of the Securities Act.

SECTION 5.07. UNDERWRITERS. If any of the Shares are to be sold pursuant to an underwritten offering, the investment banker or bankers and the managing underwriter or underwriters thereof shall be selected by the Company except in the case of a Demand Registration, in which the managing underwriter or underwriters shall be selected by the Demand Holder exercising the Demand Request, PROVIDED that such managing underwriter or underwriters must be of recognized national standing.

SECTION 5.08. EXCHANGE ACT FILINGS; RULE 144; RULE 144A. (a) The Company covenants to and with each Shareholder that to the extent it shall be required to do so under the Exchange Act, the Company shall timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including, but not limited to, the reports under Sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the SEC under the Securities Act and the rules and regulations adopted by the SEC thereunder) and shall take such further action as any Shareholder may reasonably request, all to the extent required from time to time to enable the Shareholders to sell Shares without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC. Upon the request of a Shareholder, the Company shall deliver to such Shareholder a written statement as to whether it has complied with such requirements.

(b) If at any time the Company is not subject to Section 13 or 15(d) of the Exchange Act and is not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Company agrees, upon the request of a Shareholder seeking to transfer Shares in conformity with Rule 144A under the Securities Act, to furnish to such Shareholder or prospective purchasers of the Shares from the Shareholder the information required by Rule 144A(d)(4)(i) under the Securities Act in the manner and at the times contemplated by such Rule.

(c) The Company covenants to make available "adequate current public information" concerning the Company within the meaning of Rule 144(c) under the Securities Act.

SECTION 5.09. AGREEMENTS OF THE SHAREHOLDERS. Each Shareholder agrees not to, and it shall cause its Affiliates not to, make any sale, transfer or other disposition of Shares except in compliance with the registration requirements of the Securities Act and the rules and regulations thereunder, including exemptions, and in accordance with the terms of this Agreement.

SECTION 5.10. RECAPITALIZATIONS, EXCHANGES, ETC. AFFECTING THE SHARES. The provisions of this Agreement shall apply to any and all shares of capital stock of the Company or any successor or assign of the Company (whether

by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for, or in substitution of the Shares, by reason of a stock dividend, stock split, stock issuance, reverse stock split, combination, recapitalization, reclassification, merger, consolidation or otherwise. Upon the occurrence of any such event, amounts hereunder shall be appropriately adjusted.

ARTICLE VI

TERM OF AGREEMENT

SECTION 6.01. TERM OF AGREEMENT. This Agreement shall take effect immediately upon the occurrence of Effective Time. This Agreement (other than the provisions of Section 5.06) shall terminate with respect to any Shareholder on the date that such Shareholder and its Subsidiary Holders no longer own any shares of Common Stock.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SECTION 7.01. SPECIFIC PERFORMANCE. The parties hereto hereby declare that irreparable damage would occur as a result of the failure of any party hereto to perform any of its obligations under this Agreement in accordance with the specific terms hereof. Therefore, all parties hereto shall have the right to specific performance of the obligations of the other parties under this Agreement and if any party hereto shall institute any action or proceeding to enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that such party has an adequate remedy at law. The right to specific performance should be in addition to any other remedy to which a party hereto may be entitled at law or in equity.

SECTION 7.02. LEGENDS. (a) Each certificate representing

Shares shall bear the following legend:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO TERMS AND CONDITIONS (INCLUDING RESTRICTIONS ON VOTING AND TRANSFER) SET FORTH IN A SHAREHOLDERS AGREEMENT DATED AS OF o, o, A COPY OF WHICH MAY BE OBTAINED FROM [NEWCO], INC. NO

> TRANSFER OF SUCH SECURITIES WILL BE MADE ON THE BOOKS OF, OR BE EFFECTIVE WITH RESPECT TO, [NEWCO], INC. UNLESS ACCOMPANIED BY EVIDENCE OF COMPLIANCE WITH THE TERMS OF SUCH AGREEMENT.

(b) In addition, stop transfer restrictions will be given to the Company's transfer agent(s) with respect to the Shares and there will be placed on the certificates or instruments representing the Shares, and on any certificate or instrument delivered in substitution therefor, a legend stating in substance:

> THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO SUCH REGISTRATION OR IN ACCORDANCE WITH AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

(c) The Company hereby agrees that it will cause stop transfer restrictions to be released with respect to any Shares that are transferred in compliance with the terms and provisions of this Agreement and (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or 145 under the Securities Act, (iii) in accordance with the requirements of Rule 903 or 904 of Regulation S under the Securities Act, or (iv) pursuant to another exemption from the registration requirements of the Securities Act; PROVIDED, HOWEVER, that in the case of any transfer pursuant to clause (ii), (iii) or (iv) above, the request for transfer is accompanied by a written statement signed by a Shareholder confirming compliance with the requirements of the relevant exemption from registration; and PROVIDED, FURTHER, that in the case of any transfer pursuant to clause (iv) above, other than any transfer by such Shareholder to one or more of such Shareholder's direct or indirect subsidiaries, or among such subsidiaries, or by any such subsidiary to such Shareholder, the Company shall have received a written opinion of counsel reasonably satisfactory to the Company. The Company further agrees that it will cause the legends described in subsections (a) and (b) of this Section 7.02 to be removed in the event of any transfer as provided in clause (i), (ii) or (iii) above.

SECTION 7.03. CONFLICTS AND INCONSISTENT AGREEMENTS. Each of the Shareholders and the Company shall take all action necessary, including but not limited to the voting of capital stock of the Company, to ensure that the certificate of incorporation and by-laws of the Company and the certificates of incorporation and by-laws or other governing documents of the Company's subsidiaries are consistent with, and do not conflict with, the terms of this Agreement. Neither the Company nor any Shareholder shall enter into any agreement inconsistent with the terms of this Agreement.

SECTION 7.04. COMPLETE AGREEMENT. This Agreement constitutes the entire agreement and understanding among the parties hereto with respect to the matters referred to herein and supersedes all prior agreements and understandings among the parties hereto with respect to the matters referred to herein.

SECTION 7.05. AMENDMENT. This Agreement may not be amended, modified or supplemented and no waivers of or consents to departures from the provisions hereof may be given unless consented to in writing by the Company, AAH and Specified Shareholders holding a majority of all Shares held by Specified Shareholders.

SECTION 7.06. SUCCESSORS; ASSIGNS; SUBSIDIARY HOLDERS. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, directly or indirectly, including by operation of law, by any Shareholder without the prior written consent of the Company. The terms and conditions of this Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the parties hereto. Each Shareholder agrees with respect to any Affiliate that becomes a Subsidiary Holder hereunder, to promptly thereafter cause such Affiliate to execute a counterpart hereof agreeing to be bound by all of the terms, conditions and restrictions of this Agreement, as and to the same extent as such Shareholder. The execution of a counterpart hereof by an Affiliate who has become a Subsidiary Holder does not constitute an assignment of any part of this Agreement prohibited by this Section 7.06, and the Shareholder with which such Subsidiary Holder is affiliated with will remain bound by all of the terms, conditions and restrictions of this Agreement.

SECTION 7.07. ATTORNEY FEES. A party in breach of this Agreement shall, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and expenses, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement. The payment of such expenses is in addition to any other relief to which such other party may be entitled.

SECTION 7.08. NOTICES. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent by prepaid telex, cable or telecopy or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service and shall be deemed given when so delivered by hand, telexed, cabled or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service), as follows (or at such other address, telephone number and fax number as a party shall notify each other party hereto):

(i) if to the Company:

Asbury Automotive Group, Inc.
Three Landmark Square
Suite 500
Stamford, CT 06901
Attention: General Counsel

with copies to:

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attention: Thomas E. Dunn, Esq.

(ii) if to AAH:

c/o Ripplewood Holdings L.L.C.
One Rockefeller Plaza
32nd Floor
New York, NY 10020
Attention: Timothy Collins

with copies to:

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attention: Thomas E. Dunn, Esq.

(iii) if to any of the Specified Shareholders, at the addresses for such Specified Shareholder set forth in the LLC Agreement.

with copies to:

Patterson, Belknap, Webb & Tyler LLP
1133 Avenue of the Americas
New York, NY 10036
Attention: George S. Frazza, Esq.

SECTION 7.09. INTERPRETATION; EXHIBITS AND SCHEDULES. The headings contained in this Agreement, in any Exhibit or Schedule hereto and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein, shall have the meaning as defined in this Agreement.

SECTION 7.10. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party.

SECTION 7.11. SEVERABILITY. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstance.

SECTION 7.12. GOVERNING LAW. THIS AGREEMENT AND ALL ACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY AND

CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES).

SECTION 7.13. SUBMISSION TO JURISDICTION. ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT IN THE SUPERIOR COURT OR THE COURT OF CHANCERY OF THE STATE OF DELAWARE OR THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE OR IN THE SUPREME COURT OF THE STATE OF NEW YORK, NEW YORK COUNTY OR THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND EACH PARTY HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF SUCH SUITS, LEGAL ACTIONS OR PROCEEDINGS. IN ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH PARTY WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLIANT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO IT AT ITS ADDRESS SET FORTH IN THE BOOKS AND RECORDS OF THE COMPANY. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OR ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN ANY SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 7.14. WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE 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 AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.14.

SECTION 7.15. NO WAIVER OF RIGHTS. No failure or delay on the part of any party in the exercise of any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude other or further exercise thereof or of any other right or power. The waiver by any party or parties hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies existing under this Agreement are cumulative and are not exclusive of any rights or remedies otherwise available.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

ASBURY AUTOMOTIVE GROUP, INC.,

by

Name:
Title:

ASBURY AUTOMOTIVE HOLDINGS L.L.C.,

by

Name:
Title:

SPECIFIED SHAREHOLDERS:

ASBURY AUTOMOTIVE HOLDINGS L.L.C.,

by

Name:
Title:

ASBURY AUTOMOTIVE GROUP,
INC.,

by

Name:
Title:

NALLEY MANAGEMENT SERVICES,
INC.

by

Name:
Title:

NALLEY CHEVROLET, INC.

by

Name:
Title:

SPECTRUM SOUND &
ACCESSORIES, INC.

by

Name:
Title:

NALLEY MARIETTA
AUTOMOBILES, INC.

by

Name:
Title:

NALLEY LUXURY IMPORTS, INC.

by

Name:
Title:

NALLEY ATLANTA IMPORTS,
INC.

by

Name:
Title:

SPECTRUM LEASING, INC.

by

Name:
Title:

THOMAS F. MCLARTY III

by

Name:

Title:

MARK C. MCLARTY

by

Name:
Title:

THE FRANKLIN H. MCLARTY
IRREVOCABLE TRUST

by

Name:
Title:

THE CALDWELL FAMILY LIMITED
PARTNERSHIP

by

Name:
Title:

RIVER RIDGE INVESTMENTS,
LLC

by

Name:
Title:

THE LAURA M. HUMPHRIES
IRREVOCABLE TRUST

by

Name:
Title:

THE MATTHEW B. HUMPHRIES
IRREVOCABLE TRUST

by

Name:
Title:

ROB FERON

by

Name:
Title:

TODD SHORES

by

Name:

Title:

PHILLIP H. MAYFIELD

by

Name:
Title:

LUTHER COGGIN

by

Name:
Title:

TRACYE C. HAWKINS 1999 ATT
TRUST

by

Name:
Title:

CHRISTY C. HAYDEN 1999 ATT
TRUST

by

Name:
Title:

CINDY S. COGGIN 1999 ATT
TRUST

by

Name:
Title:

RICHARD A. CARACELLO

by

Name:
Title:

KEVIN DELANEY

by

Name:
Title:

MITCHELL W. LEGLER AND
HARRIETTE D. LEGLER,
TENANTS BY THE ENTIRETIES

by

Name:
Title:

LINDA L. MARLETTE

by

Name:
Title:

CHARLES L. MCINTOSH

by

Name:
Title:

NANCY D. NOBLE

by

Name:
Title:

THOMAS G. ROETS, JR.

by

Name:
Title:

JOHN M. ROOKS

by

Name:
Title:

TODD F. SETH

by

Name:
Title:

CHARLIE (C.B.) TOMM AND
ANITA DESAUSSURE TOMM,
TENANTS BY THE ENTIRETIES

by

Name:
Title:

STEPHEN M. SILVERIO

by

Name:
Title:

CNC AUTOMOTIVE, LLC

by

Name:
Title:

DEALER GROUP

by

Name:
Title:

JOHN R. CAPPS

by

Name:
Title:

J.I.W. ENTERPRISES, INC.

by

Name:
Title:

DMCD AUTOS IRVING, INC.

by

Name:
Title:

DMCD AUTOS HOUSTON, INC.

by

Name:
Title:

JAMES TORDA

by

Name:
Title:

DAVE WEGNER

by

Name:
Title:

CHILDS & ASSOCIATES INC.

by

Name:
Title:

BUDDY HUTCHINSON CARS, INC.

by

Name:
Title:

JEFF KING

by

Name:

Title:

ROBERT E. GRAY

by

Name:
Title:

NOEL DANIELS

by

Name:
Title:

STEVEN INZINNA

by

Name:
Title:

JOSEPH UMBRIANO

by

Name:
Title:

PAULA TABAR

by

Name:
Title:

GIBSON FAMILY PARTNERSHIP,
L.P.

by

Name:
Title:

ROBERT DENNIS

by

Name:
Title:

THOMAS F. GILMAN

by

Name:
Title:

THOMAS G. MCCOLLUM

by

Name:
Title:

AND EACH OTHER MEMBER OF
THE COMPANY

by: ASBURY AUTOMOTIVE
HOLDINGS L.L.C., as
attorney-in-fact for the
other Specified
Shareholders pursuant to
the Powers of Attorney
granted pursuant toSection
8.05 of the LLC Agreement.

by

Name:
Title:

Schedule I

NAMES OF ACCEPTABLE DESIGNEES AS

DEALER DIRECTORS

David McDavid

Royce Reynolds

John Capps

Luther Coggin

Jim Nalley

Thomas F. McLarty

Scott Thomason

Jeffrey I. Wooley

Charlie (C.B.) Tomm

EXHIBIT 10.27

FORM OF TRANSFER AND EXCHANGE AGREEMENT

Among

ASBURY AUTOMOTIVE HOLDINGS L.L.C.,

THE DEALERS LISTED ON SCHEDULE I

THE MANAGERS LISTED ON SCHEDULE II

And

ASBURY AUTOMOTIVE GROUP, INC.

Dated as of March 1, 2002

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ARTICLE VI
GENERAL PROVISIONS

FORM OF TRANSFER AND EXCHANGE AGREEMENT dated as of March 1, 2002 (this "AGREEMENT"), by and among Asbury Automotive Group, Inc., a Delaware corporation (the "COMPANY"), Asbury Automotive Holdings L.L.C., a Delaware limited liability company ("AAH") and the individuals and entities listed under the column captioned "Dealers" on Schedule I (the "DEALERS"), and the individuals and entities listed under the column captioned "Managers" on Schedule II (the "MANAGERS").

WHEREAS, pursuant to Article VIII of the AAG LLC Agreement, AAH has the right to cause the formation of the Company and the transactions contemplated hereby in anticipation of an IPO;

WHEREAS, (i) in connection with the IPO, at the Effective Time, the Members (as defined below) desire to transfer and cause to be transferred to the Company, the portion of their respective Interests in AAG set forth on Schedule III (the "FIRST TRANSFERRED INTERESTS"); (ii) the Company desires to accept from the Members the First Transferred Interests in exchange for shares of common stock, par value $0.01 per share, of the Company (the "COMPANY SHARES"), in the respective amounts set forth on Schedule III, and (iii) immediately thereafter, the Company desires to contribute the First Transferred Interests to AAGH (as defined below), in each case subject to the terms and conditions set forth in this Agreement;

WHEREAS, (i) in connection with the IPO, immediately after the First Transferred Interests are exchanged for Company Shares and contributed to AAGH, the Members desire to transfer and cause to be transferred to the Company all of their remaining respective Interests in AAG as set forth on Schedule IV (the "SECOND TRANSFERRED INTERESTS"; and the First Transferred Interests and the Second Transferred Interests being collectively referred to as the "TRANSFERRED INTERESTS") and (ii) the Company desires to accept from the Members the Second Transferred Interests in exchange for Company Shares, in the respective amounts set forth on Schedule IV, in each case subject to the terms and conditions set forth in this Agreement;

WHEREAS, concurrently with the execution of this Agreement, the Members have entered into the Shareholders Agreement;

WHEREAS, concurrently with the execution of this Agreement, the Members, the Company and AAGH shall enter into the Fourth Amended and Restated Limited Liability Company Agreement dated as of the date hereof, of AAG (the "NEW AAG LLC AGREEMENT"), pursuant to which, among others (i) the Company and AAGH shall be admitted as members of AAG and (ii) AAH, the Dealers and the Managers shall withdraw as members of AAG;

WHEREAS, pursuant to Section 8.05 of the AAG LLC Agreement, AAH holds a power of attorney and irrevocable proxy from each of the other Members to enter into this Agreement, the New AAG LLC Agreement and the Shareholders Agreement on their behalf; and

WHEREAS, the transfer of the First Transferred Interests and the Second Transferred Interests is intended to qualify as a transfer under Section 351 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter set forth, intending to be legally bound, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS AND USAGE

SECTION 1.01. DEFINED TERMS. The following terms as used in this Agreement shall have the following meanings:

"AAG" means Asbury Automotive Group L.L.C., a Delaware limited liability company.

"AAGH" means Asbury Automotive Group Holdings Inc., a Delaware corporation and a wholly owned subsidiary of the Company.

"AAG LLC AGREEMENT" means the Third Amended and Restated Limited Liability Company Agreement, dated as of February 1, 2000, of AAG, as amended on or prior to the date hereof.

"AGREEMENT" means this Agreement, as amended or supplemented from time to time.

"CARRIED INTEREST" has the meaning assigned to such term in the AAG LLC Agreement.

"COMPANY" has the meaning set forth in the preamble to this Agreement.

"COMPANY SHARES" has the meaning set forth in the second recital to this Agreement.

"CUSTODY AGREEMENTS" means the three agreements, each dated as of March 5, 2002, among each Selling Shareholder and Ian K. Snow and Tony W. Lee.

"DEALERS" has the meaning set forth in the preamble to this Agreement.

"EFFECTIVE TIME" means one hour prior to the time at which the IPO is consummated.

"FIRST TRANSFERRED INTERESTS" has the meaning set forth in the second recital to this Agreement.

"GS" means Goldman, Sachs & Co.

"INTERESTS" has the meaning assigned to such term in the AAG LLC Agreement.

"IPO" has the meaning assigned to such term in the AAG LLC Agreement.

"MEMBER" has the meaning set forth in the AAG LLC Agreement and includes AAH, the Dealers and the Managers.

"PERCENTAGE INTEREST" shall have the meaning assigned to such term in the AAG LLC Agreement.

"SECOND TRANSFERRED INTERESTS" has the meaning set forth in the third recital to this Agreement.

"SECURITIES ACT" means the Securities Act of 1933 and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

"SELLING SHAREHOLDERS", AND EACH INDIVIDUALLY, A "SELLING SHAREHOLDER" means CNC Automotive, L.L.C., , a Delaware limited liability company, Mr. C.V. Nalley III and Mr. Luther Coggin.

"SHAREHOLDERS AGREEMENT" means the Shareholders Agreement, dated as of the date hereof, among the Company and the Members.

"TRANSFER AND EXCHANGE AGREEMENT" means the Transfer and Exchange Agreement, dated as of February 1, 2000, among AAH, Asbury Automotive Oregon L.L.C., a Delaware limited liability company and the persons listed on schedules I and II thereto, as amended on or prior to the date hereof.

"TRANSFERRED INTERESTS" has the meaning set forth in the third recital to this Agreement.

SECTION 1.02. OTHER DEFINITION PROVISIONS. Wherever required by the context of this Agreement, the singular shall include the plural, and vice versa, and the masculine gender shall include the feminine and neuter genders, and vice versa, and references to any agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein, the words "including", "includes", "included" and "include" are deemed to be followed by the words "without limitation".

ARTICLE II

TRANSFER AND EXCHANGE

SECTION 2.01. THE FIRST TRANSFER AND EXCHANGE. Upon the terms and subject to the conditions set forth in this Agreement, as of the Effective Time, (a) each of the Members hereby assigns, transfers and delivers to the Company all right, title and interest in, to and under all of the First Transferred Interests owned by it, and the Company hereby accepts such First Transferred Interests and issues Company Shares to each such Member in the respective amounts set forth on Schedule III in exchange therefor and (b) immediately thereafter, the Company shall contribute all such right, title and interest in the First Transferred Interests to AAGH (such transfer, exchange and contribution of interests being referred to as the "INITIAL TRANSFER AND EXCHANGE").

SECTION 2.02. THE SECOND TRANSFER AND EXCHANGE.

Upon the terms and subject to the conditions set forth in this Agreement, as of the time immediately following the Initial Transfer and Exchange, each of the Members hereby assigns, transfers and delivers to the Company all right, title and interest in, to and under all of the Second Transferred Interests owned by it, and the Company hereby accepts such Second Transferred Interests and issues Company Shares to each such Member in the respective amounts set forth on Schedule IV in exchange therefor (such transfer and exchange of interests being referred to as the "SECOND TRANSFER AND EXCHANGE"; and the Initial Transfer and Exchange and the Second Transfer and Exchange being collectively referred to as the "TRANSFER AND EXCHANGE"). No additional instruments of assignment or transfer shall be necessary or required to effect the Transfer and Exchange.

SECTION 2.03. ALLOCATION OF COMPANY SHARES. The aggregate respective Percentage Interest and Carried Interest in AAG set forth for each Member on Schedules III and IV constitutes such Member's entire Interest in AAG as of the date hereof. The aggregate number of Company Shares allocated to each Member pursuant to Schedules III and IV reflects the number of Company Shares to which such Member is entitled pursuant to Section 8.02 of the AAG LLC Agreement in exchange for its entire Interest in AAG assuming, for purposes of the calculation required pursuant to Section 8.02(a) of the AAG LLC Agreement, that the price per Company Share in the IPO is $16.00. If and to the extent that the price per Company Share in the IPO is determined on the date of pricing of the IPO (the "ACTUAL PER SHARE PRICE") to be greater than or less than $16.00, the Company shall appropriately adjust the aggregate number of Company Shares allocated to each Member pursuant to Schedules III and IV so that, in light of the Actual Per Share Price, Schedules III and IV correctly reflect the amount of Company Shares each Member is entitled to pursuant to Section 8.02(a) of the AAG LLC Agreement (any such adjustment, an "ALLOCATION ADJUSTMENT"), and such adjusted Schedules III and IV shall constitute Schedules III and IV to this Agreement. Each of the Members hereby consents to be irrevocably bound by the amount of Company Shares allocated to it pursuant to Schedules III and IV attached hereto, or, in the event of an Allocation Adjustment, the adjusted Schedules III and IV, other than with respect to mathematical errors resulting from making the Allocation Adjustment, and agrees not to institute any legal or other proceedings seeking to adjust the amount of Company Shares

allocated to such Member. Each of the Members hereby agree that the aggregate cash amount distributable to the Atlanta Dealers (as defined in the AAG LLC Agreement) pursuant to Section 6.01(c)(iv)(A) of the AAG LLC Agreement shall be $4,201,974.00, and that following receipt of such amount the Atlanta Dealers shall have no further rights to any further cash or property distribution pursuant to such Section 6.01(c)(iv)(A). Promptly following the execution of this Agreement, the Company shall provide a copy of this Agreement (including Schedules III and IV), together with a written description of the transactions effected hereby, to each Member.

SECTION 2.04. Tax Distributions. Notwithstanding the other provisions of this Agreement, each Member retains its rights to tax distributions under Section 6.01(c) of the AAG LLC Agreement attributable to all periods ending on or prior to the Effective Time, including AAG's taxable year ending at the Effective Time.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

SECTION 3.01. REPRESENTATIONS AND WARRANTIES OF THE DEALERS. Each Dealer, severally and not jointly, represents and warrants to the Company and each other Member, that such Dealer is the record and beneficial owner of the Transferred Interests that such Dealer is exchanging pursuant to this Agreement, and such Dealer has good and valid title to the Transferred Interests of such Dealer set forth on Schedules III and IV, free and clear of any liens, claims, encumbrances, security interests, options, charges and restrictions of any kind (a "Lien"), other than the Liens listed on Schedule V.

SECTION 3.02. REPRESENTATIONS AND WARRANTIES OF THE MANAGERS. Each Manager, severally and not jointly, represents and warrants to the Company and each other Member, that such Manager is the record and beneficial owner of the Transferred Interests that such Manager is exchanging pursuant to this Agreement, and such Manager has good and valid title to the Transferred Interests of such Manager set forth on Schedules III and IV, free and clear of any Liens.

SECTION 3.03. REPRESENTATIONS AND WARRANTIES OF AAH. AAH represents and warrants to the Company and each

other Member that AAH is the record and beneficial owner of the Transferred Interests that AAH is exchanging pursuant to this Agreement, and AAH has good and valid title to the Transferred Interests of AAH set forth on Schedules III and IV, free and clear of any Liens, other than the Liens listed on Schedule V.

SECTION 3.04. ACKNOWLEDGMENT. (a) Each Member, severally and not jointly, hereby acknowledges and agrees that the representations and warranties contained in Article IV of the Transfer and Exchange Agreement or any other instrument pursuant to which it acquired its Interest in AAG shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and shall remain in full force and effect.

(b) It is hereby acknowledged that the Company will issue 3,200,000 shares on behalf of the Selling Shareholders to the Custodian (as defined in the Custody Agreements), to be delivered to GS in connection with the IPO on behalf of the Selling Shareholders and in accordance with such Custody Agreements.

ARTICLE IV

COVENANTS

SECTION 4.01. FURTHER ASSURANCES. The Company and each Member shall, for no further consideration, execute, acknowledge and deliver such assignments, transfers, consents, assumptions and other documents and instruments and take such other actions as AAH may deem necessary or appropriate to consummate the transactions contemplated by this Agreement on the terms and conditions set forth herein and in Article VIII of the AAG LLC Agreement.

SECTION 4.02. TRANSFER TAXES. The Company and each other Member shall pay their own respective transfer, recording, sales, ad valorem or similar taxes arising in connection with the transfer to the Company of the Transferred Interests.

SECTION 4.03. LIENS. Each Member whose Transferred Interest is subject to any Lien, whether or not disclosed to the Company, at the Effective Time shall cause

such Lien to be removed promptly following the Effective Time.

SECTION 4.04. INDEMNIFICATION. The Company hereby expressly assumes all of the obligations of AAG under Article XI of the AAG LLC Agreement and Section 5.07 of the Transfer and Exchange Agreement.

ARTICLE V

AMENDMENT AND WAIVER

SECTION 5.01. AMENDMENT AND WAIVER. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

ARTICLE VI

GENERAL PROVISIONS

SECTION 6.01. ASSIGNMENT. No party to this Agreement may assign this Agreement or any of its rights, powers, duties or obligations hereunder without the prior written consent of the other parties.

SECTION 6.02. NO THIRD-PARTY BENEFICIARIES. This Agreement is for the sole benefit of the parties hereto and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give to any person, other than the parties hereto and such successors and assigns, any legal or equitable rights hereunder.

SECTION 6.03. EXPENSES. If the transactions contemplated hereby are consummated, then except as otherwise specifically provided in this Agreement, each party hereto shall pay their own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby.

SECTION 6.04. NOTICES. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent by facsimile or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service and shall be deemed given when received, as follows:

(i) if to the Company,

3 Landmark Square
Suite 500
Stamford, Connecticut 06901
Attention: President

with a copy to:

Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019

Attention: William B. Brannan
Thomas E. Dunn

(ii) if to AAH,

Ripplewood Holdings
One Rockefeller Plaza
32nd Floor
New York, NY 10020

(iii) if to the Dealers,

To the addresses for the Dealers
set forth in Schedule II to the
AAG LLC Agreement

(iv) if to the Managers,

To the addresses for the Managers
set forth in Schedule II to the
AAG LLC Agreement.

SECTION 6.05. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been

signed by each of the parties and delivered to the other parties.

SECTION 6.06. ENTIRE AGREEMENT. This Agreement, together with the Transfer and Exchange Agreement, the AAG LLC Agreement, the New AAG LLC Agreement and the Shareholders Agreement, contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all other agreements and understandings relating to such subject matter. No party shall be liable or bound to any other party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein or in the Transfer and Exchange Agreement, the AAG LLC Agreement, the New AAG LLC Agreement or the Shareholders Agreement.

SECTION 6.07. SEVERABILITY. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstances.

SECTION 6.08. SUBMISSION TO JURISDICTION. ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT IN THE SUPERIOR COURT OR THE COURT OF CHANCERY OF THE STATE OF DELAWARE, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE, THE SUPREME COURT OF THE STATE OF NEW YORK, NEW YORK COUNTY OR THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND EACH OF AAH, THE COMPANY, EACH DEALER AND EACH MANAGER HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF SUCH SUITS, LEGAL ACTIONS OR PROCEEDINGS. IN ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH OF AAH, THE COMPANY, EACH DEALER AND EACH MANAGER WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO IT AT ITS ADDRESS SET FORTH ABOVE. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF AAH, THE COMPANY, EACH DEALER AND EACH MANAGER 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 SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 6.09. GOVERNING LAW. THIS AGREEMENT AND ALL ACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES).

IN WITNESS WHEREOF, each party hereto has executed and delivered this Agreement, or caused this Agreement to be executed and delivered by its officer thereunto duly authorized, in each case as of the day and year first above written.

ASBURY AUTOMOTIVE HOLDINGS L.L.C.,

by:

Name:
Title:

ASBURY AUTOMOTIVE GROUP, INC.,

by:

Name:
Title:

NALLEY MANAGEMENT SERVICES, INC.

by:

Name:
Title:

NALLEY CHEVROLET, INC.

by:

Name:
Title:

SPECTRUM SOUND & ACCESSORIES, INC.

by:

Name:
Title:

NALLEY MARIETTA AUTOMOBILES, INC.

by:

Name:
Title:

NALLEY LUXURY IMPORTS, INC.

by:

Name:
Title:

NALLEY ATLANTA IMPORTS, INC.

by:

Name:
Title:

SPECTRUM LEASING, INC.

by:

Name:
Title:

THOMAS F. MCLARTY III

by:

Name:
Title:

MARK C. MCLARTY

by:

Name:
Title:

THE FRANKLIN H. MCLARTY IRREVOCABLE TRUST

by:

Name:
Title:

THE CALDWELL FAMILY LIMITED PARTNERSHIP

by:

Name:
Title:

RIVER RIDGE INVESTMENTS, LLC

by:

Name:
Title:

THE LAURA M. HUMPHRIES IRREVOCABLE TRUST

by:

Name:
Title:

THE MATTHEW B. HUMPHRIES IRREVOCABLE TRUST

by:

Name:
Title:

ROB FERON

by:

Name:
Title:

TODD SHORES

by:

Name:
Title:

PHILLIP H. MAYFIELD

by:

Name:
Title:

LUTHER COGGIN

by:

Name:
Title:

TRACYE C. HAWKINS 1999 ATT TRUST

by:

Name:
Title:

CHRISTY C. HAYDEN 1999 ATT TRUST

by:

Name:
Title:

CINDY S. COGGIN 1999 ATT TRUST
by:

Name:
Title:

RICHARD A. CARACELLO

by:

Name:
Title:

KEVIN DELANEY

by:

Name:
Title:

MITCHELL W. LEGLER AND HARRIETTE D. LEGLER, TENANTS BY THE ENTIRETIES

by:

Name:
Title:

LINDA L. MARLETTE
by:

Name:
Title:

CHARLES L. MCINTOSH
by:

Name:
Title:

NANCY D. NOBLE

by:

Name:
Title:

THOMAS G. ROETS, JR.

by:

Name:
Title:

JOHN M. ROOKS

by:

Name:
Title:

TODD F. SETH

by:

Name:
Title:

CHARLIE (C.B.) TOMM AND ANITA DESAUSSURE TOMM, TENANTS BY THE ENTIRETIES

by:

Name:
Title:

STEPHEN M. SILVERIO

by:

Name:
Title:

CNC AUTOMOTIVE, LLC
by:

Name:
Title:

DEALER GROUP

by:

Name:
Title:

JOHN R. CAPPS

by:

Name:
Title:

J.I.W. ENTERPRISES, INC.

by:

Name:
Title:

DMCD AUTOS IRVING, INC.

by:

Name:
Title:

DMCD AUTOS HOUSTON, INC.

by:

Name:
Title:

JAMES TORDA
by:

Name:
Title:

DAVE WEGNER

by:

Name:
Title:

CHILDS & ASSOCIATES INC.

by:

Name:
Title:

BUDDY HUTCHINSON CARS, INC.

by:

Name:
Title:

JEFF KING

by:

Name:
Title:

ROBERT E. GRAY

by:

Name:
Title:

NOEL DANIELS

by:

Name:
Title:

STEVEN INZINNA

by:

Name:
Title:

JOSEPH UMBRIANO

by:

Name:
Title:

PAULA TABAR

by:

Name:
Title:

GIBSON FAMILY PARTNERSHIP, L.P.

by:

Name:
Title:

ROBERT DENNIS

by:

Name:
Title:

THOMAS F. GILMAN

by:

Name:
Title:

THOMAS G. MCCOLLUM

by:

Name:
Title:

AND EACH OTHER MEMBER OF THE COMPANY

by: ASBURY AUTOMOTIVE HOLDINGS L.L.C., as attorney-in-fact for the other Members pursuant to the Powers of Attorney granted pursuant to Section 8.05 of the AAG LLC Agreement.

by:

Name:
Title:

SCHEDULE I

THE DEALERS

1. Nalley Management Services, Inc.
2. Nalley Chevrolet, Inc.
3. Spectrum Sound & Accessories, Inc.
4. Nalley Marietta Automobiles, Inc.
5. Nalley Luxury Imports, Inc.
6. Nalley Atlanta Imports, Inc.
7. Spectrum Leasing, Inc.
8. Thomas F. McLarty III
9. Mark C. McLarty
10. The Franklin H. McLarty Irrevocable Trust
11. The Caldwell Family Limited Partnership
12. River Ridge Investments, LLC
13. The L. M. Humphries Irrevocable Trust
14. The M. B. Humphries Irrevocable Trust
15. Rob Feron
16. Todd Shores
17. Phillip H. Mayfield
18. Luther Coggin
19. Tracye C. Hawkins 1999 Att Trust
20. Christy C. Hayden 1999 Att Trust
21. Cindy S. Coggin 1999 Att Trust
22. Richard A. Caracello
23. Kevin Delaney

24. Mitchell W. Legler and Harriette D. Legler, Tenants by the Entireties
25. Linda L. Marlette
26. Charles L. McIntosh
27. Nancy D. Noble
28. Thomas G. Roets, Jr.
29. John M. Rooks
30. Todd F. Seth
31. Charlie (C.B.) Tomm and Anita DeSaussure Tomm, Tenants by the Entireties
32. Stephen M. Silverio
33. CNC Automotive, LLC
34. Dealer Group LLC
35. John R. Capps
36. J.I.W. Enterprises, Inc.
37. DMCD Autos Irving, Inc.
38. DMCD Autos Houston, Inc.
39. James Torda
40. Dave Wegner
41. Childs & Associates Inc.
42. Buddy Hutchinson Cars, Inc.
43. Jeff King
44. Robert E. Gray
45. Noel Daniels
46. Steven Inzinna
47. Joseph Umbriano
48. Paula Tabar

SCHEDULE II

THE MANAGERS

1. Gibson Family Partnership, L.P.

2. Robert Dennis

3. Thomas F. Gilman

4. Thomas G. McCollum

SCHEDULE III

INTERESTS TRANSFERRED AND COMPANY SHARES RECEIVED
IN CONNECTION WITH THE FIRST TRANSFER AND EXCHANGE

		Interests Transferred	Company Shares Received
1.	Asbury Automotive Holdings L.L.C.	5.9518%	1,755,790
I.	DEALERS		
1.	Nalley Management Services, Inc.	0.0167%	4,930
2.	Nalley Chevrolet, Inc.	0.4528%	133,588
3.	Spectrum Sound & Accessories, Inc.	0.0334%	9,857
4.	Nalley Marietta Automobiles, Inc.	0.0819%	24,155
5.	Nalley Luxury Imports, Inc.	0.1521%	44,859
6.	Nalley Atlanta Imports, Inc.	0.0368%	10,844
7.	Spectrum Leasing, Inc.	0.0033%	987
8.	Thomas F. McLarty III	0.1538%	45,380
9.	Mark C. McLarty	0.0071%	2,108
10.	The Franklin H. McLarty Irrevocable Trust	0.0039%	1,143
11.	The Caldwell Family Limited Partnership	0.0209%	6,161
12.	River Ridge Investments, LLC	0.0156%	4,606
13.	The L. M. Humphries Irrevocable Trust	0.0012%	368
14.	The M. B. Humphries Irrevocable Trust	0.0012%	368
15.	Rob Feron	0.0023%	686

16.	Todd Shores	0.0045%	1,339
17.	Phillip H. Mayfield	0.0033%	971
18.	Luther Coggin	0.5075%	149,704
19.	Tracye C. Hawkins 1999 Att Trust	0.0123%	3,614
20.	Christy C. Hayden 1999 Att Trust	0.0123%	3,614
21.	Cindy S. Coggin 1999 Att Trust	0.0123%	3,614
22.	Richard A. Caracello	0.0036%	1,059
23.	Kevin Delaney	0.0066%	1,937
24.	Mitchell W. Legler and Harriette D. Legler, Tenants by the Entireties	0.0137%	4,027
25.	Linda L. Marlette	0.0051%	1,501
26.	Charles L. McIntosh	0.0059%	1,744
27.	Nancy D. Noble	0.0139%	4,111
28.	Thomas G. Roets, Jr.	0.0034%	1,007
29.	John M. Rooks	0.0033%	969
30.	Todd Seth	0.0068%	2,015
31.	Charlie (C.B.) Tomm and Anita DeSaussure Tomm, Tenants by the Entireties	0.0457%	13,489
32.	Stephen M. Silverio	0.0066%	1,937
33.	CNC Automotive, LLC	0.4736%	139,706
34.	Dealer Group LLC	0.4651%	137,210
35.	John R. Capps	0.1826%	53,877
36.	J.I.W. Enterprises, Inc.	0.4738%	139,758
37.	DMCD Autos Irving, Inc.	0.2560%	75,517
38.	DMCD Autos Houston, Inc.	0.1086%	32,035
39.	James Torda	0.0261%	7,687
40.	Dave Wegner	0.0261%	7,687
41.	Childs & Associates Inc.	0.0518%	15,293

42.	Buddy Hutchinson Cars, Inc.	0.1368%	40,342
43.	Jeff King	0.0020%	604
44.	Robert E. Gray	0.1117%	32,956
45.	Noel Daniels	0.0131%	3,877
46.	Steven Inzinna	0.0066%	1,939
47.	Joseph Umbriano	0.0030%	871
48.	Paula Tabar	0.0098%	2,884
II.	MANAGERS		
1.	Gibson Family Partnership, L.P.	0.0155%	4,586
2.	Robert Dennis	0.0081%	2,394
3.	Thomas F. Gilman	0.0131%	3,859
4.	Thomas G. McCollum	0.0078%	2,315

CARRIED INTEREST TRANSFERRED AND COMPANY SHARES
RECEIVED IN CONNECTION WITH THE FIRST TRANSFER AND EXCHANGE

1. Robert Dennis	0.0028%	816
2. Estate of Brian Kendrick	0.0044%	1,303
Total	10.0000%	2,950,000

SCHEDULE IV

INTERESTS TRANSFERRED AND COMPANY SHARES RECEIVED
IN CONNECTION WITH THE SECOND TRANSFER AND EXCHANGE

		Interests Transferred	Company Shares Received
1.	Asbury Automotive Holdings L.L.C.	53.5665%	15,802,110
I.	DEALERS		
1.	Nalley Management Services, Inc.	0.1504%	44,371
2.	Nalley Chevrolet, Inc.	4.0756%	1,202,292
3.	Spectrum Sound & Accessories, Inc.	0.3007%	88,717
4.	Nalley Marietta Automobiles, Inc.	0.7369%	217,392
5.	Nalley Luxury Imports, Inc.	1.3686%	403,732
6.	Nalley Atlanta Imports, Inc.	0.3308%	97,597
7.	Spectrum Leasing, Inc.	0.0301%	8,879
8.	Thomas F. McLarty III	1.3845%	408,420
9.	Mark C. McLarty	0.0643%	18,971
10.	The Franklin H. McLarty Irrevocable Trust	0.0349%	10,291
11.	The Caldwell Family Limited Partnership	0.1880%	55,452
12.	River Ridge Investments, LLC	0.1405%	41,458
13.	The L. M. Humphries Irrevocable Trust	0.0112%	3,311
14.	The M. B. Humphries Irrevocable Trust	0.0112%	3,311
15.	Rob Feron	0.0209%	6,175

16.	Todd Shores	0.0409%	12,051
17.	Phillip H. Mayfield	0.0296%	8,740
18.	Luther Coggin	4.5673%	1,347,339
19.	Tracye C. Hawkins 1999 Att Trust	0.1103%	32,526
20.	Christy C. Hayden 1999 Att Trust	0.1103%	32,526
21.	Cindy S. Coggin 1999 Att Trust	0.1103%	32,526
22.	Richard A. Caracello	0.0323%	9,532
23.	Kevin Delaney	0.0591%	17,435
24.	Mitchell W. Legler and Harriette D. Legler, Tenants by the Entireties	0.1229%	36,242
25.	Linda L. Marlette	0.0458%	13,507
26.	Charles L. McIntosh	0.0532%	15,697
27.	Nancy D. Noble	0.1254%	36,995
28.	Thomas G. Roets, Jr.	0.0307%	9,067
29.	John M. Rooks	0.0296%	8,718
30.	Todd F. Seth	0.0615%	18,134
31.	Charlie (C.B.) Tomm and Anita DeSaussure Tomm, Tenants by the Entireties	0.4115%	121,403
32.	Stephen M. Silverio	0.0591%	17,435
33.	CNC Automotive, LLC, f/k/a Crown North Carolina, LLC	4.2622%	1,257,358
34.	Dealer Group LLC	4.1861%	1,234,890
35.	John R. Capps	1.6437%	484,897
36.	J.I.W. Enterprises, Inc.	4.2638%	1,257,825
37.	DMCD Autos Irving, Inc.	2.3039%	679,651
38.	DMCD Autos Houston, Inc.	0.9773%	288,318
39.	James Torda	0.2345%	69,179
40.	Dave Wegner	0.2345%	69,179
41.	Childs & Associates Inc.	0.4666%	137,639

42.	Buddy Hutchinson Cars, Inc.	1.2308%	363,080
43.	Jeff King	0.0184%	5,435
44.	Robert E. Gray	1.0054%	296,607
45.	Noel Daniels	0.1183%	34,895
46.	Steven Inzinna	0.0591%	17,447
47.	Joseph Umbriano	0.0266%	7,839
48.	Paula Tabar	0.0880%	25,956
II.	MANAGERS		
1.	Gibson Family Partnership, L.P.	0.1399%	41,273
2.	Robert Dennis	0.0730%	21,542
3.	Thomas F. Gilman	0.1177%	34,730
4.	Thomas G. McCollum	0.0706%	20,838

CARRIED INTEREST TRANSFERRED AND COMPANY SHARES
RECEIVED IN CONNECTION WITH THE SECOND TRANSFER AND EXCHANGE

1.	Robert Dennis	0.0249%	7,340
2.	Estate of Brian Kendrick	0.0397%	11,724
	Total	90.0000%	26,550,000

SCHEDULE V

LIENS

JOHN CAPPS

The Transferred Interests of John Capps may be subject to a pledge in form of Asbury Automotive Holdings L.L.C. (formerly known as Asbury Automotive Group L.L.C.).

JAY TORDA

The Transferred Interests of Jay Torda are restricted under a negative pledge agreement dated November 6, 1998 between NationsBank N.A. and Jay Torda.

DAVE WEGNER

The Transferred Interests of Dave Wegner are restricted under a negative pledge agreement dated November 6, 1998 between NationsBank N.A. and Dave Wegner.

CHARLIE (C.B.) TOMM AND ANITA DESAUSSURE TOMM, TENANTS BY THE ENTIRETIES

The Transferred Interests of Charlie (C.B.) Tomm and Anita DeSaussure Tomm, Tenants by the Entireties are subject to (i) a Put/Call Agreement entered into with Luther Coggin and (ii) a lien in favor of AmSouth Bank to secure a purchase of 5.78 acres of land on the intercoastal waterway in St. Johns County, Florida.

KEVIN F. DELANY, TODD F. SETH AND STEVE SILVERIO

The Transferred Interests of Kevin F. Delaney and Todd F. Seth are, and the Transferred Interest of Steve Silverio may be, subject to liens held by First Union National Bank of Florida.

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated February 21, 2002 on the consolidated balance sheets of Asbury Automotive Group L.L.C. and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, members' equity and cash flows for each of the three years in the period ended December 31, 2001, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Stamford, Connecticut
March 12, 2002

EXHIBIT 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated June 15, 2001 on the combined statements of income, shareholders' equity and cash flows of the Business Acquired by Asbury Automotive Group L.L.C. (Hutchinson Automotive Group) for the period from January 1, 2000, through June 30, 2000, and the year ended December 31, 1999, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Stamford, Connecticut
March 12, 2002

EXHIBIT 23.3

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated April 26, 2001 on the combined statements of income, shareholders' equity, and cash flows of the Business Acquired by Asbury Automotive Oregon L.L.C. (Thomason Auto Group) for the period from January 1, 1999 through December 9, 1999, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

New York, New York
March 12, 2002

EXHIBIT 23.4

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated July 18, 2001 on the combined statements of income, shareholders' equity, and cash flows of the Business Acquired by Asbury Automotive Arkansas L.L.C. referred to as "the McClarty Combined Entities" for the period from January 1, 1999 through November 17, 1999, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Little Rock, Arkansas
March 12, 2002

EXHIBIT 23.5

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report, dated July 18, 2001 on the combined statements of income, shareholders' equity, and cash flows of the Business Acquired by Asbury Automotive North Carolina L.L.C. (Crown Automotive Group) for the period from January 1,1999 through April 6, 1999, (and to all references to our Firm) included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

New York, New York
March 12, 2002

EXHIBIT 23.6

CONSENT OF DIXON ODOM, P.L.L.C.
CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the use in this Registration Statement (No. 333-65998) on Form S-1 of our report dated January 23, 1998, except for Note M, as to which the date is August 10, 2001, relating to the combined financial statements of Nalley Chevrolet, Inc. and affiliated entities, and to the reference to our Firm under the captions "Selected Consolidated Financial Data" and "Experts".

/s/ Dixon Odom, P.L.L.C.
Atlanta, Georgia
March 11, 2002