ASBURY AUTOMOTIVE GROUP INC (ABG)

10−K

Annual report pursuant to section 13 and 15(d)
Filed on 2/28/2011
Filed Period 12/31/2010

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10−K

(Mark One)

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

For the fiscal year ended December 31, 2010

or

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

For the transition period from to

Commission file number: 001−31262

ASBURY AUTOMOTIVE GROUP, INC.

(Exact name of Registrant as specified in its charter)

Delaware	01−0609375
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2905 Premiere Parkway, NW, Suite 300 Duluth, Georgia (Current address of principal executive offices)	30097 (Zip Code)

(770) 418−8200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None.

a

Indicate by check mark if the registrant is a well−known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Table of Contents

Indicate by checkmark whether the registrant has submitted electronically and posted on its Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S−T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S−K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10−K or any amendment to this Form 10−K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non−accelerated filer or a smaller reporting company (as defined in Rule 12b−2 of the Act).

Large Accelerated Filer	☐	Accelerated filer	☒
Non−Accelerated Filer	☐	Smaller reporting company	☐

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b−2 of the Exchange Act). Yes ☐ No ☒

Based on the closing price of the registrant's common stock as of June 30, 2010, the aggregate market value of the common stock held by non−affiliates of the registrant was $333,917,940 (based upon the assumption, solely for purposes of this computation, that all of the officers and directors of the registrant were affiliates of the registrant).

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: The number of shares of common stock outstanding as of February 24, 2011 was 32,817,175 (net of 4,846,226 treasury shares).

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10−K into which the document is incorporated:

Portions of the registrant's definitive Proxy Statement for the 2011 Annual Meeting of Stockholders, to be filed within 120 days after the end of the registrant's fiscal year, are incorporated by reference into Part III, Items 10 through 14 of this Annual Report on Form 10−K.

Table of Contents

ASBURY AUTOMOTIVE GROUP, INC.
ANNUAL REPORT ON FORM 10−K
FOR THE YEAR ENDED
DECEMBER 31, 2010

PART I

Forward−Looking Information

Certain of the discussions and information included in this report may constitute “forward−looking statements” within the meaning of the federal securities laws. Forward−looking statements are statements that are not historical in nature and may include statements relating to our goals, plans and projections regarding industry and general economic trends, our expected financial position, results of operations or market position and our business strategy. Such statements can generally be identified by words such as “may,” “target,” “could,” “would,” “will,” “should,” “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee” and other similar words or phrases. Forward−looking statements may also relate to our expectations and assumptions with respect to, among other things:

- our ability to execute our business strategy;
- our ability to improve our operating cash flows, and the availability of capital and liquidity;
- our estimated future capital expenditures;
- the duration of the economic recovery process and its impact on our revenues and expenses;
- our parts and service revenue due to, among other things, improvements in manufacturing quality, manufacturer recalls, the lower than recently historical U.S. SAAR and any changes in business strategy and government regulations;
- the variable nature of significant components of our cost structure;
- our ability to decrease our exposure to regional economic downturns due to our geographic diversity and brand mix;
- manufacturers’ willingness to continue to use incentive programs in the near future to drive demand for their product offerings;
- our ability to implement our dealer management system in a cost−efficient manner;
- our acquisition and divestiture strategies;
- the continued availability of financing, including floor plan financing for inventory;
- the ability of consumers to secure vehicle financing;
- the growth of mid−line import and luxury brands over the long−term;
- our ability to mitigate any future negative trends in new vehicle sales; and
- our ability to increase our net income as a result of the foregoing and other factors.

Forward−looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual future results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward−looking statements. Such factors include, but are not limited to:

- our ability to execute our balanced automotive retailing and service business strategy;
- changes in the mix, and total number of vehicles, we are able to sell;
- changes in general economic and business conditions, including changes in consumer confidence levels, interest rates, consumer credit availability, and employment levels;
- changes in laws and regulations governing the operation of automobile franchises, including trade restrictions, consumer protections, accounting standards, taxation requirements, and environmental laws;
- changes in the price of oil and gasoline;
- our ability to generate sufficient cash flows, maintain our liquidity and obtain additional funds for working capital, capital expenditures, acquisitions, debt maturities and other corporate purposes, if necessary;
- our ability to refinance any of our indebtedness on terms, and in amounts, that are favorable to us;
- our continued ability to comply with any covenants in various of our financing and lease agreements, or to obtain waivers of these covenants as necessary;

- our relationships with, and the reputation and financial health and viability of vehicle manufacturers whose brands we sell, and their ability to design, manufacture, deliver and market their vehicles successfully;
- our relationship with, and the financial stability of, our lenders and lessors;
- our ability to execute our initiatives and other strategies;
- high levels of competition in our industry, which may create pricing and margin pressures on our products and services;
- our ability to renew, and enter into new, framework and dealer agreements with manufacturers whose brands we sell, on terms acceptable to us;
- our ability to attract and to retain key personnel;
- our ability to leverage gains from our dealership portfolio; and
- significant disruptions in the financial markets, which may impact our ability to access capital.

Many of these factors are beyond our control or difficult to predict, and their ultimate impact could be material. Moreover, the factors set forth under "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" below and other cautionary statements made in this report should be read and considered as forward−looking statements subject to such uncertainties. We urge you to carefully consider those factors.

Forward−looking statements speak only as of the date of this report. We expressly disclaim any obligation to update any forward−looking statement contained herein.

Additional Information

Our annual reports on Form 10−K, quarterly reports on Form 10−Q, current reports on Form 8−K, and any amendments to such reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are made available free of charge on our web site at http://www.asburyauto.com as soon as practical after such reports are filed with the Securities and Exchange Commission (the "Commission"). In addition, the proxy statement that will be delivered to our stockholders in connection with our 2011 Annual Meeting of Stockholders, when filed, will also be available on our web site, and at the URL stated in such proxy statement. We also make available on our web site copies of our charter, bylaws and other materials that outline our corporate governance policies and practices, including:

- the respective charters of our audit committee, governance and nominating committee, compensation and human resources committee and risk management committee;
- our criteria for independence of the members of our board of directors, audit committee, and compensation committee;
- our Corporate Governance Guidelines; and
- our Code of Business Conduct and Ethics for Directors, Officers and Employees.

We intend to provide any information required by Item 5.05 of Form 8−K (relating to amendments or waivers of our Code of Business Conduct and Ethics for Directors, Officers and Employees) by disclosure on our web site.

You may also obtain a printed copy of the foregoing materials by sending a written request to: Investor Relations Department, Asbury Automotive Group, Inc., 2905 Premiere Parkway, NW, Suite 300, Duluth, Georgia 30097. In addition, the Commission makes available on its web site, free of charge, reports, proxy and information statements and other information regarding issuers, such as us, that file electronically with the Commission. The Commission's web site is http://www.sec.gov. Unless otherwise specified, information contained on our web site, available by hyperlink from our web site or on the Commission's web site, is not incorporated into this report or other documents we file with, or furnish to, the Commission.

Except as the context otherwise requires, "we," "our," "us," "Asbury" and "the Company" refer to Asbury Automotive Group, Inc. and its subsidiaries.

Item 1. Business

We are one of the largest automotive retailers in the United States, operating 110 franchises (84 dealership locations) as of December 31, 2010, including 10 franchises (three dealership locations) associated with our heavy truck business in Atlanta, Georgia which were pending disposition as of December 31, 2010. We offer an extensive range of automotive products and services, including:

- new and used vehicles;

- vehicle maintenance;
- replacement parts and collision repair services;
- new and used vehicle financing; and
- aftermarket products such as insurance, warranty and service contracts.

Asbury Automotive Group, Inc. was incorporated in the State of Delaware on February 15, 2002, and our stock is listed on the New York Stock Exchange under the ticker symbol “ABG.”

General Description of Our Operations

As of December 31, 2010, we operated dealerships in 20 metropolitan markets throughout the United States. We have developed our dealership portfolio through the acquisition of large, locally−branded dealership groups operating throughout the United States. We have complemented these large dealership group acquisitions with the purchase of numerous single point dealerships and smaller dealership groups in our then−existing market areas. Our retail network consists of eight locally−branded dealership groups. The following chart gives a detailed breakdown of our markets, brand names and franchises as of December 31, 2010:

Brand Names by Region	Date of Initial Acquisition	Markets	Franchises
Nalley Automotive Group	September 1996	Atlanta, GA	Acura, Audi, BMW, Hino(a)(b), Honda, IC Bus(a)(b), Infiniti(a), International(a)(b), Isuzu Truck(b), Jaguar, Lexus(a), Nissan, Peterbilt(b), Toyota, UD Truck(b), Volvo, Workhorse(b)
Courtesy Autogroup	September 1998	Tampa, FL	Chrysler, Dodge, Honda, Hyundai, Infiniti, Jeep, Kia, Mercedes−Benz, Nissan, Toyota, smart, Sprinter
Coggin Automotive Group	October 1998	Jacksonville, FL Orlando, FL Fort Pierce, FL	Honda(a), Nissan(a), Toyota, Chevrolet, Buick, GMC Ford, Honda(a), Lincoln Acura, BMW, Honda, Mercedes−Benz
Crown Automotive Company	December 1998	Princeton, NJ Greensboro, NC Durham, NC Fayetteville, NC Charlotte, NC Richmond, VA Charlottesville, VA Greenville, SC	BMW, MINI Acura, BMW, Chrysler, Dodge, Honda, Jeep, Nissan, Volvo Honda Dodge, Ford Honda Acura, BMW(a), MINI BMW Jaguar, Lexus, Nissan, Porsche, Toyota, Volvo
David McDavid Auto Group	April 1998	Dallas/Fort Worth, TX Houston, TX Austin, TX	Acura, Honda(a), Lincoln(b) Honda, Nissan Acura
North Point Auto Group	February 1999	Little Rock, AR	BMW, Ford, Lincoln, Mazda, Nissan(a), Toyota, Volkswagen, Volvo
Gray−Daniels Auto Family	April 2000	Jackson, MS	Chevrolet, Ford, Lincoln, Nissan(a), Toyota
Plaza Motor Company	December 1997	St. Louis, MO	Audi, BMW, Cadillac, Infiniti, Land Rover, Lexus, Mercedes−Benz(a), Porsche, smart, Sprinter(a)

(a) This market has two of these franchises.
(b) Represents pending divestitures as of December 31, 2010.

In addition to the dealership groups listed above, we also operate one luxury brand dealership in California.

Our operations provide a diverse revenue base that we believe mitigates the impact of fluctuating new car sales volumes. While new car sales generate the majority of our revenue, used vehicle retail sales, parts and service and finance and insurance provide significantly higher profit margins, and therefore account for the majority of our profitability and have been historically more stable throughout economic cycles.

New Vehicle Sales

As of December 31, 2010, we owned a diverse portfolio of 36 American, European and Asian brands. Our new vehicle unit sales consist of the sale of new vehicles to individual retail customers (“new vehicle retail”) and the sale of new vehicles to commercial customers (“fleet”) (the terms "new vehicle retail" and "fleet" being together referred to as "new"). New vehicle revenue and new vehicle gross profit include revenue and gross profit from new vehicle retail and fleet sales. In 2010, we sold 69,683 new vehicles through our dealerships. New vehicle sales were 55% of our total revenues and 22% of our total gross profit for the year ended December 31, 2010. We evaluate the results of our new vehicle sales based on unit volumes and gross profit per vehicle sold.

Our new vehicle revenues include new vehicle sale and lease transactions arranged by our dealerships with third parties. We believe leases provide a number of benefits. As a result of fixed−period lease terms, customers who lease new vehicles have historically returned to our dealerships more frequently than customers who purchase new vehicles. In addition, because third−party lessors frequently give the leasing dealerships the first option to purchase vehicles returned by their customers at lease−end, leases typically provide us with an additional source of late−model vehicles for our used vehicle inventory. Generally, leased vehicles remain under manufacturer warranty for the term of the lease, which results in additional parts and services revenue, as dealerships are typically relied upon to provide warranty repair service to the lessee throughout the lease term.

Used Vehicle Sales

We sell used vehicles at all of our dealership locations. Used vehicle sales include the sale of used vehicles to individual retail customers (“used retail”) and the sale of used vehicles to other dealers at auction (“wholesale”) (the terms “used retail” and “wholesale” being together referred to as “used”). In 2010, we sold 46,473 used retail vehicles through our dealerships. We evaluate the results of our used vehicle sales based on unit volumes and gross profit per vehicle sold. Sales of used retail vehicles, which generally have higher gross margins than sales of new vehicles, accounted for approximately 22% of our total revenues and 14% of our total gross profit for the year ended December 31, 2010. Wholesale sales represented 5% of our total revenues, but did not have a material impact on our total gross profit for the year ended December 31, 2010.

Gross profit from the sale of used vehicles depends primarily on the ability of our dealerships to obtain a high quality supply of used vehicles and the use of advanced technology to manage our inventory. Our new vehicle operations typically provide our used vehicle operations with a large supply of high quality trade−ins and off−lease vehicles, which we believe are good sources of attractive used vehicle inventory. We also purchase a significant portion of our used vehicle inventory at auctions restricted to new vehicle dealers (offering off−lease, rental and fleet vehicles) and “open” auctions that offer vehicles sold by other dealers and repossessed vehicles. Our used vehicle inventory is typically sold as wholesale if a vehicle is not sold at retail within 60 days, except for used vehicles that do not fit within our inventory mix, which are typically sold as wholesale almost immediately. The reconditioning of used vehicles also generates revenue for our parts and service departments.

Parts and Service

We sell replacement parts and provide vehicle maintenance and collision repair service at all of our franchised dealerships, primarily for the vehicle brands sold at those dealerships. In addition, as of December 31, 2010, we maintained 26 free−standing collision repair centers (one of which is pending disposition) either on the premises of, or in close proximity to, our dealerships. Parts and service revenues accounted for approximately 14% of our total revenues and 46% of our total gross profit for the year ended December 31, 2010. Historically, parts and service revenues have been more stable than those from vehicle sales. Industry−wide, parts and service revenues have consistently increased over time primarily due to the increased cost of maintaining vehicles, the added technical complexity of vehicles and the increasing number of vehicles on the road.

The automotive parts and service industry tends to be highly fragmented, with franchised dealerships and independent repair shops competing for this business. We believe, however, that the increased use of advanced technology in vehicles has made it difficult for independent repair shops to compete effectively for our parts and service business. These independent repair shops may not be able to invest in the equipment and training necessary to perform major or technical repairs, especially as such repairs relate to luxury and mid−line imports which comprise a significant majority of our new vehicle retail sales. We believe our parts and service business is also positioned to benefit from the service work potentially generated through the sale

of extended service contracts to customers who purchase new and used vehicles from us, as historically these customers have tended to have their vehicles serviced at the location where they purchase extended service contracts. Additionally, vehicle manufacturers generally require manufacturer 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 authorized to perform work covered by manufacturer warranties on increasingly technologically complex vehicles.

Finance and Insurance

We refer to the finance and insurance portion of our business as F&I. Through our F&I business, we arrange, and receive commissions for, third−party financing of the sale or lease of new and used vehicles to customers, as well as offer a number of aftermarket products such as extended service contracts, guaranteed asset protection ("GAP") debt cancellation, prepaid maintenance, credit life and disability insurance, and similar products. We also generate F&I revenues from the receipt of certain marketing fees paid to us under agreements with preferred lenders. Our F&I business generated approximately 3% of our total revenues and 18% of our total gross profit for the year ended December 31, 2010. The following is a brief description of our significant F&I product offerings:

- Extended service contracts – covers certain repair work after the expiration of the manufacturer warranty;
- GAP debt cancellation – covers the customer after a total loss for the difference between the value of the vehicle and the outstanding loan or lease obligation after insurance proceeds;
- Prepaid maintenance – covers certain routine maintenance work, such as (i) oil changes, (ii) cleaning and adjusting of brakes, (iii) multi−point vehicle inspections and (iv) tire rotations; and
- Credit life and disability – covers the remaining amounts due on an auto loan or a lease in the event of death or disability.

We earn sales−based commissions from third−party lenders, including manufacturer captive finance subsidiaries, on substantially all of the financing that we arrange on behalf of our customers. We may be charged back ("chargebacks") for these commissions in the event a finance contract is canceled or repaid, typically within the first 90 days of such contract. We arranged customer financing on approximately 70% of the vehicles we sold during the year ended December 31, 2010. We do not retain any material liability for the credit risk associated with these purchase and lease transactions after the completion of the transactions.

Similarly, we may be required to refund a portion of our profit relating to the sale of service contracts, maintenance and insurance and other products in the event of early cancellation. We do not, however, bear any risk related to insurance payments, which are borne by third parties. We receive discounted pricing compared to smaller competitors in our local markets on many of the service contracts, maintenance and insurance products that we provide as a result of our size and sales volume. Historically, chargebacks on finance and service contracts, maintenance and insurance products have totaled between 10% and 14% of total F&I revenue.

We are party to a number of "preferred lender agreements." Under the terms of these preferred lender agreements, each lender has agreed to provide a marketing fee to us above the standard commission rate for each loan that our dealerships place with that lender. Furthermore, many of the service contracts and insurance products we sell result in underwriting profits and investment income for us based on portfolio performance. The underwriting profits and investment income, if any, represent the amount of funds available to pay future claims in excess of what is actually used to pay claims on the related policies. These payments are determined by the lenders based upon an agreed−upon earnings schedule.

Recent Developments

In January 2011, we purchased certain previously leased real estate from a member of our board of directors for $16.8 million.

In February 2011, we announced a management succession plan in connection with the anticipated retirement of our former President and Chief Executive Officer, Charles R. Oglesby, on July 31, 2011. As part of that plan, on February 9, 2011, Mr. Oglesby was elected as the Executive Chairman of our Board of Directors until he retires in July 2011, and Craig T. Monaghan, our former Senior Vice President and Chief Financial Offier, was elected President and Chief Executive Officer. We expect to incur approximately $4.7 million of compensation expense in 2011 related to our former Chief Executive Officer.

In February 2011, our Board of Directors authorized us to use up to $30.0 million of cash to repurchase certain of our outstanding debt securities. This authorization expires February 28, 2012.

Business Strategy

Focus on Premier Brand Mix, Strategic Markets and Diversification

We classify our new vehicle retail sales into the following categories: luxury, mid−line import, and mid−line domestic. Luxury and mid−line imports together accounted for approximately 86% of our new vehicle sales for the year ended December 31, 2010. We continue to believe that, over the long−term, luxury and mid−line import manufacturers are well positioned to continue the market share gains they have achieved in the United States over the past few decades based on the expectation of continued broadening of their product offerings and the delivery of high quality products and services to their customers.

Our physical locations encompassed 20 different metropolitan markets at 84 locations in the following 11 states as of December 31, 2010: Arkansas, California, Florida, Georgia, Mississippi, Missouri, New Jersey, North Carolina, South Carolina, Texas and Virginia. We believe that our broad geographic coverage, as well as diversification among manufacturers, decreases our exposure to regional economic downturns and manufacturer−specific risks such as warranty issues or production disruption.

The following table reflects (i) the number of franchises and (ii) the percent of new vehicle revenues represented by each class of franchise as of December 31, 2010:

Class/Franchise	Number of Franchises as of December 31, 2010	% of New Vehicle Revenues for the Year Ended December 31, 2010
Light Vehicles		
Luxury		
BMW	9	9%
Acura	6	5
Mercedes−Benz	5	8
Infiniti	4	5
Lincoln(a)	4	1
Lexus	4	6
Volvo	4	1
Audi	2	1
Jaguar	2	*
Porsche	2	*
Cadillac	1	*
Land Rover	1	1
Total Luxury	44	37%
Mid−Line Import		
Honda	13	23%
Nissan	11	13
Toyota	6	10
Sprinter	3	*
MINI	2	1
smart	2	*
Mazda	1	*
Volkswagen	1	*
Hyundai	1	1
Kia	1	1
Total Mid−Line Import	41	49%
Mid−Line Domestic		
Ford	4	8%
Dodge	3	2
Chevrolet	2	2
Chrysler	2	*
Jeep	2	1
Buick	1	*
GMC	1	1
Total Mid−Line Domestic	15	14%
Total Light Vehicles	100	100%

Class/Franchise	Number of Franchises as of December 31, 2010
Heavy Trucks(b)	
Hino(b)	2
Isuzu Truck(b)	2
UD Truck(b)	2
International(b)	1
IC Bus(b)	1
Peterbilt(b)	1
Workhorse(b)	1
Total Heavy Trucks	10
TOTAL	110

* Franchise accounted for less than 1% of new vehicle retail revenue for the year ended December 31, 2010.

(a) Includes one pending divestiture as of December 31, 2010.
(b) As of December 31, 2010, we had executed a contract to sell our heavy truck business and, as a result, our 10 heavy truck franchises were pending divestiture as of December 31, 2010.

Maintain Disciplined Cost Structure and Emphasize Expense Control

We continually focus on expense control at our dealerships. We are constantly evaluating our cost structure, and believe we are well positioned to manage our costs in the future by:

- centralizing our financial and information processing systems;
- deploying information technology and best practices across our dealership network;
- capitalizing on our scale through negotiating contracts with certain of our vendors on a national basis; and
- maintaining a performance−based compensation structure.

For example, in order to reduce our expenses, in 2009 we completed a corporate and regional restructuring, which included the relocation of our corporate offices and the reorganization of our retail network, and also included the elimination of our regional management structure. These restructuring and reorganization activities allowed us to continue realizing cost savings into 2010.

In order to mitigate the impact of significant fluctuations in vehicle sales, we tie management and employee compensation at various operational levels to performance through incentive−based pay systems based on appropriate metrics. For example, a portion of management's stock−based compensation is based on overall performance criteria relative to our peer group, including, profitability growth, productivity improvement and return on invested capital measures. We also compensate our general managers, department managers and sales and other dealership personnel with incentive pay, based on metrics such as dealership profitability, departmental profitability and individual performance, as appropriate.

Flexible and Prudent Capital Allocation

Our capital allocation decisions are primarily based on our desire to maintain sufficient liquidity and a prudent capital structure. We continuously evaluate our liquidity and capital resources based upon (i) our cash and cash equivalents on hand, (ii) the funds that we expect to generate through future operations, (iii) current and expected borrowing availability under our revolving credit facilities, floor plan facilities and mortgage financing, (iv) amounts in our new vehicle floor plan notes payable offset accounts and (v) the potential impact of any contemplated or pending future transactions, including, but not limited to, financings, acquisitions, dispositions or other capital expenditures. As part of our balanced approach, we continuously evaluate capital deployment opportunities that we believe will maximize the value of our Company, including:

- investing in our business and technology;
- acquiring dealerships that meet our internal return threshold;

- repurchase shares of our common stock in the open market; and
- reducing our leverage through debt repurchases and purchasing properties currently under lease.

We may at some time in the future return some portion of capital to our shareholders through the payment of dividends.

Focus on Higher Margin Products and Services

While new vehicle sales are critical to drawing customers to our dealerships, parts and service, used vehicle retail sales, and F&I generally provide significantly higher profit margins and account for the majority of our profitability. In order to maximize the growth of these higher margin businesses, we have discipline−specific executives at both the corporate and dealership levels who focus on increasing the penetration of current services and expanding the breadth of our offerings to customers.

Local Management of Dealership Operations

We believe that local management of dealership operations enables our retail network to provide market−specific responses to sales, customer service and inventory requirements. The general managers of our dealerships are responsible for the operations, personnel and financial performance of their dealerships as well as other day−to−day operations. We believe our general managers' familiarity with their markets enables them to effectively run day−to−day operations, market to customers and recruit new employees. The general manager of each dealership is supported, in most cases, by a new vehicle sales manager, a used vehicle sales manager, an F&I manager, and a parts and service manager. Our dealership management teams typically have many years of experience in the automotive retail industry. This management structure is complemented by support from the corporate office through centralized technology and financial oversight.

Commitment to Customer Service

We are focused on providing a high level of customer service and have designed our dealerships' services to meet the needs of an increasingly sophisticated and demanding automotive consumer. We endeavor to establish relationships that we believe will result in both repeat business and additional business through customer referrals. Furthermore, we provide our dealership managers with appropriate incentives to employ more efficient selling approaches, engage in extensive follow−up to develop long−term relationships with customers and extensively train our sales staff to meet customer needs.

We continually evaluate opportunities, and implement appropriate new technologies, to improve the buying experience for our customers, and believe that our ability to share best practices across our multi−jurisdictional platform gives us an advantage over independent dealerships. For example, we recently implemented a common customer relations management tool in all of our dealerships to facilitate communications with our customers before, during and after the sale. We continue to invest in technologies designed to improve our sales process and employee productivity, all with the goal of improving the customer experience.

In addition, our higher margin parts and service operations are an integral part of our overall approach to customer service, providing an opportunity to foster ongoing relationships and improve customer loyalty. We continue to train our technicians and service advisors to ensure that our customers continue to receive excellent service.

Centralized Administrative and Strategic Functions

Our corporate management is responsible for our capital structure and operating strategy while the implementation of our operating strategy rests with each dealership management team based on the policies and procedures established by corporate management. Corporate management continuously evaluates the financial and operating results of our dealerships, as well as each dealership's geographical location, and from time to time, makes decisions to acquire or dispose of dealerships to refine our dealership portfolio.

As part of our investment in our IT systems, in June 2010, we undertook the deployment of a common dealer management system (DMS) with the Dealer Services Group of Automatic Data Processing, Inc. as our provider. We expect the implementation of this system to be substantially complete by the end of the summer of 2011. We believe a single DMS will provide the foundation for future efficiencies and create a more efficient retail operation that will result in a better experience for our customers.

We consolidate financial, accounting and operational data received from our dealerships through customized financial products. Our IT approach enables us to integrate and aggregate information from our dealerships. Through the combination of

a common dealer management system and our corporate financial products, management can now view the financial, accounting and operational data at various levels of the organization. In addition, we have centralized our information technology, payroll and benefits administration from which we expect continued cost synergies.

Marketing

Consistent with our local management strategy, our advertising and marketing efforts are generally focused at the local market level, with the aim of building our business with a broad base of repeat, referral and new customers. Traditionally, we have spent the majority of our advertising dollars on television advertising. However, we are experiencing a continued shift toward Internet−based advertising, including lead generation. Recognizing the fact that customers are increasing their use of interactive tools to make buying decisions, we continue to invest in the development of our e−commerce strategy by:

- focusing on the development of our brands online;
- performing research to better understand the online consumer and their decision to visit one site versus another; and
- increasing marketing spend on online marketing.

In addition, radio, print, direct mail and the yellow pages make up a significant portion of our remaining advertising spend. In addition, we also use electronic mail and social media channels to assist our marketing efforts and to stay in contact with our customers.

We have chosen to create common marketing materials for our brand names using professional advertising agencies. Our total company advertising expense from continuing operations was $26.4 million for the year ended December 31, 2010, which equals an average of $227 per retail vehicle sold. In addition, manufacturers' direct advertising spending in support of their brands has historically been a significant component of the total amount spent on new car advertising in the United States.

Competition

For new vehicle sales, our dealerships compete with other franchised dealerships, primarily in their regions. We do not have any cost advantage in purchasing new vehicles from manufacturers. Instead, we rely on our advertising and merchandising, sales expertise, service reputation, strong local brand names and location of our dealerships to assist in the sale of new vehicles. Our used vehicle operations compete with other franchised dealers, large used car retail consolidators, regional and national vehicle rental companies, independent used car dealers, Internet−based vehicle brokers and private parties for supply and resale of used vehicles.

We compete with other franchised dealers to perform warranty repairs and with other automobile dealers and 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 our ability to use factory−approved replacement parts, our competitive prices, our familiarity with a manufacturer's brands and models, and the quality of our customer service.

In arranging financing for our customers' vehicle purchases, we compete with a broad range of financial institutions. In addition, many financial institutions are now offering F&I products through the Internet, which may increase competition and reduce our profits on certain of these items. We believe that the principal competitive factors in providing financing are convenience, interest rates and flexibility in contract length.

In addition, given our desire to hire experienced, talented and successful individuals, 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. As a result, we also compete with franchised dealers and other large automotive retailers for talented personnel.

Dealer and Framework Agreements

Each of our dealerships operates pursuant to a dealer agreement between the dealership and the manufacturer (or in some cases the distributor) of each brand of new vehicles sold and/or serviced at the dealership. A typical dealer agreement specifies the locations at which the dealer has the right and obligation to sell the manufacturer's vehicles and related parts and products and/or to perform certain approved services. Each dealer agreement also governs the use of the manufacturer's trademarks and service marks.

The allocation of new vehicles among dealerships is subject to the discretion of the manufacturer, and generally does not guarantee the dealership exclusivity within a given territory or otherwise. Most dealer agreements impose requirements on substantially all aspects of the dealer's operations. For example, most of our dealer agreements contain provisions and standards related to, among other things, the following:

- inventories of new vehicles and manufacturer replacement parts;
- maintenance of minimum net working capital requirements, and in some cases, minimum net worth requirements;
- achievement of certain sales and customer satisfaction targets;
- advertising and marketing practices;
- facilities and signs;
- products offered to customers;
- dealership management;
- personnel training;
- information systems;
- geographic market; and
- dealership monthly and annual financial reporting.

In addition to requirements under dealer agreements, we are subject to additional provisions contained in supplemental agreements, framework agreements, dealer addenda and manufacturers' policies, collectively referred to as "framework agreements." Framework agreements impose requirements on us in addition to those described above. Such agreements also define other standards and limitations, including:

- company−wide performance criteria;
- capitalization requirements;
- limitations on changes in our ownership or management;
- limitations on the number of a particular manufacturer's franchises owned by us;
- restrictions or prohibitions on our ability to pledge the stock of certain of our subsidiaries; and
- conditions for consent to proposed acquisitions, including sales and customer satisfaction criteria, as well as limitations on the total local, regional and national market share percentage that would be represented by a particular manufacturer's franchises owned by us after giving effect to a proposed acquisition.

Some dealer agreements and framework agreements grant the manufacturer the right to purchase its dealerships from us under certain circumstances, including upon the occurrence of an extraordinary corporate transaction without the manufacturer's prior consent or a material breach of the framework agreement. Some of our dealer agreements and framework agreements also give the manufacturer a right of first refusal if we propose to sell any dealership representing the manufacturer's brands to a third party. These agreements may also attempt to limit the protections available under applicable state laws and require us to resolve disputes through binding arbitration.

Certain of our dealer agreements expire after a specified period of time, ranging from one year to eight years, while other of our agreements have a perpetual term. We expect that we will be able to renew expiring agreements in the ordinary course of business. However, typical dealer agreements give the manufacturer the right to terminate or the option of non−renewal of the dealer agreements under certain circumstances, including:

- insolvency or bankruptcy of the dealership;
- failure to adequately operate the dealership or to maintain required capitalization levels;
- impairment of the reputation or financial condition of the dealership;
- change of control of the dealership without manufacturer approval;
- failure to complete facility upgrades required by the manufacturer or agreed to by the dealer; or
- material breach of other provisions of a dealer agreement.

While our dealer agreements may be terminated or not renewed for any of the reasons listed above, it may be possible to negotiate a waiver of termination or non−renewal with the manufacturer. Notwithstanding that, however, no assurances can be provided that upon the termination or attempted termination, or nonrenewal of any agreement, that we will be able to enter into new agreements, or waivers to any agreement, on acceptable terms, in a timely manner, or at all.

In certain instances, we may be entitled to benefit from the protection of applicable state laws which limit a manufacturer's

ability to terminate or refuse to renew a franchise agreement, provide dealers with certain rights with respect to the addition of dealerships within proscribed geographic areas, and protect dealers against manufacturers unreasonably withholding consent to proposed changes in ownership of dealerships. However, our protection may be limited in some cases under our existing framework agreements with manufacturers, and the laws with respect to these activities may be changed at any time in the future.

Regulations

We operate in a highly regulated industry. Under various state laws each of our dealerships must obtain one or more licenses in order to establish, operate or relocate a dealership or operate an automotive repair service in such state. In addition, we are subject to numerous complex federal, state and local laws regulating the conduct of our business, including with respect to:

- advertising;
- motor vehicle and retail installment sales practices;
- leasing;
- sales of finance, insurance and vehicle protection products;
- consumer credit;
- unfair and deceptive trade practices;
- consumer protection;
- consumer privacy;
- money laundering;
- environmental matters;
- land use and zoning;
- health and safety; and
- employment practices.

We actively make efforts to assure we are in compliance with the laws and related regulations that affect our business.

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, storing, treating, transporting and disposing 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 at facilities where 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, and similar state statutes, impose liability for the entire cost of a cleanup, 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 also may be liable 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. Currently, we are not aware of any material "Superfund" or other remedial liabilities to which we are subject.

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 are not aware of any non−compliance with the wastewater discharge requirements, requirements for the containment of potential discharges and spill contingency planning or other environmental laws applicable to our operations.

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 may experience incidents and encounter conditions that are not in compliance with environmental laws and regulations. However, none of our dealerships has been subject to any material environmental liabilities in the past, nor do we know of any fact or condition that would result in any material environmental liabilities being incurred in the future. Nevertheless, environmental laws and regulations and their interpretation and enforcement change frequently and we believe that the trend of more expansive and stricter environmental legislation and regulations is likely to continue. As a result, 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. Our operations are subject to substantial changes in laws and regulations and related claims and proceedings, any of which could adversely affect our business, financial condition and results of operations.

Employees

As of December 31, 2010, we employed approximately 7,100 people. We believe our relationship with our employees is favorable. We do not have employees that are represented by a labor union; however, certain of our facilities are located in areas of high union concentration, and such facilities are susceptible to union−organizing activity. Although we have not experience any strikes or walkouts at our operations, because of our dependence on vehicle manufacturers, we may be affected adversely by labor strikes, work slowdowns and walkouts at vehicle manufacturers' production facilities and transportation modes that are outside of our control.

Insurance

Because of the vehicle inventory and the nature of the automotive retail business, automobile retail dealerships generally require significant levels of insurance covering a broad variety of risks. Our insurance program includes multiple umbrella policies with a total per occurrence and aggregate limit of $100.0 million. We are self insured for certain employee medical claims and maintain stop loss insurance for individual claims. We have large deductible insurance programs in place for workers compensation, property and general liability claims.

Item 1A. Risk Factors

In addition to the other information in this report, you should consider carefully the following risk factors when evaluating our business. Any of these risks, or the occurrence of any of the events described in these risk factors, could cause our actual future results, performance or achievements to be materially different from or could materially adversely affect our business, financial condition or results of operations. In addition, other risks or uncertainties not presently known to us or that we currently do not deem material could arise, any of which could also materially adversely affect us.

If the automotive retail environment continues to be challenging and our dealerships are unable to generate sufficient cash, our liquidity position may be materially adversely affected.

For the last three years, the automotive retail industry has experienced an unprecedented challenging environment. The seasonally adjusted annual rate ("SAAR") of new vehicle sales in the U.S., which was over 16.0 million from 1999 to 2007, decreased to approximately 13.2 million in 2008 and 10.4 million in 2009. While the automotive retail industry experienced a modest recovery in 2010 with a 11.6 million SAAR, we believe improvement in the industry will continue to be slow, with SAAR expected to reach only 12.5 million to 13.0 million in 2011. Our operations have been and could continue to be adversely affected by the continuance of uncertain economic conditions. We also expect continued difficulty for consumers in securing vehicle financing as unemployment remains higher than recent historical averages. If consumers are unable to secure financing to purchase vehicles, SAAR could be further negatively impacted, which in turn could adversely impact our cash flows.

If we are unable to generate sufficient operating cash flow, we may need to enter into certain extraordinary transactions in order to generate sufficient cash to sustain our operations, which may include, but not be limited to selling certain of our dealerships or other assets and borrowing under our existing credit facilities. There can be no assurance that, if necessary, we will be able to enter into any such transactions in a timely manner or on reasonable terms, if at all. Furthermore, in the event we are required to sell dealership assets to enhance our liquidity, the sale of any material portion of such assets could have an adverse effect on our revenue stream, the size of our operations and certain corporate efficiencies. If we are unable to generate sufficient operating cash flow or enter into any such transactions in a timely manner, our liquidity may be materially adversely affected.

Our dealerships' profitability depends in large part upon customer demand for the particular vehicle lines they carry.

The profitability of our dealerships depends in large part on the overall success of the vehicle lines they carry. Historically, we have generated most of our revenue through new vehicle sales. New vehicle sales also tend to lead to sales of higher−margin products and services such as finance and insurance products and parts and services. Although we have sought to limit our dependence on any one vehicle brand, we have focused our new vehicle sales operations on mid−line import and luxury brands. Our current brand mix is weighted 86% towards luxury and mid−line import brands, with the remaining 14% consisting of domestic brands. For the year ended December 31, 2010, brands representing 5% or more of our revenues from new vehicle sales were as follows:

Brand	% of Total New Vehicle Revenues
Honda	23%
Nissan	13%
Toyota	10%
BMW	9%
Mercedes−Benz	8%
Ford	8%
Lexus	6%
Acura	5%
Infiniti	5%

If a manufacturer fails to produce desirable vehicles or develops a reputation for producing undesirable vehicles, and we own dealerships that sell that manufacturer's vehicles, our revenues at those dealerships could be adversely affected as consumers shift their vehicle purchases toward more desirable brands, makes and models. If the profitability at certain of our dealerships is adversely affected, there could be an significant reduction of our cash flows, which in turn could result in impairments of such dealership's properties and/or intangible assets.

We depend on our ability to obtain a desirable mix of popular new vehicles from manufacturers. Typically, popular vehicles produce the highest profit margins but are the most difficult to obtain from manufacturers. Manufacturers generally allocate their vehicles among their franchised dealerships based on the sales history of each dealership, and in some instances on the level of capital expenditures associated with such dealerships. If our dealerships experience prolonged periods of sales declines, those manufacturers may cut back their allotments of popular vehicles to our dealerships and, as a result, our new vehicle sales and profits may decline.

Changes or declines in consumer demand, due to general economic conditions, changes in preferences, or otherwise, could adversely affect us.

Our business is heavily dependent on consumer demand and preferences. Further, 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 levels of discretionary personal income, credit availability and interest rates. The current uncertain economic climate in the U.S. continues to have a significant impact on our retail business, particularly sales of new and used automobiles, especially as unemployment rates remain high and housing prices remain unstable. In addition, fuel prices have been unstable and have reached historically high levels in the recent past. Significant increases in gasoline prices could cause a reduction in automobile purchases and a further shift in buying patterns from luxury or SUV models (which typically provide higher profit margins to retailers like us) to smaller, more economical vehicles (which typically have lower profit margins). A continued shift in preferences by consumers for smaller, more economic vehicles may have an adverse effect on our revenues and results of operations.

While a decline in demand for new vehicles in some instances creates additional demand for parts and services due to the aging of and increased wear and tear on existing vehicles, in difficult economic conditions, people often delay nonessential service and repairs on their vehicles. Continued delays on the service and repairs of vehicles due to general economic conditions or otherwise could have a further adverse effect on our parts and service business, which has traditionally produced higher profit margins for our business, and thus could also have a material adverse effect on our revenues and results of operations. Conversely, in the recent past, we have seen the prices of used vehicles generally increase, which increase has created a demand for new vehicles. A continual increase in the number of new vehicle sales over the number of used vehicle sales could have an adverse effect on our revenues and results of operations as used vehicle sales have traditionally produced higher profit margins for our business. Furthermore, the general increase in the cost of vehicles to us, coupled with lower manufacturer incentives and customers who seek to pay the lowest price possible for vehicles, has resulted in continued pressure on our profit margins. A continued decrease in our profit margins could have a material adverse effect on our cash flows, our results of operations and our business.

We have significant debt, and the ability to incur additional debt may limit our flexibility to manage our business. Furthermore, if we are unable to generate sufficient cash, our ability to service our debt may be materially adversely affected.

We have substantial debt service obligations. As of December 31, 2010, we had total debt of $550.7 million, including $5.2 million classified as Liabilities Associated with Assets Held for Sale, but excluding floor plan notes payable and the $1.7 million unamortized discount on our 3% Convertible Notes due 2012 (the "3% Convertible Notes") on our Consolidated Balance Sheet. In addition, we and our subsidiaries have the ability to obtain additional debt from time to time to finance acquisitions, real property purchases, capital expenditures or for other purposes, subject to the restrictions contained in our BofA Revolving Credit Facility, our JPMorgan Used Vehicle Floor Plan Facility and the indentures governing our 8.375% Senior Subordinated Notes due 2020 (the "8.375% Notes") and our 7.625% Senior Subordinated Notes due 2017 (the “7.625% Notes”), as well as certain other agreements. We will continue to have substantial debt service obligations, consisting of required cash payments of principal and interest, for the foreseeable future.

Our significant indebtedness could have important consequences to us, including the following:

- our ability to obtain additional financing for acquisitions, capital expenditures, working capital or other general corporate purposes may be impaired;
- a substantial portion of our current cash flow from operating activities must be dedicated to the payment of principal and interest on our debt, thereby reducing the funds available to us for our operations and other corporate purposes;
- some of our borrowings are and will continue to be at variable rates of interest, which exposes us to certain risks of interest rate increases; and
- we may be substantially more leveraged than some of our competitors, which may place us at a relative competitive disadvantage and make us more vulnerable to changes in market conditions and governmental regulations.

As a result of the foregoing and other potential limitations, our indebtedness obligations may limit our ability to take strategic actions that would otherwise enable us to manage our business, in a manner in which we otherwise would, absent such limitations, which could materially adversely affect our business, financial condition and results of operations.

Under various agreements to which we are a party, we are required to maintain compliance with certain financial and other covenants. Our failure to comply with certain covenants in our debt, mortgage, lease and framework agreements could adversely affect our ability to access our revolving credit facilities and adversely affect our ability to conduct our business.

There are operating and financial restrictions and covenants in certain of our leases and in our debt instruments, including our revolving credit facilities with Bank of America, N.A. and JPMorgan Chase Bank, N.A., the indentures governing our 8.375% Notes and our 7.625% Notes and the mortgage agreements or guarantees for mortgages held by Wells Fargo Bank, N.A., successor to Wachovia Bank, National Association, and Wachovia Financial Services, Inc., and certain of our other mortgage obligations. These limit, among other things, our ability to incur certain additional debt, to create certain liens or other encumbrances, and to make certain payments (including dividends and repurchases of our shares and investments). Our revolving credit facilities, mortgages and/or guarantees related to such mortgages, and certain of our lease and framework agreements, require us to maintain compliance with certain financial ratios.

If we are unable to comply with any applicable financial or other covenants, we may be required to seek waivers of or modifications to our covenants from our lenders, or we may need to undertake a transaction designed to generate proceeds sufficient to repay such debt. Obtaining such waivers or modifications often requires the payment to the bank lenders of significant fees and requires significant time and attention of management. In light of continued uncertain conditions in the

automotive industry and the conditions in the credit markets generally, we cannot give any assurance that we would be able to successfully take any necessary actions at times, or on terms acceptable to us.

We are currently in compliance with all applicable financial and other covenants. However, our failure to satisfy any of these covenants in the future would constitute a default under the relevant debt agreement, which would (i) entitle the lenders under such agreement to terminate our ability to borrow under the relevant agreement and accelerate our obligations to repay outstanding borrowings; (ii) require us to apply our available cash to repay these borrowings and/or (iii) prevent us from making debt service payments on our 8.375% Notes, our 7.625% Notes, and our 3% Convertible Notes. In many cases, a default under one of our debt agreements could trigger cross default provisions in one or more of our other debt and lease agreements.

In addition to the financial and other covenants contained in our various financing agreements, a number of our dealerships are located on properties that we lease. Certain of the leases governing such properties have certain covenants with which we must comply. If we fail to comply with the covenants under our leases, the respective landlords could, among other remedies, terminate the leases and seek damages which could equal the amount to which the accelerated rents under the applicable lease for the remainder of the lease term exceeds the fair market rent over the same period, or evict us from the property.

Similarly, our failure to comply with financial and other covenants in our framework agreements would give the relevant manufacturer certain rights, including the right to reject proposed acquisitions, and may give them the right to repurchase their franchises from us. Events that give rise to such rights, and our inability to acquire additional dealerships or the requirement that we sell one or more of our dealerships at any time, could inhibit the growth of our business, and could have a material adverse effect on our business, financial condition and results of operations.

A general disruption in the credit markets could negatively impact our business, results of operations, financial condition or liquidity.

In the recent past, global financial markets and economic conditions have been disruptive and volatile, and continue to be uncertain. These issues, along with significant write−offs in the financial services sector, the re−pricing of certain credit risks and continued weak economic conditions in certain industries and sectors have made it difficult to obtain funding.

We currently maintain revolving credit facilities with Bank of America, N.A., JPMorgan Chase Bank, N.A., and a syndicate of other banks under those credit facilities, and we have hedge transactions in place with Wells Fargo Bank, N.A., Wachovia Financial Services, Inc., Goldman Sachs & Co. and Deutsche Bank AG, London Branch. If any of these financial institutions that have extended credit commitments to us or have entered into hedge or similar transactions with us are further adversely affected by the current uncertain conditions in the U.S. and international capital markets, they may become unable or unwilling to fund borrowings under their credit commitments to us or otherwise fulfill their obligations under the relevant agreements, which could have a material adverse effect on our liquidity and ability to conduct our operations.

Furthermore, the cost of obtaining money from the credit markets generally has increased in connection with the uncertain financial markets, as many lenders and institutional investors have increased interest rates, enacted more stringent lending standards, refused to refinance existing debt and reduced and, in some cases, ceased to provide funding to borrowers. Our inability to access necessary or desirable funding, or to enter into certain related transactions, when and at costs deemed appropriate by us could have a negative impact on our business, financial condition and liquidity.

Our capital costs and our results of operations may be materially and adversely affected by changes in interest rates.

We generally finance our purchases of new vehicle inventory and have the ability to finance the purchase of used vehicle inventory using floor plan credit facilities under which we are charged interest at variable rates. In addition, we have the ability to borrow funds under our various credit facilities at variable interest rates. Therefore, our interest expense from variable rate debt will rise with increases in interest rates. In addition, a significant rise in 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 most 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. Given our debt composition as of December 31, 2010, each one percent increase in market interest rates would increase our total annual interest expense, including floor plan interest, by as much as$4.8 million. When considered in connection with reduced expected sales as and if interest rates increase, any such increase could materially adversely affect our business, financial condition and results of operations.

Adverse conditions affecting the manufacturers of the vehicles that we sell may negatively impact our revenues and profitability.

Our ability to successfully market vehicles to the public depends to a great extent on aspects of our manufacturers' operations. Vehicle manufacturers have been, and continue to be, adversely affected by the recent U.S. and global recession. There has been a significant decline in vehicle sales, and other factors, such as rising interest rates and the tightening of the credit markets, have contributed to a difficult retail environment. In addition, conditions which further negatively affect vehicle manufacturers in any of the following areas could have an adverse effect on their respective revenues and profitability:

- financial condition;
- marketing efforts;
- reputation for quality;
- manufacturer and other product defects, including recalls;
- management;
- disruption in manufacturing, importation and distribution; and
- labor relations.

Adverse conditions that materially affect a vehicle manufacturer and impact its ability to profitably design, market, produce or distribute new vehicles could in turn materially adversely affect our ability to (i) sell vehicles produced by that manufacturer, obtain or finance our desired new vehicle inventories, (ii) access or benefit from manufacturer financial assistance programs, (iii) collect in full or on a timely basis any amounts due therefrom, and/or (iv) to obtain other goods and services provided by the impacted manufacturer. Our business, results of operations, financial condition, cash flows, and prospects could be materially adversely affected as a result of any event that has an adverse effect on any vehicle manufacturers or distributors.

In addition, if a vehicle manufacturer seeks protection from creditors in bankruptcy, among other things, (i) the manufacturer could seek to terminate or reject all or certain of our franchises, (ii) if the manufacturer is successful in terminating all or certain of our franchises, we may not receive adequate compensation for those franchises, (iii) our cost to obtain financing for our new vehicle inventory may increase or no longer be available from such manufacturer's captive finance subsidiary, (iv) consumer demand for such manufacturer's products could be materially adversely affected, especially if costs related to improving such manufacturer's poor financial condition are imputed to the price of its products, (v) there may be a significant disruption in the availability of consumer credit to purchase or lease vehicles or negative changes in the terms of such financing, which may negatively impact our sales, or (vi) there may be a reduction in the value of receivables and inventory associated with that manufacturer. The occurrence of any one or more of the above−mentioned events could have a material adverse effect on our business and results of operations.

If vehicle manufacturers reduce or discontinue sales incentive, warranties or other promotional programs, our results of operations, cash flows and financial condition may be adversely affected.

Our dealerships benefit from certain sales incentives, warranties and other promotional programs of vehicle manufacturers that are intended to promote and support their respective new vehicle sales. 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.

Manufacturers often make many changes to their incentive programs during each year. Any reduction or discontinuation of key manufacturers' incentive programs may reduce our sales volume which, in turn, could have a material adverse effect on our results of operations, cash flows and financial condition.

Our sales of vehicles, our results of operations and financial condition have been and may continue to be adversely affected by depressed levels of available consumer financing.

The majority of vehicle purchase transactions are financed, particularly used vehicle transactions. During the recent global recession, consumers experienced a decline in the availability of credit due to a number of factors, including an overall tightening of the lending markets. In addition, manufacturers decreased the availability of leases or terminated leasing programs altogether. The reduced availability of credit and the increase in the cost to consumers for such credit has contributed to the decline in our vehicle sales. A continued reduction in credit availability, or continued high costs thereof, could result in a

decline in our vehicle sales that could have a material adverse effect on our business, financial condition and results of operations.

Sub−prime lenders have historically provided financing to those buyers who, for a number of reasons, do not have access to traditional financing, including those buyers who have a poor credit history or lack the down payment necessary to purchase a vehicle. Sub−prime lenders have recently become more stringent with their credit standards, which has made it more difficult for consumers needing sub−prime financing to obtain credit. Furthermore, the sub−prime lenders may continue to apply higher credit requirements in the future. If the current levels of availability of credit in the sub−prime lending market continue, the ability of these consumers to purchase vehicles could remain limited, resulting in a decline in our used vehicle sales. Retail sales of used vehicles generally have higher gross margins than new vehicles. A decline in our used vehicle sales could have a material adverse effect on our revenues and an adverse effect on our profitability.

Our business may be adversely affected by unfavorable conditions in one or more of our local markets, even if those conditions are not prominent nationally.

Our overall corporate results are also subject to local economic, competitive and other conditions prevailing in the various geographic markets in which we operate. Our dealerships currently are located in the Atlanta, Austin, Charlotte, Charlottesville, Dallas−Fort Worth, Durham, Fayetteville, Fort Pierce, Fresno, Greensboro, Greenville, Houston, Jackson, Jacksonville, Little Rock, Orlando, Princeton, Richmond, St. Louis and Tampa markets. If economic conditions remain uncertain, consumer spending remains low or competition for services offered by automotive retailers remains significant in any of these markets, or any of these factors becomes exacerbated, our results of operations, revenues and profitability could be adversely affected.

If we fail to obtain renewals of one or more of our dealer agreements on acceptable terms, if certain of our franchises are terminated, or if certain manufacturers' rights under their agreements with us are triggered, our business, financial condition and results of operations may be adversely affected.

Each of our dealerships operates under the terms of a dealer agreement with the manufacturer (or manufacturer−authorized distributor) of each new vehicle brand it carries and/or is authorized to service, and we operate under additional framework agreements for some vehicle manufacturers, which contain additional requirements that govern the particular vehicle manufacturer's franchises. Our dealerships may obtain new vehicles from manufacturers, service vehicles, sell new vehicles and display vehicle manufacturers' trademarks only to the extent permitted under these agreements. As a result of the terms of our dealer, framework and related agreements and our dependence on the rights, granted by the manufacturers, the manufacturers have the right to exercise a great deal of control over our day−to−day operations, and the terms of these agreements govern key aspects of our operations, acquisition strategy and capital spending.

Our dealer agreements may be terminated or not renewed by manufacturers for a number of reasons, and many of the manufacturers have the right to direct us to divest our dealerships if there is a default under the franchise agreement, an unapproved change of control, or certain other unapproved events. Our dealer agreements are scheduled to expire at various times. Although we expect that these agreements will be renewed, there can be no assurances that we will be able to renew these agreements on a timely basis or that we will be able to obtain renewals on acceptable terms. Most of our dealer agreements also provide the manufacturer with a right of first refusal to purchase any of the manufacturer's franchises we seek to sell. Our results of operations may be materially and adversely affected to the extent that our rights become compromised or our operations are restricted due to the terms of our dealer agreements or if we lose franchises representing a significant percentage of our revenues.

Our failure to meet consumer satisfaction, financial or sales performance requirements specified by manufacturers may adversely affect our ability to acquire new dealerships and our profitability.

Many manufacturers attempt to measure customers' satisfaction with their experience in our sales and service departments through rating systems that are generally known in the automotive retailing industry as consumer satisfaction indices ("CSI"). The use of CSI ratings by manufacturers is in addition to their right to monitor the financial and sales performance of our dealerships. At the time we acquire a dealership or enter into a new dealer or framework agreement, manufacturers will often establish sales or performance criteria for that dealership. In accordance with the terms of these agreements, these criteria have been modified by various manufacturers from time to time in the past, and we cannot assure you that they will not be further modified or replaced by different criteria in the future. Some of our dealerships have had difficulty from time to time meeting these criteria in the past. We cannot assure you that any of our dealerships will be able to comply with these criteria in the future.

In accordance with the terms of an applicable framework agreement, a manufacturer may use these criteria as factors in evaluating any application we may make for acquisitions of additional dealerships. 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 criteria. This would

impede our ability to execute acquisitions and limit our ability to grow. In addition, we receive payments and incentives from certain manufacturers based, in part, on our CSI ratings, and future payments may be materially reduced or eliminated if our CSI ratings do not meet stated criteria.

Manufacturers' actions in connection with any proposed acquisitions or divestitures may limit our future growth and impact our business, financial condition or results of operations.

We are generally required to obtain manufacturer consent before we can acquire any additional dealerships selling such manufacturer's automobiles. In addition, many of our dealer and framework agreements require that we meet certain CSI rating and sales performance criteria as a condition to additional dealership acquisitions. We cannot assure you that we will be able to meet these performance criteria at any applicable time or that manufacturers will consent to future acquisitions, which may prevent us from being able to take advantage of market opportunities, and may limit our ability to expand our business. The process of applying for and obtaining manufacturer consents can take a significant amount of time, generally between 60 and 90 days or more. Delays in consummating acquisitions caused by this process may negatively affect our ability to acquire dealerships that we believe will produce acquisition synergies and integrate well into our overall strategy. In addition, manufacturers typically establish minimum capital requirements for each of their dealerships on a case−by−case basis. As a condition to granting consent to a proposed acquisition, a manufacturer may require us to remodel and upgrade our facilities and capitalize the subject dealership at levels we would not otherwise choose to fund, causing us to divert our financial resources away from uses that management believes may be of higher long−term value to us. Furthermore, the exercise by manufacturers of their right of first refusal to acquire a dealership may prevent us from acquiring dealerships that we otherwise would acquire which could have an adverse effect on our ability to grow through acquisitions.

Likewise, from time to time, we may determine that it is in our best interest to sell one or more of our dealerships. Parties that are interested in acquiring any dealership may also be required to obtain the consent of the manufacturer. The refusal by the manufacturer to approve a potential buyer may delay the sale of that dealership, and would require us to find another potential buyer or wait until the buyer is able to meet the requirements of the manufacturer. A delay in the sale of a dealership could have a negative impact on our profitability and an adverse effect on our business, financial condition or results of operations.

Additionally, many vehicle manufacturers place limits on the total number of franchises that any group of affiliated dealerships may own. Certain manufacturers place limits on the number of franchises or share of total brand vehicle sales that may be maintained by an affiliated dealership group on a national, regional or local basis, as well as limits on store ownership in contiguous markets. If we reach any of these limits, we may be prevented from making further acquisitions, which could negatively affect our future growth.

If state laws that protect automotive retailers are repealed, weakened or superseded by our framework agreements with manufacturers, our dealerships will be more susceptible to termination, non−renewal or renegotiation of their dealer agreements.

Applicable state laws generally provide that an automobile manufacturer may not terminate or refuse to renew a dealer agreement unless it has first provided the dealer with written notice setting forth "good cause" and stating the grounds for termination or non−renewal. Some state laws allow dealers to file protests or petitions or allow them to attempt to comply with the manufacturer's criteria within a notice period to avoid the termination or non−renewal. Though unsuccessful to date, manufacturers' lobbying efforts may lead to the repeal or revision of applicable state laws. Our framework agreements with certain manufacturers contain provisions that, among other things, attempt to limit the protections available to dealers under applicable state laws. If these 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 these state laws, it may also be more difficult for us to renew our dealer agreements upon expiration. Changes in laws that provide manufacturers the ability to terminate our dealer agreements could materially adversely affect our business, financial condition and results of operations. Furthermore, if a manufacturer seeks protection from creditors in bankruptcy, courts have held that the federal bankruptcy laws may supersede the state laws that protect automotive retailers resulting in either the termination, non−renewal or rejection of franchises by such manufacturers.

Manufacturers' restrictions regarding a change in our stock ownership may result in the termination or forced sale of our franchises, which may have a number of impacts on us, including adversely impacting our business, financial condition and results of operations, or even deterring an acquisition of us.

Some of our dealer agreements and framework agreements with manufacturers prohibit transfers of any ownership interests of a dealership or, in some cases, its parent, without the applicable manufacturer's consent. Our agreements with some manufacturers provide that, under certain circumstances, the manufacturer would have the right to terminate our agreement or force a sale of our franchise if a person or entity acquires an ownership interest in us above a specified level or if a person or entity acquires the right to vote a specified percentage of our common stock without the approval of the applicable

manufacturer. Triggers of these clauses are often based upon actions by our stockholders and are generally outside of our control, and may result in the termination or non−renewal of our dealer and framework agreements or forced sale of one or more franchises, which may have a material adverse effect on us. 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.

Our business is seasonal, and events occurring during seasons that revenues are typically higher may disproportionately affect our results of operations and financial condition.

The automobile industry is subject to seasonal variations in revenues. Demand for vehicles 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 the first and fourth quarters than in the second and third quarters of any year. If conditions occur during the second or third quarters that weaken automotive sales, such as severe weather in the geographic areas in which our dealerships operate, war, high fuel costs, depressed economic conditions or similar adverse conditions, our revenues for the year may be disproportionately adversely affected.

Our business may be adversely affected by import product restrictions, foreign trade risks and currency valuations that may impair our ability to sell foreign vehicles or parts profitably.

A portion of our new vehicle business involves the sale of vehicles, parts or vehicles composed of parts that are manufactured outside the U.S. As a result, our operations are subject to customary risks of importing merchandise, including import duties, exchange rates, trade restrictions, work stoppages and general political and socio−economic conditions in other countries. The U.S. 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. Relative weakness of the U.S. dollar against foreign currencies in the future may result in an increase in costs to us and in the retail price of such vehicles or parts, which could discourage consumers from purchasing such vehicles and adversely impact our profitability.

If we are unable to acquire and successfully integrate additional dealerships, we may be unable to realize desired results and be required to divert resources from comparatively more profitable operations.

We believe that the automobile retailing industry is a mature industry whose sales are significantly impacted by the prevailing economic climate, both nationally and in local markets. Accordingly, we believe that our future growth depends in part on our ability to manage expansion, control costs in our operations and acquire and effectively and efficiently integrate acquired dealerships into our organization. When seeking to acquire and acquiring other dealerships, we face risks commonly encountered with growth through acquisitions. These risks include, but are not limited to:

- failing to obtain manufacturers' consents to acquisitions of additional franchises;
- incurring significant transaction related costs for both completed and failed acquisitions;
- incurring significantly higher capital expenditures and operating expenses;
- failing to integrate the operations and personnel of the acquired dealerships and impairing relationships with employees;
- incurring undisclosed liabilities at acquired dealerships;
- disrupting our ongoing business and diverting our management resources to newly acquired dealerships; and
- impairing relationships with manufacturers and customers as a result of changes in management.

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 risks 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.

There is competition to acquire automotive dealerships, and we may not be able to grow our business through acquisitions if attractive targets are not available or if market values result in prices at levels that we do not believe offer an acceptable rate of return.

We believe that the U.S. automotive retailing market is fragmented and offers many potential acquisition candidates. However, we often compete with several other national, regional and local dealer groups, and other strategic and financial

buyers, some of which may have greater financial resources, in evaluating potential acquisition candidates. Competition for attractive acquisition targets may result in fewer acquisition opportunities for us, and increased acquisition costs. We may have to forego acquisition opportunities to the extent that we cannot negotiate such acquisitions on acceptable terms.

Substantial competition in automobile sales and services may adversely affect our profitability.

The automotive retail and service 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;
- privately negotiated sales of used vehicles;
- other used vehicle retailers, including regional and national vehicle rental companies;
- Internet−based used vehicle brokers that sell used vehicles to consumers;
- 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 our advertising, merchandising, sales expertise, service reputation and dealership location to sell new and used vehicles. Further, our dealer agreements do not grant us the exclusive right to sell a manufacturer's product within a given geographic area. Our revenues and profitability may be materially and adversely affected if competing dealerships expand their market share or additional franchises are awarded in our markets.

Property loss or other uninsured liabilities at some of our dealerships could impact our financial condition and results of operations.

The automotive retail business is subject to substantial risk of property loss due to the significant concentration of property at dealership locations, including vehicles and parts. We have historically experienced business interruptions from time to time at several of our dealerships due to adverse weather conditions or other extraordinary events, such as hurricanes in Florida and tornadoes and hail storms in Texas and Mississippi. Other potential liabilities arising out of our operations may involve claims by employees, customers or third parties for personal injury or property damage and potential fines and penalties in connection with alleged violations of regulatory requirements. To the extent we experience future events such as these, or others, our results of operations, financial condition or cash flows may be materially adversely impacted.

While we maintain insurance to protect against a number of losses, this insurance coverage often contains significant deductibles which we must pay prior to obtaining insurance coverage. In addition, we choose to "self−insure" for a portion of our potential liabilities, meaning we do not carry insurance from a third party for such liabilities, and are wholly responsible for any related losses. Furthermore, the laws of some states prohibit insurance against certain types of liabilities, and so we self−insure for those liabilities.

In certain instances, our insurance may not fully cover a loss depending on the applicable deductible or the magnitude and nature of the claim. Additionally, changes in the cost or availability of insurance in the future could substantially increase our costs to maintain our current level of coverage or could cause us to reduce our insurance coverage and increase our self−insured risks. To the extent we incur significant additional costs for insurance, suffer losses that are not covered by in−force insurance or suffer losses for which we are self−insured, our financial condition and results of operations could be materially adversely impacted.

Business interruptions at any of our dealerships due to a failure of any of our management information systems, including our inability to successfully convert our dealerships to a common dealer management system, could have a material adverse effect on our business, results of operations, financial condition and cash flow.

We rely on management information systems at our dealerships which are licensed from third parties and are used in all aspects of our sales and service efforts, as well as in the preparation of our consolidated financial and operating data. In 2010, we began the conversion of our dealer management systems to a common dealer management system ("DMS") provided by ADP. Currently, approximately 30% of our dealerships have been successfully converted to the ADP DMS, and we expect to substantially complete the remaining conversions of our dealerships by the end of the summer of 2011. Our business could be significantly disrupted if (i) we are unable to successfully convert the remaining dealerships to the ADP DMS, (ii) the ADP DMS fails to integrate with other third party management information systems, customer relations management tools or other software, or to the extent any of these systems become unavailable to us for any reason, or (iii) if our relationship deteriorates with ADP or any of our other third−party providers. Any such disruption in our business could materially adversely affect our

results of operations, financial condition and cash flow.

Government regulations and environmental regulation compliance costs may adversely affect our profitability.

We are, and expect to continue to be, subject to a wide range of federal, state and local laws and regulations, including local licensing requirements. These laws regulate the conduct of our business, including:

- motor vehicle and retail installment sales practices;
- leasing;
- sales of finance, insurance and vehicle protection products;
- consumer credit;
- deceptive trade practices;
- consumer protection;
- consumer privacy;
- money laundering;
- advertising;
- land use and zoning; and
- health and safety; and
- employment practices.

Environmental laws and regulations govern, among other things, discharges into the air and water, storage of petroleum substances and chemicals, the handling and disposal of wastes and remediation of contamination arising from spills and releases. In addition, we may also have liability in connection with materials that were sent to third−party recycling, treatment and/or disposal facilities under federal and state statutes. These federal and state statutes impose liability for investigation and remediation of contamination without regard to fault or the legality of the conduct that contributed to the contamination. Similar to many of our competitors, we have incurred and expect to continue to incur capital and operating expenditures and other costs in complying with such federal and state statutes. In addition, we may be subject to broad liabilities arising out of contamination at our currently and formerly owned or operated facilities, at locations to which hazardous substances were transported from such facilities, and at such locations related to entities formerly affiliated with us. Although for some such potential liabilities we believe we are entitled to indemnification from other entities, we cannot assure you that such entities will view their obligations as we do or will be able or willing to satisfy them. Failure to comply with applicable laws and regulations, or significant additional expenditures required to maintain compliance therewith, may have a material adverse effect on our business, results of operations, financial condition, cash flows, and prospects.

If we or our employees at the individual dealerships violate or are alleged to violate laws and regulations applicable to them or protecting consumers generally, we could be subject to individual claims or consumer class actions, administrative, civil or criminal actions investigations or actions and adverse publicity. Such actions could expose us to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including suspension or revocation of our licenses and franchises to conduct dealership operations. Some jurisdictions regulate finance fees and administrative or document fees that may be charged in connection with vehicle sales, which could restrict our ability to generate revenue from these activities.

Furthermore, the enactment of new laws and regulations that materially impair or restrict our sales, finance and insurance, or other operations could have a material adverse effect on our business, results of operations, financial condition, cash flows, and prospects. For example, in recent years, private plaintiffs and state attorneys general in the U.S. have increased their scrutiny of advertising, sales, and finance and insurance activities in the sale and leasing of motor vehicles. These activities have led many lenders to limit the amounts that may be charged to customers as fee income for these activities. If these or similar activities were to significantly restrict our ability to generate revenue from arranging financing for our customers, we could be adversely affected. In addition, the Dodd−Frank Wall Street Reform and Consumer Protection Act, which was signed into law on July 21, 2010, establishes a new consumer financial protection agency with broad regulatory powers. Although automotive dealers are generally excluded from coverage within this agency, the Dodd−Frank Act could lead to additional, indirect regulation of automotive dealers through its regulation of automotive finance companies and other financial institutions.

Likewise, employees and former employees are protected by a variety of employment laws and regulations. Allegations of a

violation could subject us to individual claims or consumer class actions, administrative investigations or adverse publicity. Such actions could expose us to substantial monetary damages and legal defense costs, injunctive relief and civil fines and penalties.

We are involved in various legal proceedings in the ordinary course of our business, including litigation with employees and with customers regarding our products and services, and expect to continue to be subject to claims related to our existing business and any new business. A significant judgment against us, the loss of a significant license or permit or the imposition of a significant fine could have a material adverse effect on our business, financial condition and future prospects. We further expect that, from time to time, new laws and regulations, particularly in the labor, employment, environmental and consumer protection areas will be enacted, and compliance with such laws, or penalties for failure to comply, could significantly increase our costs. Healthcare reform legislation could adversely affect our future profitability and financial condition.

Rising healthcare costs and interest in universal healthcare coverage in the U.S. have resulted in government and private sector initiatives proposing healthcare reforms. The Patient Protection and Affordable Care Act, which was signed into law on March 23, 2010, is expected to increase our annual employee health care costs , with the most significant increases commencing in 2014. We cannot predict the extent of the effect of this Act, or any future state or federal healthcare legislation or regulation, will have on us. However, an expansion in government's role in the U.S. healthcare industry could result in significant long−term costs to us, which could in turn adversely affect our future profitability and financial condition.

Governmental regulation pertaining to fuel economy (CAFE) standards may affect a manufacturer's ability to produce cost effective vehicles, which would impact our sales.

The Energy Policy Conservation Act, enacted into law by Congress in 1975, added Title V, "Improving Automotive Efficiency," to the Motor Vehicle Information and Cost Savings Act and established Corporate Average Fuel Economy ("CAFE") standards for passenger cars and light trucks. CAFE is the sales weighted average fuel economy, expressed in miles per gallon (mpg) of a manufacturer's fleet of passenger cars or light trucks with a gross vehicle weight rating of 8,500 pounds or less, manufactured for sale in the U.S., for any given model year.

The primary goal of CAFE was to substantially increase passenger car fuel efficiency. Congress has continuously increased the standards since 1974 and, since mid−year 1990, the passenger car standard was increased to 27.5 miles per gallon, a level at which it has remained through 2009. Passenger car fuel economy is now required to rise to an industry average of 39 miles per gallon by 2016. Likewise, significant changes to light truck CAFE standards have been established over the years. The standard is expected to be increased to about 30 miles per gallon by 2016.

The penalty for a manufacturer's failure to meet the CAFE standards is currently $5.50 per tenth of a mile per gallon for each tenth under the target volume times the total volume of those vehicles manufactured for a given model year.

Failure of a manufacturer to develop passenger vehicles and light trucks that meet CAFE standards could subject the manufacturer to substantial penalties, increase the cost of vehicles sold to us, and adversely affect our ability to market and sell vehicles to meet consumer needs and desires. Furthermore, Congress may continue to increase CAFE standards in the future and such additional legislation may have a further adverse impact on the manufacturers and our business operations.

Climate change legislation or regulations restricting emission of "greenhouse gases" could result in increased operating costs and reduced demand for the vehicles we sell.

On December 15, 2009, the U.S. Environmental Protection Agency ("EPA") published its findings that emissions of carbon dioxide, methane and other "greenhouse gases" present an endangerment to public health and the environment because emissions of such gases are, according to the EPA, contributing to warming of the earth's atmosphere and other climatic changes. These findings allow the EPA to adopt and implement regulations that would restrict emissions of greenhouse gases under existing provisions of the federal Clean Air Act. Accordingly, the EPA has proposed regulations that would require a reduction in emissions of greenhouse gases from motor vehicles and could trigger permit review for greenhouse gas emissions from certain stationary sources. In addition, on October 30, 2009, the EPA published a final rule requiring the reporting of greenhouse gas emissions from specified large greenhouse gas emission sources in the United States, including facilities that emit more than 25,000 tons of greenhouse gases on an annual basis, beginning in 2011 for emissions occurring in 2010. At the state level, more than one−third of the states, either individually or through multi−state regional initiatives, already have begun implementing legal measures to reduce emissions of greenhouse gases. The adoption and implementation of any regulations imposing reporting obligations on, or limiting emissions of greenhouse gases from, our facilities, equipment and operations or from the vehicles that we sell require us to incur costs to reduce emissions of greenhouse gases associated with our operations and also could adversely affect demand for certain vehicles.

Future changes in financial accounting standards or practices or existing taxation rules or practices may affect our reported results of operations.

A change in accounting standards or practices or a change in existing taxation rules or practices can have a significant effect on our reported results and may affect our reporting of transactions completed before the change is effective. New accounting pronouncements and taxation rules and varying interpretations of accounting pronouncements and taxation practices have occurred and may occur in the future. Changes to existing rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business.

The loss of key personnel may adversely affect our business.

Our success depends, to a significant degree, upon the continued contributions of our management team. Manufacturer dealer or framework agreements may require the prior approval of the applicable manufacturer before any change is made in dealership general managers or other management positions. The loss of the services of one or more of these key employees may materially impair the profitability of our operations, or may result in a violation of an applicable dealer or framework agreement.

In addition, we may need to hire additional managers or other key personnel from time to time. In some instances, potential acquisitions are more viable to us if we are able to retain experienced managers or obtain replacement managers should the owner or manager of an acquired dealership not continue to manage the business. 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 us or the manufacturers.

We depend on our executive officers as well as other key personnel. Although our CEO and COO entered into employment agreements with us, most of our key personnel are not bound by employment agreements, and those with employment agreements are bound only for a limited period of time. Further, we do not maintain “key man” life insurance policies on any of our executive officers or key personnel. If we are unable to retain our key personnel, we may be unable to successfully develop and implement our business plans, which may have an adverse effect on our busines

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We lease our corporate headquarters, which are located at 2905 Premiere Parkway, NW, Suite 300, Duluth, Georgia. In addition, as of December 31, 2010, our operations encompassed 84 dealership locations throughout 11 states. As of December 31, 2010, we leased 45 of these locations and owned the remaining locations. We have one location in Mississippi and one location in Missouri where we lease the underlying land but own the building facilities on that land. These locations are included in the leased column of the table below. In addition, we operate 26 collision repair centers. We lease 13 of these collision repair centers and own the remaining repair center locations.

As of December 31, 2010, we had 10 heavy truck franchises operating in three dealership locations, and one collision repair center, pending disposition. These locations and the collision center are included as part of the Nalley Automotive Group data in the table below.

Dealership Group or Location	Dealerships			Collision Repair Centers	
	Owned	Leased		Owned	Leased
Coggin Automotive Group	11	4	(a)	5	2
Courtesy Autogroup	—	9		—	2
Crown Automotive Company	11	8		2	1
David McDavid Auto Group	5	2	(b)	2	3
Gray−Daniels Auto Family	1	5		—	1
Nalley Automotive Group	5	10		3	2
California Dealership	—	1		—	—
Northpoint Auto Group	2	4		1	1
Plaza Motor Company	4	2		—	1
Total	39	45		13	13

(a) Includes one dealership that leases a new vehicle facility and operates a separate used vehicle facility that is owned.

(b) Includes one pending divestiture as of December 31, 2010.

Item 3. Legal Proceedings

From time to time, we and our dealerships may become involved in various claims relating to, and arising out of our business and our operations. These claims may involve, but are not limited to, financial and other audits by vehicle manufacturers, lenders and certain federal, state and local government authorities, which relate primarily to (a) incentive and warranty payments received from vehicle manufacturers, (b) compliance with lender rules and covenants and (c) payments made to government authorities relating to federal, state and local taxes, as well as compliance with other government regulations. Claims may also arise through litigation, government proceedings and other dispute resolution processes. Such claims, including class actions, can relate to, but are not limited to, the practice of charging administrative fees, employment−related matters, truth−in−lending practices, contractual disputes, actions brought by governmental authorities and other matters. We evaluate pending and threatened claims and establish loss contingency reserves based upon outcomes we currently believe to be probable and reasonably estimable.

We currently do not anticipate that any known claim will materially adversely affect our financial condition, liquidity, results of operations or financial statement disclosures. However, the outcome of any known matter cannot be predicted with certainty, and an unfavorable resolution of one or more matters presently known or arising in the future could have a material adverse effect on our financial condition, liquidity, results of operations or financial statement disclosures.

Item 4. [Removed and Reserved]

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the New York Stock Exchange (the "NYSE") under the symbol "ABG". Quarterly information concerning our high and low closing sales price per share of our common stock as reported by the NYSE is as follows:

	High	Low
Fiscal Year Ended December 31, 2009		
First Quarter	$ 5.23	$ 2.01
Second Quarter	11.94	4.74
Third Quarter	14.86	8.99
Fourth Quarter	14.58	9.63
Fiscal Year Ended December 31, 2010		
First Quarter	$ 14.24	$ 10.91
Second Quarter	16.79	10.54
Third Quarter	14.42	9.82
Fourth Quarter	18.80	13.73

We did not pay any dividends during any of these periods. On February 24, 2011, the last reported sale price of our common stock on the NYSE was $18.16 per share, and there were approximately 61 record holders of our common stock. In December 2010, our board of directors authorized the repurchase of up to $25.0 million of our common stock. In December 2010, we repurchased 8,700 shares of our common stock for $0.1 million.

Pursuant to the indentures governing our 8.375% Notes and our 7.625% Notes, and the agreements governing our BofA Revolving Credit Facility and our JPMorgan Used Vehicle Floor Plan Facility, our ability to repurchase shares of our common stock and pay cash dividends is limited. In accordance with such calculations, our ability to repurchase common stock or pay dividends was limited to $56.5 million under these agreements as of December 31, 2010.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Program (3)
02/01/2010 − 02/28/2010 (1)	6,706	$ 11.61	—	$ —
05/01/2010 − 05/31/2010 (1)	13,558	$ 15.28	—	$ —
12/01/2010 − 12/31/2010 (2)	8,700	$ 17.26	8,700	$ 24.9

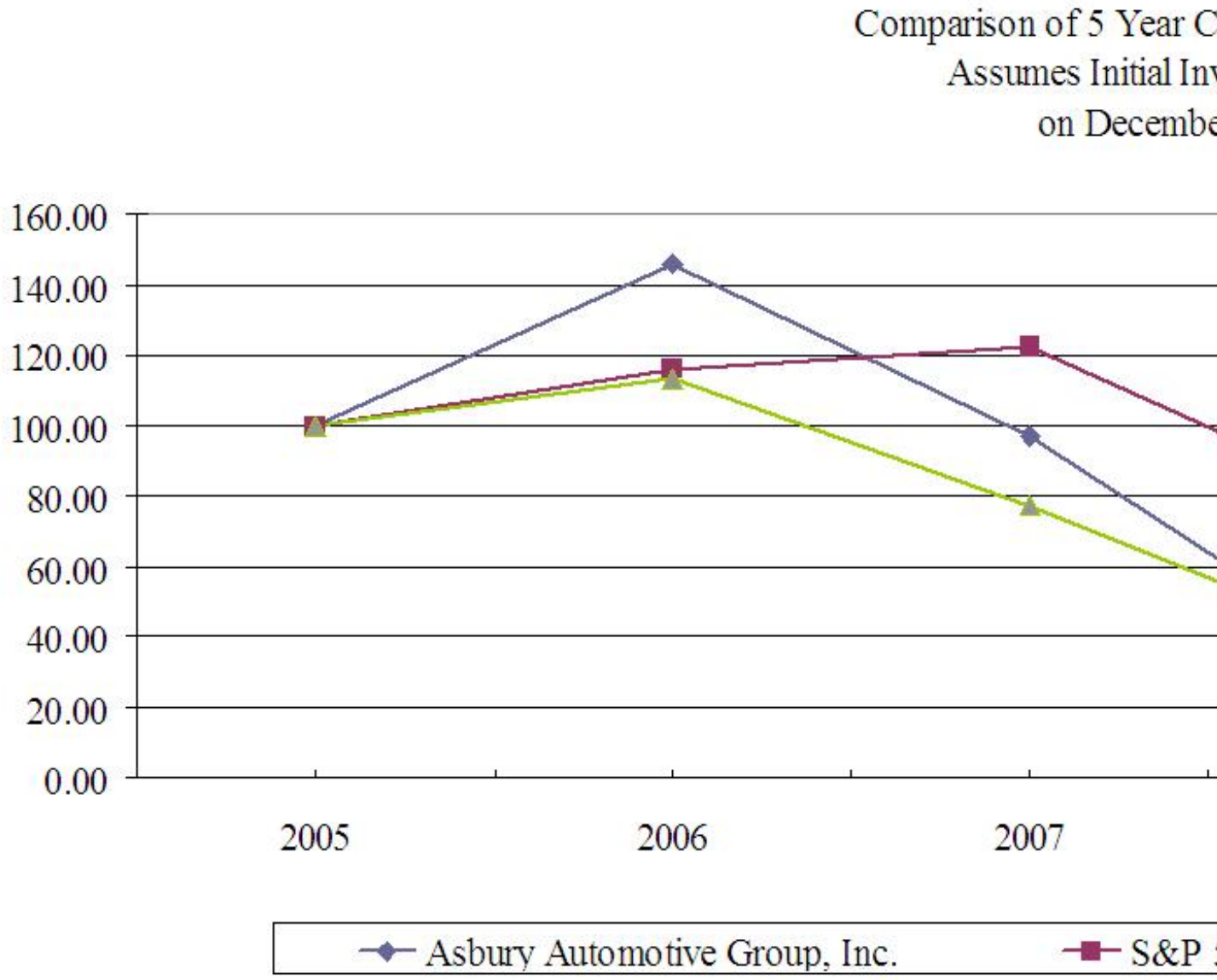
(1) Represents shares repurchased to pay the withholding taxes on shares of restricted stock granted to employees that vested during this time period.

(2) Represents shares of our common stock repurchased pursuant to a 10b5−1 trading plan, which expired on February 23, 2011.

(3) In December 2010, our board of directors authorized the repurchase of up to $25.0 million of our common stock, which program expires on December 31, 2011.

PERFORMANCE GRAPH

The following graph furnished by the Company shows the value as of December 31, 2010, of a $100 investment in the Company's common stock made on December 31, 2005 (with dividends reinvested), as compared with similar investments based on (i) the value of the S & P 500 Index (with dividends reinvested) and (ii) the value of a market−weighted Peer Group Index composed of the common stock of AutoNation, Inc., Sonic Automotive, Inc., Group 1 Automotive, Inc., Penske Automotive Group, Inc. and Lithia Motors, Inc., in each case on a "total return" basis assuming reinvestment of dividends. The market−weighted Peer Group Index values were calculated from the beginning of the performance period. The historical stock performance shown below is not necessarily indicative of future expected performance.



The forgoing graph is not, and shall not be deemed to be, filed as part of the Company's annual report on Form 10−K. Such graph is not, and will not be deemed, filed or incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent specifically incorporated by reference therein by the Company.

Item 6. Selected Financial Data

The following table sets forth selected consolidated financial data for the five years ended December 31, 2010. The accompanying income (loss) statement data for the years ended December 31, 2009, 2008, 2007, and 2006 have been reclassified to reflect the status of our discontinued operations as of December 31, 2010. The following information should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Company’s consolidated financial statements and the notes thereto, included elsewhere in this annual report on Form 10−K.

Income (Loss) Statement Data:	For the Years Ended December 31, 2010	2009	2008	2007	2006
	(in millions, except per share data)				
Revenues:					
New vehicle	$ 2,179.6	$ 1,859.6	$ 2,371.8	$ 2,841.3	$ 2,756.0
Used vehicle	1,084.6	902.4	1,012.3	1,265.9	1,233.9
Parts and service	555.4	553.2	581.8	549.7	519.9
Finance and insurance, net	116.4	90.9	127.5	141.0	134.1
Total revenues	3,936.0	3,406.1	4,093.4	4,797.9	4,643.9
Cost of sales	3,287.3	2,823.5	3,416.1	4,048.0	3,918.0
Gross profit	648.7	582.6	677.3	749.9	725.9
Selling, general and administrative expenses	499.5	465.5	547.8	576.6	555.4
Depreciation and amortization	21.1	22.2	21.1	18.4	17.2
Impairment expenses	—	—	528.7	—	—
Other operating expense (income), net	1.4	(0.8)	1.3	1.0	(1.4)
Income (loss) from operations	126.7	95.7	(421.6)	153.9	154.7
Other income (expense):					
Floor plan interest expense	(9.4)	(10.9)	(22.2)	(31.3)	(29.9)
Other interest expense, net	(36.2)	(36.2)	(37.1)	(33.7)	(38.3)
Swap interest expense	(6.6)	(6.6)	(5.5)	(1.7)	(1.3)
Convertible debt discount amortization	(1.4)	(1.8)	(3.0)	(2.4)	—
(Loss) gain on extinguishment of long−term debt, net	(12.6)	0.1	26.2	(18.5)	(1.1)
Total other expense, net	(66.2)	(55.4)	(41.6)	(87.6)	(70.6)
Income (loss) before income taxes	60.5	40.3	(463.2)	66.3	84.1
Income tax expense (benefit)	23.2	15.1	(136.2)	23.6	31.7
Income (loss) from continuing operations	37.3	25.2	(327.0)	42.7	52.4
Discontinued operations, net of tax	0.8	(11.8)	(16.7)	6.8	8.3
Net income (loss)	$ 38.1	$ 13.4	$ (343.7)	$ 49.5	$ 60.7
Income (loss) from continuing operations per common share:					
Basic	$ 1.16	$ 0.79	$ (10.32)	$ 1.41	$ 1.86
Diluted	$ 1.12	$ 0.77	$ (10.32)	$ 1.38	$ 1.81
Cash dividends declared per common share	$ —	$ —	$ 0.68	$ 0.85	$ 0.40

Balance Sheet Data:	As of December 31, 2010	2009	2008	2007	2006
			(in millions)		
Working capital	$ 241.5	$ 213.4	$ 161.5	$ 320.7	$ 412.0
Inventories(a)	578.7	506.7	689.5	782.8	780.1
Total assets	1,486.3	1,400.9	1,650.8	2,009.1	2,030.8
Floor plan notes payable(b)	456.8	441.6	633.4	683.8	704.7
Total debt(b)	549.0	537.8	610.7	458.6	455.9
Total shareholders' equity	287.1	243.6	226.6	593.9	611.8

(a) Includes amounts classified as assets held for sale on our consolidated balance sheets.
(b) Includes amounts classified as liabilities associated with assets held for sale on our consolidated balance sheets.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation

OVERVIEW

We are one of the largest automotive retailers in the United States, operating 110 franchises (84 dealership locations) in 20 metropolitan markets within 11 states as of December 31, 2010. We offer an extensive range of automotive products and services, including new and used vehicles; vehicle maintenance, replacement parts and collision repair services; and financing, insurance and service contracts. As of December 31, 2010, we offered 36 domestic and foreign brands of new vehicles. Our current brand mix is weighted 86% towards luxury and mid−line import brands, with the remaining 14% consisting of domestic brands. We also operate 26 collision repair centers that serve customers in our local markets.

The franchises, locations, brands and collision repair centers described above include those associated with our heavy truck business in Atlanta, Georgia and the acquisition of nine franchises (four dealership locations) in the fourth quarter of 2010. As of December 31, 2010, we had executed a contract to sell our heavy truck business and, as a result, the results of operations of the business were classified as Discontinued Operations, net on our Consolidated Statements of Income (Loss). As of December 31, 2010, our heavy truck business included ten franchises (three locations) offering seven brands of heavy trucks, as well as one collision repair center.

Our retail network is made up of dealerships operating primarily under the following locally−branded dealership groups:

- Coggin dealerships, operating primarily in the Florida markets of Jacksonville, Fort Pierce and Orlando;
- Courtesy dealerships operating in Tampa, Florida;
- Crown dealerships operating in New Jersey, North Carolina, South Carolina and Virginia;
- Nalley dealerships operating in Atlanta, Georgia;
- McDavid dealerships operating in Texas;
- North Point dealerships operating in Little Rock, Arkansas;
- Plaza dealerships operating in St. Louis, Missouri; and
- Gray−Daniels dealerships operating in Jackson, Mississippi.

In addition to the dealership groups listed above, we also operated one luxury brand dealership in California as of December 31, 2010.

Our revenues are derived primarily from: (i) the sale of new vehicles to individual retail customers ("new vehicle retail") and commercial customers ("fleet") (the terms "new vehicle retail," and "fleet" being collectively referred to as "new"); (ii) the sale of used vehicles to individual retail customers ("used retail") and to other dealers at auction ("wholesale") (the terms "used retail" and "wholesale" being collectively referred to as "used"); (iii) maintenance and collision repair services and the sale of automotive parts (together referred to as "parts and service"); and (iv) the arrangement of vehicle financing and the sale of a number of aftermarket products, such as insurance and service contracts (collectively referred to as "F&I"). We evaluate the results of our new and used vehicle sales based on unit volumes and gross profit per vehicle sold, our parts and service operations based on aggregate gross profit, and F&I based on dealership generated F&I gross profit per vehicle sold. We assess the organic growth of our revenue and gross profit by comparing the year−to−year results of stores that we have operated for at least twelve full months ("same store").

Our organic growth is dependent upon the execution of our balanced automotive retailing and service business strategy, the continued strength of our brand mix and the production of desirable vehicles by automotive manufacturers whose brands we sell. Our vehicle sales have historically fluctuated with product availability as well as local and national economic conditions, including consumer confidence, availability of consumer credit, fuel prices and employment levels. We believe that the impact on our business of any future negative trends in new vehicle sales would be partially mitigated by (i) the expected relative stability of our parts and service operations over the long−term, (ii) the variable nature of significant components of our cost structure and (iii) our brand mix. Historically, our brand mix has been less affected by market volatility than the U.S. automobile industry as a whole.

Our operating results are generally subject to changes in the economic environment as well as seasonal variations. We tend to generate more revenue and operating income in the second and third quarters than in the first and fourth quarters of the calendar year. Generally, the seasonal variations in our operations are caused by factors related to weather conditions, changes in manufacturer incentive programs, model changeovers and consumer buying patterns, among other things.

Our gross profit margin varies with our revenue mix. The sale of new vehicles generally results in lower gross profit margin

than used vehicle sales and sales of parts and service. As a result, when used vehicle and parts and service revenue increases as a percentage of total revenue, we expect our overall gross profit margin to increase.

Selling, general and administrative (“SG&A”) expenses consist primarily of fixed and incentive−based compensation, advertising, rent, insurance, utilities and other customary operating expenses. A significant portion of our cost structure is variable (such as sales commissions), or controllable (such as advertising), generally allowing us to adapt to changes in the retail environment over the long−term. We evaluate commissions paid to salespeople as a percentage of retail vehicle gross profit and all other SG&A expenses in the aggregate as a percentage of total gross profit, with the exception of advertising expense, which we evaluate on a per vehicle retailed ("PVR") basis.

In 2008 and 2009, the automotive retail market was impacted by weak economic conditions in the United States and globally, including turmoil in the credit markets, broad declines in the equity markets, reduced consumer confidence, rising unemployment and continued weakness in the housing market. The seasonally adjusted annual rate (“SAAR”) of new vehicle sales in the United States, which was over 16.0 million from 1999 to 2007, decreased to approximately 13.2 million for 2008 and 10.4 million for 2009. However, new vehicle sales in the U.S. showed signs of improvement in 2010, as the new vehicle SAAR improved to 11.6 million for 2010.

The weak economic conditions in 2009 were partially offset in the third quarter of 2009 by the federal government’s Car Allowance Rebate System program, otherwise known as “Cash for Clunkers.” This program provided consumers a rebate of between $3,500 and $4,500 if they traded in an eligible vehicle in connection with the purchase of a more fuel efficient new vehicle. The U.S. Department of Transportation estimates that this program led to the sale of nearly 700,000 new vehicles during July and August of 2009. We sold approximately 3,300 new vehicles under the Cash for Clunkers program, and we believe the attention that this program created increased traffic at our stores and led to additional new and used vehicle sales that were not part of the Cash for Clunkers program.

We expect that U.S. new vehicle sales will continue to improve in 2011, with a SAAR for the full year between 12.5 million and 13.0 million. We believe that the majority of automotive manufacturers will continue to use a combination of attractive vehicle pricing, financing incentive and leasing programs to increase demand in the near term, although no assurance can be provided in this regard. Additionally, we believe that our new vehicle revenue brand mix, which included approximately 49% revenue from mid−line import brands and 37% revenue from luxury brands in 2010, is well positioned for growth over the long term.

We had total available liquidity of $255.9 million as of December 31, 2010, which includes cash and cash equivalents of $21.3 million, borrowing availability of $175.1 million under our various credit facilities and $59.5 million of availability under new vehicle floor plan offset accounts with certain of our floor plan lenders. For further discussion of our floor plan offset accounts, please refer to “Liquidity and Capital Resources” below. In addition, we have no material long−term debt maturities until September 2012, at which time our 3% Senior Subordinated Convertible Notes due 2012 (the "3% Convertible Notes") will mature. As of December 31, 2010, we had $29.5 million in aggregate principal amount of our 3% Convertible Notes outstanding.

RESULTS OF OPERATIONS

Year Ended December 31, 2010 Compared to the Year Ended December 31, 2009

	For the Years Ended December 31,			
	2010	2009	Increase (Decrease)	% Change
	(Dollars in millions, except per share data)			
REVENUES:				
New vehicle	$ 2,179.6	$ 1,859.6	$ 320.0	17 %
Used vehicle	1,084.6	902.4	182.2	20 %
Parts and service	555.4	553.2	2.2	— %
Finance and insurance, net	116.4	90.9	25.5	28 %
Total revenues	3,936.0	3,406.1	529.9	16 %
GROSS PROFIT:				
New vehicle	143.7	131.3	12.4	9 %
Used vehicle	91.5	79.4	12.1	15 %
Parts and service	297.1	281.0	16.1	6 %
Finance and insurance, net	116.4	90.9	25.5	28 %
Total gross profit	648.7	582.6	66.1	11 %
OPERATING EXPENSES:				
Selling, general and administrative	499.5	465.5	34.0	7 %
Depreciation and amortization	21.1	22.2	(1.1)	(5)%
Other operating expense (income), net	1.4	(0.8)	2.2	(275)%
Income from operations	126.7	95.7	31.0	32 %
OTHER INCOME (EXPENSE):				
Floor plan interest expense	(9.4)	(10.9)	(1.5)	(14)%
Other interest expense, net	(36.2)	(36.2)	—	— %
Swap interest expense	(6.6)	(6.6)	—	— %
Convertible debt discount amortization	(1.4)	(1.8)	(0.4)	(22)%
(Loss) gain on extinguishment of long−term debt	(12.6)	0.1	12.7	NM
Total other expense, net	(66.2)	(55.4)	10.8	19 %
Income before income taxes	60.5	40.3	20.2	50 %
INCOME TAX EXPENSE	23.2	15.1	8.1	54 %
INCOME FROM CONTINUING OPERATIONS	37.3	25.2	12.1	48 %
DISCONTINUED OPERATIONS, net of tax	0.8	(11.8)	12.6	107 %
NET INCOME	$ 38.1	$ 13.4	$ 24.7	184 %
Income from continuing operations per common share—Diluted	$ 1.12	$ 0.77	$ 0.35	45 %
Net income per common share—Diluted	$ 1.14	$ 0.41	$ 0.73	178 %

	For the Years Ended December 31,	
	2010	2009
REVENUE MIX PERCENTAGES:		
New vehicles	55.4 %	54.6 %
Used retail vehicles	22.3 %	21.1 %
Used vehicle wholesale	5.2 %	5.4 %
Parts and service	14.1 %	16.2 %
Finance and insurance, net	3.0 %	2.7 %
Total revenue	100.0 %	100.0 %
GROSS PROFIT MIX PERCENTAGES:		
New vehicles	22.2 %	22.5 %
Used retail vehicles	14.3 %	13.8 %
Used vehicle wholesale	(0.2)%	(0.1)%
Parts and service	45.8 %	48.2 %
Finance and insurance, net	17.9 %	15.6 %
Total gross profit	100.0 %	100.0 %
SG&A EXPENSES AS A PERCENTAGE OF GROSS PROFIT	77.0 %	79.9 %

Net income and income from continuing operations increased by $24.7 million and $12.1 million, respectively, during 2010 as compared to 2009, primarily as a result of (i) a $66.1 million (11%) increase in gross profit and (ii) a 290 basis point decrease in SG&A expenses as a percentage of gross profit. Net income and income from continuing operations for 2010 were reduced by $8.3 million, net of tax, from losses on the extinguishment of long−term debt.

The $12.1 million increase in income from continuing operations was primarily a result of a $66.1 million (11%) increase in total gross profit. Gross profit increased across all four of our business lines and was driven by a $25.5 million (28%) increase in F&I gross profit and a $16.1 million (6%) increase in parts and service gross profit. These increases in gross profit were partially offset by (i) a $34.0 million (7%) increase in SG&A expenses and (ii) $12.6 million in losses from the extinguishment of long−term debt during 2010. Our total gross profit margin decreased 60 basis points to 16.5%, principally as a result of a mix shift to our lower margin new vehicle and used vehicle businesses.

The $529.9 million (16%) increase in total revenue was primarily a result of a $320.0 million (17%) increase in new vehicle revenue and a $182.2 million (20%) increase in used vehicle revenue. The increase in new vehicle revenue includes a $312.0 million (17%) increase in same store new vehicle revenue and $8.0 million in new vehicle revenue from acquired dealerships. The increase in used vehicle revenue includes (i) a $158.4 million (22%) increase in same store used vehicle retail revenue, (ii) a $20.5 million (11%) increase in same store used vehicle wholesale revenue and (iii) $3.3 million of used vehicle revenue derived from acquired dealerships.

New Vehicle—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2010	2009		
	(Dollars in millions, except for per vehicle data)			
Revenue:				
New vehicle revenue—same store(1)				
Luxury	$ 796.7	$ 665.7	$ 131.0	20 %
Mid−line import	1,066.7	946.2	120.5	13 %
Mid−line domestic	308.2	247.7	60.5	24 %
Total new vehicle revenue—same store(1)	2,171.6	1,859.6	312.0	17 %
New vehicle revenue—acquisitions	8.0	—		
New vehicle revenue, as reported	$ 2,179.6	$ 1,859.6	$ 320.0	17 %
Gross profit:				
New vehicle gross profit—same store(1)				
Luxury	$ 61.6	$ 50.3	$ 11.3	22 %
Mid−line import	59.5	64.2	(4.7)	(7)%
Mid−line domestic	22.3	16.8	5.5	33 %
Total new vehicle gross profit—same store(1)	143.4	131.3	12.1	9 %
New vehicle gross profit—acquisitions	0.3	—		
New vehicle gross profit, as reported	$ 143.7	$ 131.3	$ 12.4	9 %

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2010	2009		
New vehicle units:				
New vehicle retail units—same store(1)				
Luxury	16,371	14,248	2,123	15 %
Mid−line import	42,431	38,766	3,665	9 %
Mid−line domestic	8,181	7,234	947	13 %
Total new vehicle retail units—same store(1)	66,983	60,248	6,735	11 %
Fleet vehicles	2,451	1,785	666	37 %
Total new vehicle units—same store(1)	69,434	62,033	7,401	12 %
New vehicle units—acquisitions	249	—		
New vehicle units—actual	69,683	62,033	7,650	12 %

New Vehicle Metrics—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2010	2009		
Revenue per new vehicle sold—same store(1)	$ 31,276	$ 29,978	$ 1,298	4 %
Gross profit per new vehicle sold—same store(1)	$ 2,065	$ 2,117	$ (52)	(2)%
New vehicle gross margin—same store(1)	6.6%	7.1%	(0.5)%	(7)%

(1) Same store amounts consist of information from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

The $320.0 million (17%) increase in new vehicle revenue was primarily a result of a $312.0 million (17%) increase in same store new vehicle revenue due to an 11% increase in same store new vehicle retail unit sales and a 37% increase in same store fleet unit sales. Our total new vehicle revenues also benefited from $8.0 million of revenue derived from acquisitions. We believe that the increase in new vehicle retail unit sales was primarily driven by a favorable comparison with an overall weak economic environment during 2009, as well as increased consumer confidence and less stringent consumer lending standards. Unit volumes increased across each of our brand segments, consistent with overall U.S. vehicle sales. New vehicle SAAR increased to 11.6 million for 2010 as compared to 10.4 million for 2009.

Total new vehicle gross profit increased by $12.4 million (9%), which included $0.3 million of gross profit derived from acquisitions. Gross profit from our luxury and mid−line domestic brands increased $11.3 million (22%) and $5.5 million (33%), respectively, but was offset by a $4.7 million (7%) decrease in gross profit from our mid−line import brands. Our gross profit per new vehicle sold decreased $52, driven primarily by the decrease in mid−line import gross profit, due to higher incentives in the 2009 period, including manufacturer incentives and the impact of the Cash for Clunkers program; however, this decrease was more than offset by a $107 increase in F&I per vehicle sold, reflecting an improvement in total gross profit per vehicle sold during 2010.

From time to time we participate in certain manufacturer incentive programs that include performance criteria. In the fourth quarter of 2010, we recognized approximately $2.5 million of manufacturer incentives ($2.1 million of which related to the period of January 2008 through September 2010) related to (i) the purchase and sale of vehicles during the period from January 2008 through December 2010 and (ii) our satisfaction of certain manufacturer facility image standards in the fourth quarter of 2010. The $2.5 million of manufacturer incentives is included as a reduction of new vehicle cost of sales and, as as a result, increased our luxury new vehicle gross profit for 2010. We do not expect this level of manufacturer incentives in the future.

Used Vehicle—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2010	2009		
	(Dollars in millions, except for per vehicle data)			
Revenue:				
Used vehicle retail revenues—same store(1)	$ 877.0	$ 718.6	$ 158.4	22%
Used vehicle retail revenues—acquisitions	3.0	—		
Total used vehicle retail revenues	880.0	718.6	161.4	22%
Used vehicle wholesale revenues—same store(1)	204.3	183.8	20.5	11%
Used vehicle wholesale revenues—acquisitions	0.3	—		
Total used vehicle wholesale revenues	204.6	183.8	20.8	11%
Used vehicle revenue, as reported	$ 1,084.6	$ 902.4	$ 182.2	20%
Gross profit:				
Used vehicle retail gross profit—same store(1)	$ 92.7	$ 79.9	$ 12.8	16%
Used vehicle retail gross profit—acquisitions	0.4	—		
Total used vehicle retail gross profit	93.1	79.9	13.2	17%
Used vehicle wholesale gross profit—same store(1)	(1.6)	(0.5)	(1.1)	NM
Used vehicle wholesale gross profit—acquisitions	—	—		
Total used vehicle wholesale gross profit	(1.6)	(0.5)	(1.1)	NM
Used vehicle gross profit, as reported	$ 91.5	$ 79.4	$ 12.1	15%
Used vehicle retail units:				
Used vehicle retail units—same store(1)	46,329	39,373	6,956	18%
Used vehicle retail units—acquisitions	144	—		
Used vehicle retail units—actual	46,473	39,373	7,100	18%

Used Vehicle Metrics—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2010	2009		
Revenue per used vehicle retailed—same store(1)	$ 18,930	$ 18,251	$ 679	4 %
Gross profit per used vehicle retailed—same store(1)	$ 2,001	$ 2,029	$ (28)	(1)%
Used vehicle retail gross margin—same store(1)	10.6%	11.1%	(0.5)%	(5)%

(1) Same store amounts consist of information from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

The $182.2 million (20%) increase in used vehicle revenue includes (i) a $158.4 million (22%) increase in same store used vehicle retail revenue, (ii) a $20.5 million (11%) increase in same store wholesale revenue and (iii) $3.3 million of used vehicle revenues derived from dealership acquisitions. The $12.1 million (15%) increase in used vehicle gross profit was primarily a result of a $12.8 million (16%) increase in same store used vehicle retail gross profit, partially offset by a $1.1 million increase in same store used vehicle wholesale losses. The increase in used vehicle retail revenue and gross profit was driven primarily by increased unit volume sales, partially offset by a lower gross profit margin of 10.6%, down 50 basis points from the prior year. These results reflect a favorable comparison to an overall weak economic environment in 2009, as well as the benefits of several store−level programs initiated in 2009, including volume−driven initiatives such as our "1:2:1" program, a goal of retailing one used vehicle for every new vehicle retailed. This initiative is designed to drive not only used retail volume, but to increase revenues from associated parts and service reconditioning and F&I as well. The 4% increase in revenue per used vehicle retailed from 2009 to 2010 was primarily driven by (i) a mix shift towards our higher−priced used vehicles, including Certified Pre−Owned, or "CPO" vehicles, as well as our full−size used trucks and SUVs and (ii) an increase in associated parts

and service reconditioning, as reconditioning work generally increases the price of the related used vehicles. We believe this was reflective of an overall trend in 2010, with many customers preferring to purchase a higher−priced used vehicle rather than a comparably priced new vehicle.

We believe our used vehicle inventory is well−aligned with consumer demand, with approximately 35 days of supply in our inventory as of December 31, 2010, as compared to approximately 36 days sales in our inventory as of December 31, 2009. We expect to continue to reduce the level of used vehicle inventory, based on days supply, with a target of 30 days of supply, which we believe will position us well to improve our used vehicle profitability.

Parts and Service—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2010	2009		
	(Dollars in millions)			
Revenue:				
Parts and service revenue—same store(1)	$ 553.5	$ 553.2	$ 0.3	— %
Parts and service revenues—acquisitions	1.9	—		
Parts and service revenue, as reported	$ 555.4	$ 553.2	$ 2.2	— %
Gross profit:				
Parts and service gross profit—same store(1):				
Customer pay	$ 181.6	$ 175.9	$ 5.7	3 %
Warranty	48.4	46.7	1.7	4 %
Reconditioning and preparation	45.0	36.1	8.9	25 %
Wholesale parts	21.0	22.3	(1.3)	(6)%
Total parts and service gross profit—same store(1)	296.0	281.0	15.0	5 %
Parts and service gross profit—acquisitions	1.1	—		
Parts and service gross profit, as reported	$ 297.1	$ 281.0	$ 16.1	6 %
Parts and service gross margin—same store(1)	53.5%	50.8%	2.7%	5 %

(1) Same store amounts consist of information from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

The $2.2 million increase in parts and service revenue was primarily due to $1.9 million of parts and service revenue derived from acquired dealerships. The $16.1 million (6%) increase in parts and service gross profit was primarily due to a 270 basis point increase in our same store parts and service gross margin primarily as a result of increased gross profit from reconditioning and preparation of used vehicles. The $8.9 million increase in reconditioning gross profit is a result of the increase in our new and used vehicle unit sales, which provided more reconditioning and preparation work.

We continue to focus on improving our parts and service revenue, and specifically our customer pay business, over the long−term by (i) continuing to invest in additional service capacity, where appropriate, (ii) upgrading equipment, (iii) focusing on improving customer retention and customer satisfaction and (iv) capitalizing on our dealer training programs.

Finance and Insurance, net—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2010	2009		
	(Dollar in millions, except for per vehicle data)			
Finance and insurance, net—same store(1)	$ 116.1	$ 90.9	$ 25.2	28%
Finance and insurance, net—acquisitions	0.3	—		
Finance and insurance, net as reported	$ 116.4	$ 90.9	$ 25.5	28%
F&I per vehicle sold—same store(1)	$ 1,003	$ 896	$ 107	12%

(1) Same store amounts consist of information from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

F&I increased $25.5 million (28%) during 2010 as compared to 2009, due to (i) a 14% increase in same store retail unit sales and (ii) a 12% increase in same store F&I per vehicle sold. The increase in F&I per vehicle sold was primarily attributable to (a) more favorable lending standards and other market factors in 2010, which allowed more of our customers to take advantage of a broader array of F&I products and (b) our continued focus on improving the F&I results at our lower−performing stores by increasing the training of our F&I personnel and implementing certain best practices initiatives, including a certification process for our F&I personnel.

Selling, General and Administrative—

	For the Years Ended December 31,					
	2010	% of Gross Profit	2009	% of Gross Profit	Increase (Decrease)	% of Gross Profit Increase (Decrease)
	(Dollars in millions)					
Personnel costs	$ 235.6	36.4%	$ 219.7	37.7%	$ 15.9	(1.3)%
Sales compensation	64.9	10.0%	55.0	9.4%	9.9	0.6 %
Share−based compensation	5.1	0.8%	2.8	0.5%	2.3	0.3 %
Outside services	47.9	7.4%	47.3	8.1%	0.6	(0.7)%
Advertising	26.2	4.1%	26.8	4.6%	(0.6)	(0.5)%
Rent	42.2	6.5%	39.3	6.7%	2.9	(0.2)%
Utilities	15.4	2.4%	15.1	2.6%	0.3	(0.2)%
Insurance	10.7	1.7%	13.2	2.3%	(2.5)	(0.6)%
Other	50.1	7.7%	46.3	8.0%	3.8	(0.3)%
Selling, general and administrative—same store(1)	498.1	77.0%	465.5	79.9%	32.6	(2.9)%
Acquisitions	1.4		—			
Selling, general and administrative—actual	$ 499.5	77.0%	$ 465.5	79.9%	$ 34.0	(2.9)%
Gross profit—same store(1)	$ 646.6		$ 582.6			
Gross profit—actual	$ 648.7		$ 582.6			

(1) Same store amounts consist of information from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

Same store SG&A expense as a percentage of gross profit was 77.0% for 2010 as compared to 79.9% for 2009. The 290 basis point decrease was primarily a result of (i) a 130 basis point decrease in personnel costs as a result of leveraging our fixed expenses, and lower fixed compensation expense resulting from the elimination of our regional management structure and staffing reductions and (ii) a 60 basis point decrease in insurance costs associated with our large deductible insurance programs for workers compensation, property and general liability claims. We are also currently engaged in numerous store−level productivity initiatives to improve our profitability, including the transition to a common dealership management system and the consolidation of certain dealership accounting functions.

During 2010, we recognized $0.9 million of incremental rent expense as a result of reaching an agreement with the lessor of our former New York headquarters office space for a cash settlement in exchange for a termination of our remaining lease obligation, which totaled approximately $5.9 million prior to termination. As a result of this agreement, we expect our annual rent expense will be reduced by approximately $0.9 million.

Depreciation and Amortization—

The $1.1 million (5%) decrease in depreciation and amortization expense was primarily the result of a significant reduction in capital expenditures in 2010 and 2009 as compared to our historical levels.

Other Operating Expense (Income)—

Other operating expense (income) includes gains and losses from the sale of property and equipment, income derived from lease arrangements and other non−core operating items. The $1.4 million expense in 2010 is related to third party costs associated with our debt refinancing, real estate related losses and revisions to loss estimates associated with legal matters, partially offset by the termination of a lease agreement that resulted in $1.7 million of income.

During 2010 and 2009, we compared the carrying value of certain assets to estimates of fair value determined with the assistance of third−party desktop appraisals and real estate brokers and, as a result, recorded non−cash impairments of certain property and equipment totaling $3.0 million and $0.7 million, which were included in Other Operating Expense (Income) for 2010 and 2009, respectively.

Floor Plan Interest Expense—

The $1.5 million (14%) decrease in floor plan interest expense was attributable to the lower short−term interest rate environment. Additionally, during 2010, we used excess cash to reduce floor plan notes payable using floor plan offset accounts with certain of our floor plan lenders, effectively lowering our average floor plan notes payable balance during 2010 when compared to the prior year period. We had approximately $48.7 million in these floor plan offset accounts, on a daily weighted average basis, during 2010. We did not have any amounts in floor plan offset accounts during 2009.

Swap Interest Expense —

We have entered into various derivative financial instruments, including fair value and cash flow interest rate swaps, which have been primarily designed to provide hedges against changes in fair value of certain debt obligations and variable rate cash flows. Our earnings have been impacted by these interest rate swaps in the form of (i) amounts reclassified from Accumulated Other Comprehensive Income ("AOCI") to earnings for active swaps, (ii) amortization of amounts reclassified from AOCI to earnings for terminated cash flow swaps and (iii) amortization of terminated fair value swaps. The net impact on earnings related to our various derivative financial instruments for 2010 and 2009 was $6.6 million.

Convertible Debt Discount Amortization —

During 2010 and 2009, we recognized $1.4 million and $1.8 million of convertible debt amortization associated with our 3% Convertible Notes. Since a portion of our 3% Convertible Notes will be settled in cash upon conversion, we separately account for the liability and equity components in a manner that reflects our nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. The excess of the principal amount of the liability component over its initial fair value is amortized to interest cost using the effective interest method. We expect that convertible debt amortization will total approximately $1.0 million in 2011, based on the $29.5 million aggregate principal amount of 3% Convertible Notes outstanding as of December 31, 2010.

(Loss) Gain on Extinguishment of Long−Term Debt—

During 2010, we recognized a $12.6 million net loss on the extinguishment of long−term debt, consisting of (i) an $11.3 million loss on the extinguishment of our remaining outstanding $179.4 million of 8% Senior Subordinated Notes due 2014 (the "8% Notes") and (ii) a $1.3 million net loss on the repurchase of $25.2 million of our 3% Convertible Notes for $24.4 million. Included in the $11.3 million loss on the extinguishment of our remaining 8% Notes was (i) $5.2 million of premiums paid in connection with the repurchase of the 8% Notes pursuant to a tender offer, (ii) a $3.6 million write−off of unamortized hedging activity associated with a terminated fair value swap and (iii) a $2.5 million write−off of the remaining unamortized debt issuance costs associated with the 8% Notes. Included in the $1.3 million net loss on the repurchase of our 3% Convertible Notes was (a) a $1.8 million pro−rata write−off of the unamortized discount associated with the repurchased 3% Convertible Notes and (b) a $0.3 million pro−rata write−off of unamortized debt issuance costs, partially offset by a $0.8 million gain on the repurchase of the 3% Convertible Notes.

Income Tax Expense—

The $8.1 million (54%) increase in income tax expense was primarily a result of the $20.2 million (50%) increase in income before income taxes in 2010 as compared to 2009. Our effective tax rate increased from 37.5% for the 2009 period to 38.3% for the 2010 period. The 80 basis point increase is primarily a result of the reversal of certain tax reserves in 2009, partially offset by 2010 tax exempt income and 2009 tax exempt losses from corporate owned life insurance policies. Our effective tax rate is highly dependent on our level of income before income taxes and permanent differences between book and tax income. As a result, it is difficult to project our overall effective tax rate for any given period. Based upon our current expectation of 2011 income before income taxes, we expect our effective income tax rate will be between 38% and 40% in 2011.

Discontinued Operations—

During 2010, we sold one franchise (one dealership location). The $0.8 million, net of tax, net income from discontinued operations during 2010 consists of $2.5 million, net of tax, of income from insurance proceeds related to tornado damage to vacant real estate of one of our former dealership locations in Yazoo City, Mississippi, partially offset by (i) $1.3 million, net of tax, of impairment expenses related to certain property not currently used in our operations, (ii) $0.2 million, net of tax, of rent acceleration on certain real estate not currently used in our operations, (iii) $0.1 million, net of tax, of net operating losses of franchises sold prior to or pending disposition as of December 31, 2010, including primarily rent and other expenses of idle facilities and (iv) a $0.1 million, net of tax, loss on the sale of one franchise (one dealership location).

During 2009, we sold four franchises (three dealership locations) and closed six franchises (three dealership locations) and,

as of December 31, 2009, there was one franchise (one dealership location) pending disposition. The $11.8 million, net of tax, net loss from discontinued operations for 2009 is a result of (i) $8.7 million, net of tax, of net operating losses of franchises sold prior to or pending disposition as of December 31, 2010, including rent expense of idle facilities and legal expenses for franchises sold prior to December 31, 2010, (ii) $3.0 million, net of tax, of impairment expenses related to abandoned real estate from discontinued operations and (iii) $2.5 million, net of tax, of rent accelerations on abandoned properties, partially offset by a $2.4 million, net of tax, net gain on the sale of dealerships.

We continuously evaluate the financial and operating results of our dealerships, as well as each dealership's geographical location, and may continue to refine our dealership portfolio through strategic acquisitions or divestitures from time to time.

RESULTS OF OPERATIONS

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

	For the Years Ended December 31,			
	2009	2008	Increase (Decrease)	% Change
	(Dollars In millions, except per share data)			
REVENUES:				
New vehicle	$ 1,859.6	$ 2,371.8	$ (512.2)	(22)%
Used vehicle	902.4	1,012.3	(109.9)	(11)%
Parts and service	553.2	581.8	(28.6)	(5)%
Finance and insurance, net	90.9	127.5	(36.6)	(29)%
Total revenues	3,406.1	4,093.4	(687.3)	(17)%
GROSS PROFIT:				
New vehicle	131.3	164.7	(33.4)	(20)%
Used vehicle	79.4	86.7	(7.3)	(8)%
Parts and service	281.0	298.4	(17.4)	(6)%
Finance and insurance, net	90.9	127.5	(36.6)	(29)%
Total gross profit	582.6	677.3	(94.7)	(14)%
OPERATING EXPENSES:				
Selling, general and administrative	465.5	547.8	(82.3)	(15)%
Depreciation and amortization	22.2	21.1	1.1	5 %
Impairment expenses	—	528.7	(528.7)	NM
Other operating (income) expense, net	(0.8)	1.3	(2.1)	(162)%
Income (loss) from operations	95.7	(421.6)	517.3	(123)%
OTHER INCOME (EXPENSE):				
Floor plan interest expense	(10.9)	(22.2)	(11.3)	(51)%
Other interest expense, net	(36.2)	(37.1)	(0.9)	(2)%
Swap interest expense	(6.6)	(5.5)	1.1	20 %
Convertible debt discount amortization	(1.8)	(3.0)	(1.2)	(40)%
Gain on extinguishment of long−term debt	0.1	26.2	(26.1)	NM
Total other expense, net	(55.4)	(41.6)	13.8	33 %
Income (loss) before income taxes	40.3	(463.2)	503.5	109 %
INCOME TAX EXPENSE (BENEFIT)	15.1	(136.2)	151.3	111 %
INCOME (LOSS) FROM CONTINUING OPERATIONS	25.2	(327.0)	352.2	108 %
DISCONTINUED OPERATIONS, net of tax	(11.8)	(16.7)	4.9	29 %
NET INCOME (LOSS)	$ 13.4	$ (343.7)	$ 357.1	104 %
Income (loss) from continuing operations per common share—Diluted	$ 0.77	$ (10.32)	$ 11.09	107 %
Net income (loss) per common share—Diluted	$ 0.41	$ (10.84)	$ 11.25	104 %

	For the Years Ended December 31,	
	2009	2008
REVENUE MIX PERCENTAGES:		
New vehicles	54.6 %	57.9 %
Used retail vehicles	21.1 %	19.4 %
Used vehicle wholesale	5.4 %	5.4 %
Parts and service	16.2 %	14.2 %
Finance and insurance, net	2.7 %	3.1 %
Total revenue	100.0 %	100.0 %
GROSS PROFIT MIX PERCENTAGES:		
New vehicles	22.5 %	24.3 %
Used retail vehicles	13.8 %	13.2 %
Used vehicle wholesale	(0.1)%	(0.4)%
Parts and service	48.2 %	44.1 %
Finance and insurance, net	15.6 %	18.8 %
Total gross profit	100.0 %	100.0 %
SG&A EXPENSES AS A PERCENTAGE OF GROSS PROFIT	79.9 %	80.9 %

Net income (loss) and income (loss) from continuing operations increased $357.1 million and $352.2 million, respectively, during 2009, as compared to 2008, primarily as a result of impairment expenses during 2008 totaling $383.0 million, net of tax. Our loss from discontinued operations decreased $4.9 million, net of tax, during 2009 as compared to 2008, primarily related to lower impairment expenses in 2009 as compared to 2008.

The $352.2 million increase in income (loss) from continuing operations was primarily a result of impairment expenses in 2008 totaling $368.6 million, net of tax. We experienced declines in gross profit across all four of our business lines in 2009, and $26.1 million of lower gains from the repurchases of a portion of our senior subordinated notes. These decreases in income (loss) from continuing operations were partially offset by (i) an $82.3 million (15%) decrease in SG&A expense and (ii) an $11.3 million (51%) decrease in floor plan interest expense, as a result of lower inventory and lower short−term interest rates.

The $687.3 million (17%) decrease in total revenue was primarily a result of a $512.2 million (22)% decrease in new vehicle revenue and a $109.9 million (11)% decrease in used vehicle revenue. The decrease in new vehicle revenue includes a $518.2 million (22%) decrease in same store new vehicle revenue, partially offset by $6.0 million derived from dealership acquisitions. The decrease in used vehicle revenue includes a $72.8 million (9%) decrease in same store retail revenue and a$39.8 million (18%) decrease in same store wholesale revenue, partially offset by $2.7 million in used vehicle revenue derived from dealership acquisitions.

The $94.7 million (14%) decrease in total gross profit was primarily a result of a $36.6 million (29%) decrease in F&I gross profit, a $33.4 million (20%) decrease in new vehicle gross profit and a $17.4 million (6%) decrease in parts and service gross profit . Our total gross profit margin increased 60 basis points to 17.1%, principally as a result of a mix shift to our higher margin parts and service business.

New Vehicle—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2009	2008		
	(Dollars in millions, except for per vehicle data)			
Revenue:				
New vehicle revenue—same store(1)				
Luxury	$ 665.7	$ 876.0	$ (210.3)	(24)%
Mid−line import	940.2	1,198.6	(258.4)	(22)%
Mid−line domestic	247.7	297.2	(49.5)	(17)%
Total new vehicle revenue—same store(1)	1,853.6	2,371.8	(518.2)	(22)%
New vehicle revenue—acquisitions	6.0	—		
New vehicle revenue, as reported	$ 1,859.6	$ 2,371.8	$ (512.2)	(22)%
Gross profit:				
New vehicle gross profit—same store(1)				
Luxury	$ 50.3	$ 64.6	$ (14.3)	(22)%
Mid−line import	63.9	80.0	(16.1)	(20)%
Mid−line domestic	16.8	20.1	(3.3)	(16)%
Total new vehicle gross profit—same store(1)	131.0	164.7	(33.7)	(20)%
New vehicle gross profit—acquisitions	0.3	—		
New vehicle gross profit, as reported	$ 131.3	$ 164.7	$ (33.4)	(20)%

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2009	2008		
New vehile units:				
New vehicle retail units—same store(1)				
Luxury	14,248	18,663	(4,415)	(24)%
Mid−line import	38,515	48,435	(9,920)	(20)%
Mid−line domestic	7,234	9,277	(2,043)	(22)%
Total new vehicle retail units—same store(1)	59,997	76,375	(16,378)	(21)%
Fleet vehicles	1,785	3,086	(1,301)	(42)%
New vehicle units—same store(1)	61,782	79,461	(17,679)	(22)%
Total new vehicle units—acquisitions	251	—		
New vehicle units—actual	62,033	79,461	(17,428)	(22)%

New Vehicle Metrics—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2009	2008		
Revenue per new vehicle sold—same store(1)	$ 30,002	$ 29,849	$ 153	1%
Gross profit per new vehicle sold—same store(1)	$ 2,120	$ 2,073	$ 47	2%
New vehicle gross margin—same store(1)	7.1%	6.9%	0.2%	3%

(1) Same store amounts consist of information from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

The $512.2 million (22%) decrease in new vehicle revenue was primarily a result of a $518.2 million (22%) decrease in same store new vehicle revenue due to a 21% decrease in same store new vehicle retail unit sales and a 42% decrease in same store fleet unit sales. These decreases were partially offset by $6.0 million of revenue derived from acquisitions. The decrease in new vehicle revenue was driven by low consumer confidence, the overall economic environment and the turmoil in the financial markets, which led to more stringent lending standards for manufacturer captive and bank financing, including decreasing loan−to−value ratios and increasing credit score requirements for consumers. Unit volumes declined across each of our brand segments, consistent with overall U.S. vehicle sales. This was partially offset by the sale of approximately 3,300 new vehicles in connection with the Cash for Clunkers program. We believe the attention that this program created increased traffic at our stores and led to additional new and used vehicle sales that were not part of the Cash for Clunkers program.

The $33.4 million (20%) decrease in new vehicle gross profit was due to a $33.7 million (20%) decrease in same store new vehicle gross profit, resulting from a 21% decrease in same store new vehicle retail unit sales. These decreases were partially offset by $0.3 million of gross profit derived from acquisitions. The unit sales and margin declines reflect a competitive marketplace with less business available due to the overall weak economic environment and more stringent lending standards.

Used Vehicle—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2009	2008		
	(Dollars in millions, except for per vehicle data)			
Revenue:				
Used vehicle retail revenues—same store(1)	$ 716.6	$ 789.4	$ (72.8)	(9)%
Used vehicle retail revenues—acquisitions	2.0	—		
Total used vehicle retail revenues	718.6	789.4	(70.8)	(9)%
Used vehicle wholesale revenues—same store(1)	183.1	222.9	(39.8)	(18)%
Used vehicle wholesale revenues—acquisitions	0.7	—		
Total used vehicle wholesale revenues	183.8	222.9	(39.1)	(18)%
Used vehicle revenue, as reported	$ 902.4	$ 1,012.3	$ (109.9)	(11)%
Gross profit:				
Used vehicle retail gross profit—same store(1)	$ 79.6	$ 89.7	$ (10.1)	(11)%
Used vehicle retail gross profit—acquisitions	0.3	—		
Total used vehicle retail gross profit	79.9	89.7	(9.8)	(11)%
Used vehicle wholesale gross profit—same store(1)	(0.5)	(3.0)	2.5	(83)%
Used vehicle wholesale gross profit—acquisitions	—	—		
Total used vehicle wholesale gross profit	(0.5)	(3.0)	2.5	(83)%
Used vehicle gross profit, as reported	$ 79.4	$ 86.7	$ (7.3)	(8)%
Used vehicle retail units:				
Used vehicle retail units—same store(1)	39,240	44,241	(5,001)	(11)%
Used vehicle retail units—acquisitions	133	—		
Used vehicle retail units—actual	39,373	44,241	(4,868)	(11)%

Used Vehicle Metrics—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2009	2008		
Revenue per used vehicle retailed—same store(1)	$ 18,262	$ 17,843	$ 419	2 %
Gross profit per used vehicle retailed—same store(1)	$ 2,029	$ 2,028	$ 1	— %
Used vehicle retail gross margin—same store(1)	11.1%	11.4%	(0.3)%	(3)%

(1) Same store amounts consist of information from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

The $109.9 million (11%) decrease in used vehicle revenue includes a $72.8 million (9%) decrease in same store retail revenue and a $39.8 million (18%) decrease in same store wholesale revenue, partially offset by $2.7 million in revenue derived from dealership acquisitions. The $7.3 million (8%) decrease in used vehicle gross profit was primarily a result of a $10.1 million (11%) decrease in same store retail gross profit, partially offset by a $2.5 million reduction in wholesale losses. The decrease in used vehicle retail revenue and gross profit was driven by unit volume declines that reflected (i) a weak retail environment and (ii) a tighter lending environment, which in turn resulted in lower sales to sub−prime customers. The decrease in used vehicle wholesale revenue was a result of lower new retail and used retail unit sales, which resulted in fewer vehicles from trade−ins available to sell at auction.

Parts and Service—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2009	2008		
	(Dollars in millions)			
Revenue:				
Parts and service revenue—same store(1)	$ 550.9	$ 581.8	$ (30.9)	(5)%
Parts and service revenues—acquisitions	2.3	—		
Parts and service revenue, as reported	$ 553.2	$ 581.8	$ (28.6)	(5)%
Gross profit:				
Parts and service gross profit—same store(1):				
Customer pay	$ 175.3	$ 182.9	$ (7.6)	(4)%
Warranty	46.5	48.8	(2.3)	(5)%
Reconditioning and preparation	36.0	43.0	(7.0)	(16)%
Wholesale parts	22.2	23.7	(1.5)	(6)%
Total parts and service gross profit—same store(1)	280.0	298.4	(18.4)	(6)%
Parts and service gross profit—acquisitions	1.0	—		
Parts and service gross profit, as reported	$ 281.0	$ 298.4	$ (17.4)	(6)%
Parts and service gross margin—same store(1)	50.8%	51.3%	(0.5)%	(1)%

(1) Same store amounts consist of information from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

The $28.6 million (5%) decrease in parts and service revenues and $17.4 million (6%) decrease in parts and service gross profit were due to a decrease in our customer pay business as well as a decrease in gross profit from reconditioning and preparation of used vehicles. Same store customer pay parts and service revenue and gross profit decreased $19.3 million (5%) and $7.6 million (4%), respectively. We believe customers were delaying maintenance visits and larger repair work as they reduced non−essential spending during the challenging economic environment.

Finance and Insurance, net—

	For the Years Ended December 31,		Increase (Decrease)	% Change
	2009	2008		
	(Dollars in millions, except for per vehicle data)			
Dealership generated F&I—same store(1)	$ 90.6	$ 122.8	$ (32.2)	(26)%
Dealership generated F&I—acquisitions	0.3	—		
Dealership generated F&I, net	90.9	122.8	(31.9)	(26)%
Corporate generated F&I	—	4.7	(4.7)	NM
Finance and insurance, net as reported	$ 90.9	$ 127.5	$ (36.6)	(29)%
Dealership generated F&I per vehicle sold—same store(1) (2)	$ 897	$ 993	$ (96)	(10)%
F&I per vehicle sold—same store(1)	$ 897	$ 1,031	$ (134)	(13)%

(1) Same store amounts consist of information from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

(2) Dealership generated F&I per vehicle sold excludes corporate generated F&I.

We evaluate our dealership generated F&I performance on a per vehicle sold basis by dividing dealership generated F&I gross profit by the number of vehicles sold during the period. We also evaluate F&I gross profit from any gains related to the

sale of our remaining interest in certain contracts ("Corporate generated F&I").

F&I decreased $36.6 million (29%) during 2009 as compared to 2008, due to (i) an 18% decrease in same store unit sales, (ii) a 10% decrease in same store dealership generated F&I per vehicle sold and (iii) a decrease of $4.7 million resulting from a corporate generated F&I gain related to the sale of our remaining interest in a pool of maintenance contracts in 2008. These decreases in F&I were partially offset by $0.3 million derived from dealership acquisitions.

The decrease in dealership generated F&I per vehicle sold was primarily attributable to lower financing commissions due to more stringent lending standards, which included lower loan to value ratios, which limit our opportunity to offer customers our full array of finance and insurance products. In addition, we believe that customers were very concerned about their monthly payment amount in light of the difficult economic environment.

Selling, General and Administrative—

	For the Years Ended December 31,					
	2009	% of Gross Profit	2008	% of Gross Profit	Increase (Decrease)	% of Gross Profit Increase (Decrease)
	(Dollars in millions)					
Personnel costs	$ 219.1	37.7%	$ 252.4	37.3%	$ (33.3)	0.4 %
Sales compensation	54.8	9.4%	70.7	10.4%	(15.9)	(1.0)%
Share−based compensation	2.8	0.5%	1.9	0.3%	0.9	0.2 %
Outside services	47.2	8.1%	53.7	7.9%	(6.5)	0.2 %
Advertising	26.7	4.6%	39.5	5.8%	(12.8)	(1.2)%
Rent	39.3	6.8%	44.2	6.5%	(4.9)	0.3 %
Utilities	15.0	2.6%	15.9	2.3%	(0.9)	0.3 %
Insurance	13.2	2.3%	11.9	1.8%	1.3	0.5 %
Other	46.2	8.0%	57.6	8.6%	(11.4)	(0.6)%
Selling, general and administrative—same store(1)	464.3	80.0%	547.8	80.9%	(83.5)	(0.9)%
Acquisitions	1.2		—			
Selling, general and administrative—actual	$ 465.5	79.9%	$ 547.8	80.9%	$ (82.3)	(1.0)%
Gross Profit—same store	$ 580.7		$ 677.3			
Gross Profit—actual	$ 582.6		$ 677.3			

(1) Same store amounts consist of information from dealerships for the identical months of each period presented in the comparison, commencing with the first full month in which the dealership was owned by us.

Same store SG&A expense as a percentage of gross profit was 80.0% for 2009, as compared to 80.9% for 2008. The 90 basis point decrease was primarily a result of (i) a 120 basis point reduction in advertising expense due to our focus on managing advertising spend in the depressed retail environment during 2009 and (ii) a 100 basis point decrease in sales compensation expense due to our restructuring of variable compensation plans. These items were partially offset by the de−leveraging impact on our cost structure from the decline in vehicle sales volumes, including a 50 basis point increase in personnel costs and a 50 basis point increase in insurance costs associated with our large deductible insurance programs for workers compensation, property and general liability claims.

Depreciation and Amortization—

The $1.1 million (5%) increase in depreciation and amortization expense was a result of property and equipment acquired during 2009 and 2008, including the purchase of $207.9 million of previously leased property in the second quarter of 2008.

Impairment Expenses—

During the fourth quarter of 2009, we compared the carrying value of our assets held for sale to estimates of fair values determined with the assistance of third−party desktop appraisals and real estate brokers and, as a result, recorded $5.5 million in non−cash impairments of certain property and equipment, $4.8 million of which is included in Discontinued Operations for 2009 (see “Discontinued Operations” below). The remaining $0.7 million non−cash impairment charge was included in Other Operating (Income) Expense in 2009 (for further discussion of our asset impairment expenses, please refer to Note 10 of our consolidated financial statements).

During the fourth quarter of 2008, we experienced a sustained decline in our market capitalization and a significant decline in total revenue due to overall retail industry conditions driven by declining consumer confidence, more stringent lending standards, rising gas prices, changes in consumer demand and falling home prices. Our stock price decreased 60% from $11.52 per share as of September 30, 2008, to $4.57 per share as of December 31, 2008, which significantly reduced our total market capitalization. In addition, our total revenues decreased approximately 30% during the fourth quarter of 2008 as compared to the fourth quarter of 2007. During 2008, we recognized impairment expenses from continuing operations totaling $528.7 million, which includes (i) a $491.7 million impairment of all of our goodwill, (ii) a $30.9 million impairment of franchise rights and other intangible assets and (iii) a $6.1 million impairment of certain property and equipment.

Other Operating (Income) Expense—

Other operating (income) expense includes gains and losses from the sale of property and equipment, income derived from sub−lease arrangements and other non−core operating items. Other non−core operating items during 2008 include executive separation benefits expense of $1.7 million related to the separation from the Company of our former chief financial officer.

Floor Plan Interest Expense—

The $11.3 million (51%) decrease in floor plan interest expense was attributable to a lower average balance of new vehicle inventory and the lower short−term interest rate environment.

Other Interest Expense—

The $2.2 million (6%) decrease in other interest expense was primarily attributable to lower average indebtedness outstanding as a result of the repurchase of $59.8 million of senior subordinated notes in the fourth quarter of 2008 and the repayment of $8.0 million of mortgage notes payable in the third quarter of 2009.

Swap Interest Expense —

We have entered into various derivative financial instruments, including fair value and cash flow interest rate swaps, which have been primarily designed to provide hedges against changes in fair value of certain debt obligations and variable rate cash flows. Our earnings have been impacted by these interest rate swaps in the form of (i) amounts reclassified from AOCI to earnings for active swaps, (ii) amortization of amounts reclassified from AOCI to earnings for terminated cash flow swaps and (iii) amortization of terminated fair value swaps. The net impact on earnings related to our various derivative financial instruments for 2009 and 2008 was $6.6 million and $5.5 million, respectively.

Convertible Debt Discount Amortization —

During 2009, and 2008, we recognized $1.8 million and $3.0 million of convertible debt amortization associated with our 3% Convertible Notes. Since a portion of our 3% Convertible Notes will be settled in cash upon conversion, we separately account for the liability and equity components in a manner that reflects our nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. The excess of the principal amount of the liability component over its initial fair value is amortized to interest cost using the effective interest method.

Gain (Loss) on Extinguishment of Long−Term Debt—

During 2008, we recognized a $26.2 million net gain on the extinguishment of long−term debt. Included in the $26.2 million net gain was a $35.8 million gain on the repurchase of $59.8 million of our senior subordinated notes for $24.0 million, partially offset by (i) a $6.5 million pro−rata write−off of the unamortized discount associated with the repurchased 3% Convertible Notes and (ii) a $1.4 million pro−rata write−off of debt issuance costs. In addition, we recognized a $1.7 million loss as a result of our decision to terminate our credit facility with JPMorgan Chase Bank N.A. in September 2008, which represents the unamortized debt issuance costs associated with such facility.

Income Tax (Benefit) Expense—

The $151.3 million increase in income tax expense was primarily a result of the recognition of $528.7 million of impairment expenses from continuing operations in 2008. Our effective tax rate increased from 29.4% for the 2008 period to 37.5% for the 2009 period. The 810 basis point increase is primarily a result of excess book goodwill over tax goodwill for which we will not receive a tax benefit, the impact of losses on our corporate owned life insurance policies for which we will not received a tax benefit, partially offset by the reversal of deferred tax asset valuation allowances that we now expect to realize.

Discontinued Operations—

During 2009, we sold four franchises (three dealership locations) and closed six franchises (three dealership locations), and as of December 31, 2009, there was one franchise (one dealership location) pending disposition. The $11.8 million, net of tax, net loss from discontinued operations for 2009 is a result of (i) $8.7 million, net of tax, of net operating losses of franchises sold or pending disposition as of December 31, 2010, including rent expense of idle facilities and legal expenses of franchises sold prior to December 31, 2010, (ii) $3.0 million, net of tax, of impairment expenses related to abandoned real estate from discontinued operations and (iii) $2.5 million, net of tax, of rent accelerations on abandoned properties, partially offset by a $2.4 million, net of tax, net gain on the sale of dealerships.

The $16.7 million, net of tax, net loss from discontinued operations during 2008 includes (i) $14.4 million, net of tax, of impairment expenses related to discontinued operations, (ii) $2.0 million of net operating losses of franchises sold or pending disposition as of December 31, 2010, including rent expense of idle facilities and miscellaneous legal expenses of franchises sold prior to December 31, 2010 and (iii) a $0.3 million, net of tax, loss on the sale of five franchises (four dealership locations).

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2010, we had total available liquidity of $255.9 million, which includes cash and cash equivalents of $21.3 million, borrowing availability of $175.1 million under our various credit facilities and $59.5 million of availability under new vehicle floor plan offset accounts with certain of our floor plan lenders, which are generally accessible within one to two days. The total borrowing capacity under our credit facilities of $200.0 million is limited by a borrowing base calculation and, from time to time, may be further limited by our required compliance with certain financial covenants. These financial covenants currently do not further limit our availability under our credit facilities. For a detailed discussion of our financial covenants, see “Covenants” below.

We continuously evaluate our liquidity and capital resources based upon (i) our cash and cash equivalents on hand, (ii) the funds that we expect to generate through future operations, (iii) current and expected borrowing availability under our revolving credit facilities, floor plan facilities and mortgage financing, (iv) amounts in our new vehicle floor plan notes payable offset accounts and (v) the potential impact of any contemplated or pending future transactions, including, but not limited to, financings, acquisitions, dispositions or other capital expenditures. We believe we will have sufficient liquidity to meet our debt service and working capital requirements; commitments and contingencies; debt repayment, maturity and repurchase obligations; acquisitions; capital expenditures; and any operating requirements for at least the next twelve months.

We have the following material credit facilities, mortgage notes, senior subordinated notes and inventory financing facilities as of December 31, 2010. For a more detailed description of the material terms of our various debt agreements, refer to the “Floor Plan Notes Payable” and “Long−Term Debt” footnotes in the accompanying consolidated financial statements.

- Revolving credit facility − $150.0 million revolving credit facility with Bank of America, N.A. as administrative agent, and a syndicate of commercial banks and commercial financing entities (the “BofA Revolving Credit Facility”) for working capital, general corporate purposes and acquisitions that is currently set to expire in August 2012.

- Used vehicle facility − $50.0 million used vehicle floor plan facility with JPMorgan Chase Bank, N.A. and Bank of America (the “JPMorgan Used Vehicle Floor Plan Facility”) for working capital, capital expenditures and general corporate purposes that is currently set to expire in August 2012.

- Mortgage notes − $172.8 of mortgage note obligations primarily payable to Wells Fargo Bank, National Association, successor by merger to Wachovia Bank, National Association, and Wachovia Financial Services, Inc., a North Carolina corporation (together referred to as “Wachovia”). These mortgage notes payable are secured by the related underlying property.

- 3% Senior Subordinated Convertible Notes due 2012 (“3% Convertible Notes”) − $29.5 million in aggregate principal amount of our 3% Convertible Notes outstanding, offset by $1.7 million of an unamortized discount. We are required to pay interest on the 3% Convertible Notes on March 15 and September 15 of each year until their maturity

on September 15, 2012.

- 7.625% Senior Subordinated Notes due 2017 (“7.625% Notes”) − $143.2 million in aggregate principal amount of our 7.625% Notes outstanding. We are required to pay interest on the 7.625% Notes on March 15 and September 15 of each year until their maturity on March 15, 2017.

- 8.375% Senior Subordinated Notes due 2020 (“8.375% Notes”) − $200.0 million in aggregate principal amount of our 8.375% Notes outstanding. We are required to pay interest on the 8.375% Notes on May 15 and November 15 of each year until their maturity on November 15, 2020.

- Inventory financing (“Floor plan”) facilities − $359.7 million outstanding with lenders affiliated with the manufacturers from which we purchase new vehicles and $91.9 million outstanding with lenders not affiliated with any such manufacturers, including amounts classified as Liabilities Associated with Assets Held for Sale. The availability under our floor plan facilities is not limited, with the exception of an $18.0 million limitation in aggregate borrowings for the purchase of Chrysler, Dodge and Jeep new vehicle inventory and a $30.0 million limitation in aggregate borrowings for the purchase of Hyundai, Kia, Audi, Porsche, Volkswagen, Land Rover and Jaguar new vehicle inventory. In addition to the facilities described above, we have established accounts with certain manufacturers that allow us to transfer cash to an account as an offset to floor plan notes payable (“floor plan offset accounts”) that reduces our outstanding new vehicle floor plan notes payable while retaining the ability to transfer amounts from the offset accounts into our operating cash accounts within one to two days. As of December 31, 2010, we had $59.5 million in these floor plan offset accounts.

Under the terms of our credit facilities and certain mortgage notes payable, our ability to incur new indebtedness is currently limited to (i) permitted floorplan indebtedness, (ii) real estate loans in an aggregate amount not to exceed $30.0 million, (iii) certain refinancings, refunds, renewals or extensions of existing indebtedness and (iv) other customary permitted indebtedness.

Long−Term Debt Refinancing and Amendments

In November 2010, we completed a refinancing of the long−term debt, which included the issuance of $200.0 million of our 8.375% Notes, the proceeds of which were primarily used to repurchase all of our outstanding $179.4 million aggregate principal amount 8% Senior Subordinated Notes due 2014 (the "8% Notes").

We recognized an $11.3 million loss in connection with this long−term debt refinancing, which is included in (Loss) Gain on Extinguishment of Long−Term Debt, net on the accompanying Consolidated Statements of Income (Loss), consisting of (i) $5.2 million of premiums paid in conjunction with the early retirement of the 8% Notes, (ii) a $3.6 million write−off of hedging activity associated with the 8% Notes and (iii) a $2.5 million write−off of the remaining unamortized debt issuance costs associated with the 8% Notes. We also incurred approximately $1.0 million of third−party expenses in connection with this long−term debt refinancing, which are included in Other Operating Expense (Income), net on the accompanying Consolidated Statements of Income (Loss).

In addition, we obtained the consent of holders of our 7.625% Senior Subordinated Notes due 2017 (the "7.625% Notes"), to amendments to the indenture governing the 7.625% Notes, primarily to increase our ability to make restricted payments, including the payment of dividends and repurchases of our common stock. In addition, we entered into amendments to our mortgage loan facility, revolving credit facility and our used vehicle facility that were similar to the amendments of our 7.625% Notes ("Loan Amendments"). In addition, the Loan Amendments included modifications to the Permitted Real Estate Debt (as defined in each of those credit facilities) allowance during the Modified Covenant Period (as defined in each of those credit facilities) to increase the limit from $12.0 million to $30.0 million.

3% Senior Subordinated Convertible Note Repurchases

During the third quarter of 2010, we paid $24.4 million to repurchase $25.2 million of our 3% Convertible Notes.

Pursuant to one or more authorizations from our board of directors, we may from time to time repurchase various of our subordinated notes in open market purchases or privately negotiated transactions. The decision to repurchase subordinated notes will be dependent upon prevailing market conditions, our liquidity position, and other factors. Currently, our BofA Revolving Credit Facility and our JPMorgan Used Vehicle Floor Plan Facility limit our ability to purchase our debt securities to $30.0 million per calendar year, plus 50% of the net proceeds from any asset sales during any given calendar year. In February 2011, our Board of Directors authorized us to use up to $30.0 million of cash to repurchase 3% Convertible Notes, 7.625% Notes or 8.375% Notes, which authorization expires February 28, 2012. This authority supersedes and replaces our previous authority under which we had repurchased $25.2 million of 3% Convertible Notes.

Covenants

We are subject to a number of covenants in our various debt and lease agreements, including those described below. We were in compliance with all of our covenants throughout 2010. Failure to comply with any of our debt covenants would constitute a default under the relevant debt agreements, which would entitle the lenders under such agreements to terminate our ability to borrow under the relevant agreements and accelerate our obligations to repay outstanding borrowings, if any, unless compliance with the covenants is waived. In many cases, defaults under one of our agreements could trigger cross default provisions in our other agreements. If we are unable to remain in compliance with our financial or other covenants, we would be required to seek waivers or modifications of our covenants from our lenders, or we would need to raise debt and/or equity financing or sell assets to generate proceeds sufficient to repay such debt. We cannot give any assurance that we would be able to successfully take any of these actions on terms, or at times, that may be necessary or desirable.

Our BofA Revolving Credit Facility, JPMorgan Used Vehicle Floor Plan Facility and certain of our mortgages and/or guarantees related to such mortgages require compliance with certain financial covenants. In July 2009, we amended the BofA Revolving Credit Facility to, among other things, eliminate the total leverage ratio requirement and reduce the required fixed charge coverage ratio from 1.20 to 1.00 to 1.10 to 1.00 for each four fiscal quarter period ending on or before September 30, 2010. Beginning with the four fiscal quarter period ended December 31, 2010, our fixed charge coverage ratio requirement returned to 1.20 to 1.00 per the terms of the above−mentioned amendment. At our option and with 30 days' written notice, the $30.0 million indebtedness limitation, as described above, may be removed in conjunction with the reinstatement of the total leverage ratio to the terms as set forth in the BofA Revolving Credit Facility prior to the July 2009 amendment.

Our guarantees under our master loan agreement with Wachovia (the "Wachovia Master Loan Agreement") also require compliance with certain financial covenants. In May 2009, we amended the Wachovia Master Loan Agreement, which among other things, eliminated the requirement that we comply with a total leverage ratio, but imposed significant additional limitations on our ability to incur new indebtedness, primarily due to a limit on new real estate loans in an aggregate amount not to exceed $12.0 million. In November 2010, we amended the Wachovia Master Loan Agreement, which among other things, increased the limit on new real estate loans from $12.0 million to $30.0 million. At our option and with 30 days' written notice, the indebtedness limitation may be removed in conjunction with the reinstatement of the total leverage ratio to the terms as set forth in the Wachovia Master Loan Agreement prior to the May 2009 amendment.

Certain of our lease agreements also require compliance with various financial covenants and incorporate by reference the financial covenants set forth in the BofA Revolving Credit Facility. A breach of any of these covenants could immediately give rise to certain landlord remedies under our various lease agreements, the most severe of which include the following: (a) termination of the applicable lease and/or other leases with the same or an affiliated landlord under a cross−default provision, (b) eviction from the premises; and (c) the landlord would have a claim for any or all of the following: (i) damages suffered by landlord by reason of the default, equal to rent and other amounts payable by tenant under the lease prior to the default plus other fees and costs incurred by landlord; and (ii) additional damages, either payable monthly in an amount equal to the rent due under the lease less the amount of rent, if any, received by the landlord from a substitute tenant, or payable in a lump sum equal to the present value of the sum of the amount by which all remaining sums due under the lease exceeds the fair market rental value of the premises for the same period, plus landlord’s expense and value of all vacancy periods projected by landlord to be incurred in connection with reletting the premises.

Acquisitions

During the twelve months ended December 31, 2010, we acquired nine franchises (four dealership locations) for an aggregate purchase price of $77.5 million. We financed these acquisitions with (i) $46.6 million of cash, (ii) $13.9 million of floor plan borrowings for the purchase of related new vehicle inventory and (iii) $17.0 million of a seller financed mortgage note payable for the purchase of land and building associated with five of these franchises (three dealership locations).

Share Repurchase

In December 2010, our board of directors authorized the repurchase of up to $25.0 million of our common stock. In December 2010 we repurchased 8,700 shares for a total of $0.1 million.

We repurchased 20,264 shares of our common stock for $0.3 million from employees in connection with a net share settlement feature of employee share−based awards during 2010.

Contractual Obligations

As of December 31, 2010, we had the following contractual obligations (in millions):

	Payments due by period						
	2011	2012	2013	2014	2015	Thereafter	Total
Floor plan notes payable(a)	$ 451.6	$ —	$ —	$ —	$ —	$ —	$ 451.6
Operating leases	44.6	42.3	39.0	32.9	30.4	140.8	330.0
Long−term debt (b)(c)	9.2	38.4	110.1	1.9	17.9	373.2	550.7
Interest on long−term debt (d)	35.5	34.9	32.3	30.5	29.8	103.6	266.6
Deferred compensation obligations	—	—	—	—	—	8.2	8.2
Employee compensation obligations	2.3	3.7	1.7	—	—	—	7.7
Total	$ 543.2	$ 119.3	$ 183.1	$ 65.3	$ 78.1	$ 625.8	$ 1,614.8

(a) Includes $32.5 million classified as liabilities associated with assets held for sale.
(b) Does not include $1.7 million unamortized discount that reduces the book value of our 3% Convertible Notes.
(c) Includes maturities of $5.2 million classified as liabilities associated with assets held for sale.
(d) Includes variable interest calculated using an estimated LIBOR rate of 0.26%.

Cash Flows

Classification of Cash Flows Associated with Floor Plan Notes Payable

Borrowings and repayments of floor plan notes payable to a lender unaffiliated with the manufacturer from which we purchase a particular new vehicle ("Non−Trade"), and all floor plan notes payable relating to pre−owned vehicles (together referred to as “Floor Plan Notes Payable − Non−Trade”), are classified as financing activities on the accompanying Consolidated Statements of Cash Flows, with borrowings reflected separately from repayments. The net change in floor plan notes payable to a lender affiliated with the manufacturer from which we purchase a particular new vehicle (collectively referred to as “Floor Plan Notes Payable − Trade”) is classified as an operating activity on the accompanying Consolidated Statements of Cash Flows. Borrowings of floor plan notes payable associated with inventory acquired in connection with all acquisitions are classified as a financing activity. Cash flows related to floor plan notes payable included in operating activities differ from cash flows related to floor plan notes payable included in financing activities only to the extent that the former are payable to a lender affiliated with the manufacturer from which we purchased the related inventory, while the latter are payable to a lender not affiliated with the manufacturer from which we purchased the related inventory.

Floor plan borrowings are required by all vehicle manufacturers for the purchase of new vehicles, and all floor plan lenders require amounts borrowed for the purchase of a vehicle to be repaid within a short time period after the related vehicle is sold. As a result, we believe that it is important to understand the relationship between the cash flows of all of our floor plan notes payable and new vehicle inventory in order to understand our working capital and operating cash flow and to be able to compare our operating cash flow to that of our competitors (i.e., if our competitors have a different mix of trade and non−trade floor plan financing as compared to us). In addition, we include all floor plan borrowings and repayments in our internal operating cash flow forecasts. As a result, we use the non−GAAP measure (defined below) “cash provided by operating activities, as adjusted” to compare our results to forecasts. We believe that splitting the cash flows of floor plan notes payable

between operating activities and financing activities, while all new vehicle inventory activity is included in operating activities, results in significantly different operating cash flow than if all the cash flows of floor plan notes payable were classified together in operating activities.

Cash provided by operating activities, as adjusted, includes borrowings and repayments of floor plan notes payable to lenders not affiliated with the manufacturer from which we purchase the related vehicle. Cash provided by operating activities, as adjusted, has material limitations. Cash provided by operating activities, as adjusted, may not be comparable to similarly titled measures of other companies and should not be considered in isolation, or as a substitute for analysis of our operating results in accordance with GAAP. In order to compensate for these potential limitations we also review the related GAAP measures.

We have provided below a reconciliation of cash flow from operating activities, as if all changes in floor plan notes payable, except for (i) borrowings associated with acquisitions and repayments associated with divestitures and (ii) borrowings and repayments associated with the purchase of used vehicle inventory, were classified as an operating activity.

	For the Year Ended December 31,		
	2010	2009	2008
	(In millions)		
Reconciliation of Cash provided by Operating Activities to Cash provided by Operating Activities, as adjusted			
Cash provided by operating activities, as reported	$ 9.9	$ 110.9	$ 529.2
New vehicle floor plan borrowings (repayments)—non−trade, net	7.3	(55.8)	(354.7)
Floor plan notes payable—trade divestitures	5.9	10.2	5.9
Cash provided by operating activities, as adjusted	$ 23.1	$ 65.3	$ 180.4

Operating Activities—

Net cash provided by operating activities totaled $9.9 million, $110.9 million and $529.2 million for the years ended December 31, 2010, 2009 and 2008, respectively. Net cash provided by operating activities, as adjusted, totaled $23.1 million, $65.3 million and $180.4 million for the years ended December 31, 2010, 2009 and 2008, respectively. Cash provided by operating activities, as adjusted, includes net (loss) income, adjustments to reconcile net (loss) income to net cash provided by operating activities and changes in working capital, including changes in floor plan notes payable and inventory.

The $42.2 million decrease in our cash provided by operating activities, as adjusted, for the year ended December 31, 2010, compared to the year ended December 31, 2009, was primarily the result of the following:

- $48.6 million related to a net increase in inventory, net of floor plan notes payable as a result of (i) the use of available cash to reduce our floor plan notes payable prior to the sale of the related vehicle through the use of floor plan offset accounts and (ii) an increase in our used inventory in 2010 to meet consumer demand; and

- $47.6 million related to a net increase in accounts receivable and contracts−in−transit during 2010 as compared to 2009. The increase during 2010 reflected a significant improvement in revenue from all four business lines, particularly in the fourth quarter, due to a favorable comparison with a weaker economic environment in 2009.

The decrease in our cash provided by operating activities, as adjusted, was partially offset by the following:

- $38.2 million increase in net income adjusted for non−cash items; and

- a $21.4 million related to the increase in accounts payable and accrued expenses as a result of increased business activities during 2010 as compared to 2009.

Investing Activities—

Net cash used in investing activities totaled $68.9 million and $292.4 million for the years ended December 31, 2010 and 2008, respectively. Net cash provided by investing activities totaled $16.1 million for the year ended December 31, 2009. Cash flows from investing activities relate primarily to capital expenditures, acquisition and divestiture activity and sales of property and equipment.

Capital expenditures were $30.1 million, $8.3 million and $69.3 million for the years ended December 31, 2010, 2009 and 2008, respectively. Our capital investments currently consist primarily of real estate purchases, upgrades to our existing

facilities and equipment purchases. We expect that capital expenditures during 2011 will total approximately $35.0 million, excluding the purchase of real estate. As part of our balanced capital allocation strategy, we continuously evaluate opportunities to purchase properties currently under lease. No assurances can be provided that we will have or be able to access capital at times or on terms in amounts deemed necessary to execute this strategy.

Cash paid in connection with dealership acquisitions totaled $60.5 million for nine franchises and $41.9 million for one franchise during the years ended December 31, 2010 and 2008, respectively. We did not complete any acquisitions during 2009. We financed the 2010 acquisitions with (i) $46.6 million of available cash, with the remaining purchase price financed through floor plan borrowings. As part of our growth strategy, we continuously evaluate opportunities for strategic acquisitions that we believe would meet our internal rate of return criteria.

During 2008, we invested $207.9 million for the purchase of previously leased real estate.

Proceeds from the sale of assets totaled $17.7 million, $25.1 million and $25.4 million for the years ended December 31, 2010, 2009 and 2008, respectively. Included in the proceeds from the sale of assets for the years ended December 31, 2010, 2009 and 2008, were $7.0 million, $14.9 million and $10.4 million, respectively, associated with the sale of inventory in connection with the sale of one franchise (one dealership location), four franchises (three dealership locations), and thirteen franchises (seven dealership locations), respectively. We continuously monitor the profitability and market value of our dealerships and, under certain conditions, may strategically divest certain dealerships.

Financing Activities—

Net cash used in financing activities totaled $4.4 million, $133.9 million and $198.6 million for the years ended December 31, 2010, 2009 and 2008, respectively.

Proceeds from borrowings totaled $222.5 million, $0.9 million and $302.8 million, for the years ended December 31, 2010, 2009 and 2008, respectively. The proceeds from borrowings during 2010 were primarily the result of the issuance of $200.0 million of the 8.375% Notes. Proceeds from borrowings in 2008 were primarily related to mortgage financings to fund the construction of a dealership facility and the purchases of previously leased real estate.

Repayments of borrowings totaled $240.1 million, $76.3 million and $126.1 million, respectively. The repayments during 2010 were primarily related to the repurchase of $179.4 million of our 8% Notes and $25.2 million of our 3% Convertible Notes. Repayments of borrowings in 2009 and 2008 related to (i) credit facility repayments, (ii) repurchases of a portion of our 3% Convertible Notes and (iii) principal amortization of mortgage notes payable.

During 2010 we paid $7.6 million for debt issuance costs associated with the issuance of our 8.375% Notes and certain amendments to our credit facilities and mortgage notes payable.

We borrowed $13.9 million and $7.6 million from our Floor Plan Facilities for the purchase of inventory in connection with the acquisition of nine and one franchises during 2010 and 2008, respectively. We repaid $2.9 million and $2.8 million of non−trade floor plan notes payable associated with sale of three and six dealerships during 2009 and 2008, respectively.

During 2010 and 2009, we paid no dividends. During 2008 we paid $21.5 million of dividends.

Pending Divestitures

In December 2010, we executed agreements to sell (i) our heavy truck business in Atlanta, Georgia, (ii) one luxury franchise and (iii) our remaining consumer loan portfolio. We expect to close on these divestitures in the first quarter of 2011. As of December 31, 2010, a total of eleven franchises (four dealership locations) were pending disposition, including ten franchises (three dealership locations) associated with our heavy truck business. Assets associated with pending dispositions totaled $53.0 million as of December 31, 2010. Liabilities associated with pending dispositions totaled $37.7 million as of December 31, 2010.

Assets held for sale also includes real estate not currently used in our operations that we currently intend to sell totaling $12.7 million as of December 31, 2010.

Stock Repurchase and Dividend Restrictions

Pursuant to the indentures governing our 8.375% Notes and our 7.625% Notes, and the agreements governing our BofA Revolving Credit Facility and our JPMorgan Used Vehicle Floor Plan Facility, our ability to repurchase shares of our common stock and pay cash dividends is limited. In accordance with such calculations, our ability to repurchase common stock or pay dividends was limited to $56.5 million under these agreements as of December 31, 2010.

Off Balance Sheet Arrangements

We had no off balance sheet arrangements during the years presented other than those disclosed in Notes 21 and 22 of our accompanying consolidated financial statements.

APPLICATION OF CRITICAL ACCOUNTING ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. On an ongoing basis, management evaluates its estimates and assumptions and the effects of any such revisions are reflected in the financial statements in the period in which they are determined to be necessary. The accounting estimates described below are those that require management judgments, and therefore are critical to understanding our results of operations. Senior management has discussed the development and selection of these accounting estimates and the related disclosures with the audit committee of our board of directors.

Deferred Income Taxes—

Estimates and judgments are used in the calculation of certain tax liabilities and in the determination of the recoverability of certain deferred tax assets. In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. We regularly evaluate the recoverability of our deferred tax assets and, if necessary, provide valuation allowances to offset portions of deferred tax assets due to uncertainty surrounding the future realization of such deferred tax assets. Valuation allowances are based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences, and the implementation of tax−planning strategies. We would establish a valuation allowance in the period we determine it is more likely than not that deferred tax assets will or will not be realized. If a change in circumstances results in a change in our ability to realize our deferred tax assets, our tax provision would be adjusted in the period when the change in circumstances occurs.

F&I Chargeback Reserve—

We receive commissions from the sale of vehicle service contracts, credit life insurance and disability insurance to customers. In addition, we receive commissions from financing institutions for arranging customer financing. We may be charged back (“chargebacks”) for finance, insurance or vehicle service contract commissions in the event a customer prepays or defaults on a retail sales contract or cancels an insurance or warranty contract. The revenues from financing fees and commissions are recorded at the time the vehicles are sold and a reserve for future chargebacks is established based on historical operating results and the termination provisions of the applicable contracts. This data is evaluated on a product−by−product basis. Our loss histories vary depending on the product but generally total between 10% and 14% of F&I revenues. Our F&I chargebacks from continuing operations for the twelve months ended December 31, 2010, 2009 and 2008 were $14.0 million, $12.2 million, and $17.5 million, respectively. Our chargeback reserves were $12.5 million and $13.2 million as of December 31, 2010 and December 31, 2009, respectively. Total chargebacks as a percentage of F&I revenue for the twelve months ended December 31, 2010 and 2009, were 12% and 14% respectively. A 1% change in our estimate for all our products would have changed our finance and insurance, net by approximately $1.3 million.

Used Vehicle Inventory Lower of Cost or Market Reserves—

Our used vehicle inventory is stated at the lower of cost or market. We use the specific identification method to value our vehicle inventories. We maintain a reserve for specific inventory units where cost basis exceeds fair value. In assessing lower of cost or market for used vehicles, we consider (i) the aging of used vehicles, (ii) loss histories of used vehicles and (iii) current market conditions.

Our used vehicle loss histories have indicated that our losses range between 3% and 6% of our used vehicle inventory. Our used vehicle losses for the twelve months ended December 31, 2010, 2009 and 2008 were $10.4 million, $9.7 million and

$16.0 million, respectively. As of December 31, 2010, our used vehicle loss reserve was $2.9 million, or 3.7% of used vehicle inventory. As of December 31, 2009, our used vehicle loss reserve was $2.3 million, or 3.6% of used vehicle inventory. As of December 31, 2010, each 1% change in our estimate would change our used vehicle reserve approximately $0.8 million.

Insurance Reserves—

We are self insured for certain employee medical claims and maintain stop loss insurance for individual claims. We have large deductible insurance programs in place for workers compensation, property and general liability claims. We maintain and review at least monthly our claim and loss history to assist in assessing our future liability for these claims. We also use professional service providers, such as account administrators and actuaries, to help us accumulate and assess this information. As of December 31, 2010 and December 31, 2009, we had $14.0 million and $12.7 million, respectively, of insurance reserves for both known and unknown employee medical, workers compensation, property and general liability claims. Expenses associated with employee medical, workers compensation, property and general liability claims from continuing operations, including premiums for insurance coverage, for the twelve months ended December 31, 2010, 2009 and 2008, totaled $21.2 million, $23.9 million and $22.6 million, respectively.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to market risk from changes in interest rates on a significant portion of our outstanding indebtedness. Based on $477.0 million of total variable rate debt (including floor plan notes payable) outstanding as of December 31, 2010, a 1% change in interest rates would result in a change of as much as $4.8 million to our annual other interest expense.

We received $18.7 million of interest credit assistance from certain automobile manufacturers during the year ended December 31, 2010. Interest credit assistance reduced cost of sales (including amounts classified as discontinued operations) for the year ended December 31, 2010 by $18.3 million and reduced new vehicle inventory by $4.1 million and $3.7 million as of December 31, 2010 and December 31, 2009, respectively. Although we can provide no assurance as to the amount of future floor plan interest credit assistance, it is our expectation, based on historical data that an increase in prevailing interest rates would result in increased interest credit assistance from certain automobile manufacturers.

Hedging Risk—

In December 2010, we entered into an interest rate swap agreement with a notional principal amount of $10.8 million. This swap was designed to provide a hedge against changes in variable rate cash flows through maturity in June 2011. The notional value of this swap is reduced over its term until July 2011 when the notional principal amount increases to $21.5 million and then begins to reduce over the remaining term to $16.1 million at maturity. This interest rate swap qualifies for cash flow hedge accounting treatment and will not contain any ineffectiveness.

We also have an interest rate swap with a current notional principal amount of $125.0 million. The swap was designed to provide a hedge against changes in variable rate cash flows through maturity in June 2013. This swap is collateralized by Company assets upon which we have not otherwise granted a first priority lien. This interest rate swap qualifies for cash flow hedge accounting treatment and will contain minor ineffectiveness.

We have a separate interest rate swap with a current notional principal amount of $11.6 million. The swap was designed to provide a hedge against changes in variable rate cash flows through maturity in June 2011. The notional value of this swap is reduced over its term to $11.3 million at maturity. This interest rate swap qualifies for cash flow hedge accounting treatment and will contain minor ineffectiveness.

For additional information about the effect of our derivative instruments on the accompanying consolidated financial statements, see Note 16 “Financial Instruments” of the notes thereto.

In connection with the sale of our 3% Convertible Notes, we entered into convertible note hedge transactions with respect to our common stock with Goldman, Sachs & Co. and Deutsche Bank AG, London Branch (collectively, the “Counterparties”). The convertible note hedge transactions require the Counterparties to deliver to us, subject to customary anti−dilution adjustments, all shares issuable upon conversion of the 3% Convertible Notes. The effect of the convertible note hedge transactions is to unwind the conversion feature of the 3% Convertible Notes. Under the terms of the convertible note hedge transactions we will receive shares from the Counterparties in the event of a conversion of our 3% Convertible Notes. In connection with the repurchase of 3% Convertible Notes, a portion of the convertible note hedges was terminated.

We also entered into separate warrant transactions whereby we sold to the Counterparties warrants to acquire, subject to customary anti−dilution adjustments, shares of our common stock at an initial strike price of $45.09 per share, which was a 62.50% premium over the market price of our common stock at the time of pricing. As of December 31, 2010, the strike price was $44.74 as a result of certain dividend payments. Under the terms of the warrant transactions we are required to issue shares of our common stock to the Counterparties in the event of a conversion of our 3% Convertible Notes at a strike price above $33.73.

Item 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors and Shareholders of
Asbury Automotive Group, Inc.

We have audited the accompanying consolidated balance sheets of Asbury Automotive Group, Inc. as of December 31, 2010 and 2009, and the related consolidated statements of income (loss), shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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 consolidated financial position of Asbury Automotive Group, Inc. at December 31, 2010 and 2009, and the consolidated results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Asbury Automotive Group, Inc.'s internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control−Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2011 expressed an unqualified opinion thereon.

/s/ Ernst &Young LLP

Atlanta, Georgia
February 25, 2011

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors and Shareholders of
Asbury Automotive Group, Inc.

We have audited Asbury Automotive Group, Inc.'s internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control−Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Asbury Automotive Group, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of nine franchises acquired during December 2010, which are included in the 2010 consolidated financial statements of Asbury Automotive Group, Inc. and constituted approximately $79.8 million of total assets as of December 31, 2010 and approximately $13.5 million of revenues for the year then ended. Our audit of internal control over financial reporting of Asbury Automotive Group, Inc. also did not include an evaluation of the internal control over financial reporting of the nine franchises.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Asbury Automotive Group, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Asbury Automotive Group, Inc. as of December 31, 2010 and 2009, and the related consolidated statements of income (loss), shareholders' equity, and cash flows for the years then ended, and our report dated February 25, 2011 expressed an unqualified opinion thereon.

/s/ Ernst &Young LLP

Atlanta, Georgia
February 25, 2011

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Asbury Automotive Group, Inc.
Duluth, GA

We have audited the accompanying consolidated statements of income (loss), shareholders' equity, and cash flows of Asbury Automotive Group, Inc. and subsidiaries for the year ended December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (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 audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Asbury Automotive Group, Inc and subsidiaries for the year ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated 2008 financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, there is uncertainty that the Company will remain in compliance with certain debt covenants throughout 2009. This condition raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also discussed in Note 1 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 17 to the consolidated financial statements, effective January 1, 2007, the Company adopted accounting principles relating to the accounting for uncertainty in income taxes.

As discussed in Note 2 to the consolidated financial statements, the accompanying 2008 financial statements have been retrospectively adjusted for the change in method of accounting for debt with conversion and other options. Also, as discussed in Note 2 to the consolidated financial statements, the accompanying 2008 financial statements have been retrospectively adjusted for discontinued operations.

/s/ DELOITTE & TOUCHE LLP

New York, New York
March 16, 2009

(March 1, 2010 as to the 2008 retrospective adjustments relating to the accounting for debt with conversion and other options and February 25, 2011 as to the 2008 retrospective adjustments relating to discontinued operations discussed in Note 2)

ASBURY AUTOMOTIVE GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except par value and share data)

	December 31,	
	2010	2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 21.3	$ 84.7
Contracts−in−transit	80.6	61.8
Accounts receivable (net of allowance of $0.7 and $0.8, respectively)	102.6	79.0
Inventories	542.9	501.1
Deferred income taxes	7.6	8.6
Assets held for sale	65.7	25.5
Other current assets	56.6	51.5
Total current assets	877.3	812.2
PROPERTY AND EQUIPMENT, net	458.4	452.5
GOODWILL	18.9	—
DEFERRED INCOME TAXES, net of current portion	61.5	84.4
OTHER LONG−TERM ASSETS	70.2	51.8
Total assets	$ 1,486.3	$ 1,400.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Floor plan notes payable—trade	$ 339.1	$ 359.1
Floor plan notes payable—non−trade	80.0	77.0
Current maturities of long−term debt	8.9	9.0
Accounts payable and accrued liabilities	170.1	148.2
Liabilities associated with assets held for sale	37.7	5.5
Total current liabilities	635.8	598.8
LONG−TERM DEBT	534.9	528.8
OTHER LONG−TERM LIABILITIES	28.5	29.7
COMMITMENTS AND CONTINGENCIES (Notes 21 and 22)		
SHAREHOLDERS' EQUITY:		
Preferred stock, $.01 par value, 10,000,000 shares authorized; none issued or outstanding	—	—
Common stock, $.01 par value, 90,000,000 shares authorized; 37,597,481 and 37,200,557 shares issued, including shares held in treasury, respectively	0.4	0.4
Additional paid−in capital	463.4	457.3
Accumulated deficit	(95.7)	(133.8)
Treasury stock, at cost; 4,799,188 and 4,770,224 shares respectively	(75.0)	(74.6)
Accumulated other comprehensive loss	(6.0)	(5.7)
Total shareholders' equity	287.1	243.6
Total liabilities and shareholders' equity	$ 1,486.3	$ 1,400.9

See accompanying Notes to Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(In millions, except per share data)

	For the Years Ended December 31,		
	2010	2009	2008
REVENUES:			
New vehicle	$ 2,179.6	$ 1,859.6	$ 2,371.8
Used vehicle	1,084.6	902.4	1,012.3
Parts and service	555.4	553.2	581.8
Finance and insurance, net	116.4	90.9	127.5
Total revenues	3,936.0	3,406.1	4,093.4
COST OF SALES:			
New vehicle	2,035.9	1,728.3	2,207.1
Used vehicle	993.1	823.0	925.6
Parts and service	258.3	272.2	283.4
Total cost of sales	3,287.3	2,823.5	3,416.1
GROSS PROFIT	648.7	582.6	677.3
OPERATING EXPENSES:			
Selling, general and administrative	499.5	465.5	547.8
Depreciation and amortization	21.1	22.2	21.1
Impairment expenses	—	—	528.7
Other operating expense (income), net	1.4	(0.8)	1.3
Income (loss) from operations	126.7	95.7	(421.6)
OTHER (EXPENSE) INCOME:			
Floor plan interest expense	(9.4)	(10.9)	(22.2)
Other interest expense, net	(36.2)	(36.2)	(37.1)
Swap interest expense	(6.6)	(6.6)	(5.5)
Convertible debt discount amortization	(1.4)	(1.8)	(3.0)
(Loss) gain on extinguishment of long−term debt, net	(12.6)	0.1	26.2
Total other expense, net	(66.2)	(55.4)	(41.6)
Income (loss) before income taxes	60.5	40.3	(463.2)
INCOME TAX EXPENSE (BENEFIT)	23.2	15.1	(136.2)
INCOME (LOSS) FROM CONTINUING OPERATIONS	37.3	25.2	(327.0)
DISCONTINUED OPERATIONS, net of tax	0.8	(11.8)	(16.7)
NET INCOME (LOSS)	$ 38.1	$ 13.4	$ (343.7)
EARNINGS (LOSS) PER COMMON SHARE:			
Basic—			
Continuing operations	$ 1.16	$ 0.79	$ (10.32)
Discontinued operations	0.02	(0.37)	(0.52)
Net income (loss)	$ 1.18	$ 0.42	$ (10.84)
Diluted—			
Continuing operations	$ 1.12	$ 0.77	$ (10.32)
Discontinued operations	0.02	(0.36)	(0.52)
Net income (loss)	$ 1.14	$ 0.41	$ (10.84)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	32.2	32.0	31.7
Stock options	0.5	0.5	*
Restricted stock	0.3	0.3	*
Performance share units	0.2	0.1	*
Restricted share units	0.1	—	*
Diluted	33.3	32.9	31.7

* Common stock equivalents were not included in the calculation of diluted net loss per common share as the effect would have been anti−dilutive.

See accompanying Notes to Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Dollars in millions)

	Common Stock		Additional Paid−in Capital	(Accumulated Deficit) Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total
	Shares	Amount			Shares	Amount		
Balances, December 31, 2007	36,258,961	$ 0.3	$ 451.5	$ 217.9	4,677,261	$(73.3)	$ (2.6)	$ 593.8
Comprehensive Income (Loss):								
Net loss	—	—	—	(343.7)	—	—	—	(343.7)
Change in fair value of cash flow swaps, net of reclassification adjustment and $2.3 million tax benefit	—	—	—	—	—	—	(3.4)	(3.4)
Amortization of terminated cash flow swaps, net of $(0.3) million tax expense	—	—	—	—	—	—	0.4	0.4
Comprehensive loss	—	—	—	(343.7)	—	—	(3.0)	(346.7)
Dividends	—	—	—	(21.4)	—	—	—	(21.4)
Share−based compensation	—	—	1.9	—	—	—	—	1.9
Issuance of common stock in connection with share−based payment arrangements, including $(0.1) million tax deficit	452,924	0.1	0.1	—	—	—	—	0.2
Repurchases of common stock associated with net share settlement of employee share−based awards	—	—	—	—	82,957	(1.2)	—	(1.2)
Balances, December 31, 2008	36,711,885	$ 0.4	$ 453.5	$ (147.2)	4,760,218	$(74.5)	$ (5.6)	$ 226.6
Comprehensive Income (Loss):								
Net loss	—	—	—	13.4	—	—	—	13.4
Change in fair value of cash flow swaps, net of reclassification adjustment and $0.3 million tax benefit	—	—	—	—	—	—	(0.5)	(0.5)
Amortization of terminated cash flow swaps, net of $(0.2) million tax expense	—	—	—	—	—	—	0.4	0.4
Comprehensive income	—	—	—	13.4	—	—	(0.1)	13.3
Share−based compensation	—	—	2.8	—	—	—	—	2.8
Issuance of common stock in connection with share−based payment arrangements, including $(0.4) million tax deficit	488,672	—	1.0	—	10,006	(0.1)	—	0.9
Balances, December 31, 2009	37,200,557	$ 0.4	$ 457.3	$ (133.8)	4,770,224	$(74.6)	$ (5.7)	$ 243.6
Comprehensive Income (Loss):								
Net income	—	—	—	38.1	—	—	—	38.1
Change in fair value of cash flow swaps, net of reclassification adjustment and $0.4 million tax benefit	—	—	—	—	—	—	(0.6)	(0.6)
Amortization of terminated cash flow swaps, net of $(0.2) million tax expense	—	—	—	—	—	—	0.3	0.3
Comprehensive income	—	—	—	38.1	—	—	(0.3)	37.8
Share−based compensation	—	—	5.1	—	—	—	—	5.1
Issuance of common stock in connection with share−based payment arrangements, including $0.4 million excess tax benefit	396,924	—	1.0	—	—	—	—	1.0
Repurchase of common stock associated with net shares settlement of employee share−based awards	—	—	—	—	20,264	(0.3)	—	(0.3)
Purchase of treasury shares	—	—	—	—	8,700	(0.1)	—	(0.1)
Balances, December 31, 2010	37,597,481	$ 0.4	$ 463.4	$ (95.7)	4,799,188	$(75.0)	$ (6.0)	$ 287.1

See accompanying Notes to Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	For the Years Ended December 31,		
	2010	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 38.1	$ 13.4	$ (343.7)
Adjustments to reconcile net income (loss) to net cash provided by operating activities—			
Depreciation and amortization	21.1	22.2	21.1
Stock−based compensation	5.1	2.8	1.9
Deferred income taxes	24.5	18.2	(159.4)
Loss (gain) on extinguishment of long−term debt	12.6	(0.1)	(26.2)
Loaner vehicle amortization	8.1	7.4	8.5
Excess tax benefit on share−based arrangements	(0.4)	—	—
Impairment expenses	5.1	5.5	550.9
Other adjustments, net	3.8	10.4	13.4
Changes in operating assets and liabilities, net of acquisitions and divestitures—			
Contracts−in−transit	(18.8)	2.0	52.3
Accounts receivable	(46.3)	(18.6)	30.7
Proceeds from the sale of accounts receivable	22.8	21.9	20.5
Inventories	(24.7)	206.8	137.4
Other current assets	(50.1)	(44.3)	(43.6)
Floor plan notes payable—trade	(4.2)	(124.0)	305.3
Floor plan notes payable—trade divestitures	(5.9)	(10.2)	(5.9)
Accounts payable and accrued liabilities	16.8	(4.6)	(35.2)
Other long−term assets and liabilities, net	2.3	2.1	1.2
Net cash provided by operating activities	9.9	110.9	529.2
CASH FLOW FROM INVESTING ACTIVITIES:			
Capital expenditures	(30.1)	(8.3)	(69.3)
Acquisitions	(60.5)	—	(41.9)
Purchase of previously leased real estate	—	—	(207.9)
Proceeds from the sale of assets	17.7	25.1	25.4
Other investing activities	4.0	(0.7)	1.3
Net cash (used in) provided by investing activities	(68.9)	16.1	(292.4)
CASH FLOW FROM FINANCING ACTIVITIES:			
Floor plan borrowings—non−trade	410.7	329.6	2,028.8
Floor plan borrowings—acquisitions	13.9	—	7.6
Floor plan repayments—non−trade	(404.4)	(384.3)	(2,383.5)
Floor plan repayments—non−trade divestitures	—	(2.9)	(2.8)
Payments of dividends	—	—	(21.5)
Proceeds from borrowings	222.5	0.9	302.8
Repayments of borrowings	(240.1)	(76.3)	(126.1)
Payments of debt issuance costs	(7.6)	(2.2)	(2.9)
Purchases of treasury stock, including those associated with net share settlement of employee share−based awards	(0.4)	(0.1)	(1.2)
Excess tax benefit on share−based arrangements	0.4	—	—
Proceeds from the exercise of stock options	0.6	1.4	0.2
Net cash provided by (used in) financing activities	(4.4)	(133.9)	(198.6)
Net (decrease) increase in cash and cash equivalents	(63.4)	(6.9)	38.2
CASH AND CASH EQUIVALENTS, beginning of year	84.7	91.6	53.4
CASH AND CASH EQUIVALENTS, end of year	$ 21.3	$ 84.7	$ 91.6

See Note 20 for supplemental cash flow information

See accompanying Notes to Consolidated Financial Statements

ASBURY AUTOMOTIVE GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(December 31, 2010, 2009 and 2008)

1. DESCRIPTION OF BUSINESS

We are one of the largest automotive retailers in the United States, operating 110 franchises (84 dealership locations) in 20 metropolitan markets within 11 states as of December 31, 2010. We offer an extensive range of automotive products and services, including new and used vehicles; vehicle maintenance, replacement parts and collision repair services; and financing, insurance and service contracts. As of December 31, 2010, we offered 36 domestic and foreign brands of new vehicles. Our current brand mix is weighted 86% towards luxury and mid−line import brands, with the remaining 14% consisting of domestic brands. We also operate 26 collision repair centers that serve customers in our local markets.

The franchises, locations, brands and collision repair centers described above include those associated with our heavy truck business in Atlanta, Georgia and the acquisition of nine franchises (four dealership locations) in the fourth quarter of 2010. In December 2010, we entered into a contract to sell our heavy truck business and, as a result, the results of operations of this business were classified as Discontinued Operations, net on the accompanying Consolidated Statements of Income (Loss). As of December 31, 2010, our heavy truck business included ten franchise (three locations) offering seven brands of heavy trucks, as well as one collision repair center.

Our retail network is made up of dealerships operating primarily under the following locally−branded dealership groups:

- Coggin dealerships, operating primarily in the Florida markets of Jacksonville, Fort Pierce and Orlando;
- Courtesy dealerships operating in Tampa, Florida;
- Crown dealerships operating in New Jersey, North Carolina, South Carolina and Virginia;
- Nalley dealerships operating in Atlanta, Georgia;
- McDavid dealerships operating in Texas;
- North Point dealerships operating in Little Rock, Arkansas;
- Plaza dealerships operating in St. Louis, Missouri; and
- Gray−Daniels dealerships operating in Jackson, Mississippi.

In addition to the dealership groups listed above, we also operated one luxury brand dealership in California as of December 31, 2010.

We are subject to a number of financial covenants in our various debt and lease agreements. As of December 31, 2008, there was uncertainty as to whether we would be able to remain in compliance with such covenants. Our previous independent registered public accounting firm included an explanatory paragraph in its audit report for our 2008 consolidated financial statements that indicated there was uncertainty that we would remain in compliance with certain covenants in our debt agreements, and that this uncertainty raised substantial doubt about our ability to continue as a going concern. The inclusion of this explanatory paragraph in the 2008 audit report constituted a default under our revolving credit facility with Bank of America, N.A. (“Bank of America”), as administrative agent, and a syndicate of commercial banks and commercial financing entities (the “BofA Revolving Credit Facility”), our revolving credit facility with JPMorgan Chase Bank, N.A. (“JPMorgan Chase”), as administrative agent, and Bank of America (the “JPMorgan Used Vehicle Floor Plan Facility”) and our new vehicle floor plan facility with General Motors Acceptance Corporation. On March 12, 2009, we received waivers from all of our associated lending partners with respect to these defaults and, as a result, we were in compliance with the covenants contained in these borrowing facilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), and reflect the consolidated accounts of Asbury Automotive Group, Inc. and our wholly owned subsidiaries. All intercompany transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results could differ

materially from these estimates. Estimates and assumptions are reviewed quarterly and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Significant estimates made in the accompanying consolidated financial statements include, but are not limited to, inventory valuation reserves, reserves for chargebacks against revenue recognized from the sale of finance and insurance ("F&I") products, certain assumptions related to intangible and long−lived assets, reserves for insurance programs, reserves for certain legal proceedings, realization of deferred tax assets and reserves for estimated tax liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include investments in money market accounts and short−term certificates of deposit which have maturity dates of less than 90 days when purchased.

Contracts−In−Transit

Contracts−in−transit represent receivables from third−party finance companies for the portion of new and used vehicle purchase price financed by customers through sources arranged by us. Amounts due from contracts−in−transit are generally collected within two weeks following the date of sale of the related vehicle.

Inventories

Inventories are stated at the lower of cost or market. We use the specific identification method to value vehicle inventories and the “first−in, first−out” method (“FIFO”) to account for our parts inventories. We maintain a reserve for specific vehicles where cost basis exceeds market value. In assessing the lower of cost or market for new and used vehicles, we consider (i) the aging of new and used vehicles, (ii) loss histories of new and used vehicles, (iii) the timing of annual and model changeovers of new vehicles and (iv) then−current market conditions. Our new vehicle loss histories have indicated that our losses range between 1% and 3% of our new vehicle inventory greater than 300 days old. Our used vehicle loss histories have indicated that our losses range between 3% and 6% of our total used vehicle inventory.

We receive assistance from certain automobile manufacturers in the form of advertising and interest credits. Manufacturer advertising credits that are reimbursements of costs associated with specific advertising programs are recognized as a reduction of advertising expense in the period they are earned. All other manufacturer advertising and interest credits are accounted for as purchase discounts and are recorded as a reduction of inventory and recognized as a reduction to New Vehicle Cost of Sales in the accompanying Consolidated Statements of Income (Loss) in the period the related vehicle is sold.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight−line method over their estimated useful lives. Depreciation is included in Depreciation and Amortization and Discontinued Operations, net of tax, on the accompanying Consolidated Statements of Income (Loss). Leasehold improvements are capitalized and amortized over the lesser of the life of the lease or the useful life of the related asset. The ranges of estimated useful lives are as follows (in years):

Buildings and improvements	10−40
Machinery and equipment	5−10
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 expensed as incurred.

We review property and equipment for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. When we test our long−lived assets for impairment, we first compare the carrying amount of the underlying assets to their net recoverable value by reviewing the undiscounted cash flows expected to result from the use and eventual disposition of the underlying assets. If the carrying amount of the underlying assets is less than their net recoverable value, then we calculate an impairment equal to the excess of the carrying amount over the fair market value, and the impairment loss would be charged to operations in the period identified. As a result of impairment tests conducted in 2010, 2009 and 2008, we recorded impairments of certain of our property and equipment in those periods (see Note 10).

We capitalize interest on borrowings during the active construction period of capital projects. Capitalized interest is added to the cost of the assets and is depreciated over the estimated useful lives of the assets.

Acquisitions

Acquisitions are accounted for under the purchase method of accounting and the assets acquired and liabilities assumed are recorded at their fair value as of the acquisition dates. The operations of the acquired dealerships are included in the accompanying Consolidated Statements of Income (Loss) commencing on the date of acquisition.

Goodwill and Other Intangible Assets

Goodwill represents the excess cost of the businesses acquired over the fair market value of the identifiable net assets. We have determined that, based on how we integrate acquisitions into our business, how the components of our business share resources and interact with one another, and the fact that all components are economically similar, we qualify as a single reporting unit for purposes of testing goodwill for impairment. Our dealership general managers are responsible for customer−facing activities, including inventory management, advertising and personnel decisions, and have the flexibility to respond to local market conditions. The corporate management team is generally responsible for infrastructure and strategy decisions.

The fair market value of our manufacturer franchise rights, which are included in Other Long Term Assets on the accompanying Consolidated Balance Sheets, is determined at the acquisition date through discounting the projected cash flows specific to each franchise. We have determined that manufacturer franchise rights have an indefinite life as there are no economic or other factors that limit their useful lives and they are expected to generate cash flows indefinitely due to the historically long lives of the manufacturers' brand names. Furthermore, to the extent that any agreements evidencing our manufacturer franchise rights would expire, we expect that we would be able to renew those agreements in the ordinary course of business. Due to the fact that manufacturer franchise rights are specific to each dealership, we have determined that the dealership is the reporting unit for purposes of testing franchise rights for impairment.

We do not amortize goodwill and other intangible assets that are deemed to have indefinite lives. We review goodwill and manufacturer franchise rights for impairment annually as of October 1st of each year, or more often if events or circumstances indicate that impairment may have occurred. We are subject to financial statement risk to the extent that manufacturer franchise rights become impaired due to decreases in fair market value of our individual franchises or to the extent that goodwill becomes impaired due to decreases in the fair market value of our automotive retail business.

We completed our annual intangible impairment tests as of October 1, 2010, and no impairment of goodwill or other intangible assets was recognized as a result of such tests.

Debt Issuance Costs

Debt issuance costs are capitalized and included in Other Long−Term Assets in the accompanying Consolidated Balance Sheets. Debt issuance costs are amortized to Other Interest Expense and Floor Plan Interest Expense in the accompanying Consolidated Statements of Income (Loss) through maturity using either the effective interest method or straight line method.

Derivative Instruments and Hedging Activities

We utilize derivative financial instruments to manage our capital structure and interest rate risk. The types of risks hedged are those relating to the variability of cash flows and changes in the fair value of our financial instruments caused by movements in interest rates. We document our risk management strategy and assess hedge effectiveness at the inception and during the term of each hedge. Derivatives are reported at fair value on the accompanying Consolidated Balance Sheets.

The effective portion of the gain or loss on our cash flow hedges is reported as a component of accumulated other comprehensive loss and reclassified to interest expense in the accompanying Consolidated Statements of Income (Loss) in the same period during which the hedged transaction affects earnings.

Measurements of hedge effectiveness are based on comparisons between the gains or losses of the actual interest rate swaps and the gains or losses of hypothetical interest rate swaps, which have the exact same critical terms of the defined hedged items. Ineffective portions of these interest rate swaps are reported as a component of interest expense in the accompanying Consolidated Statements of Income (Loss).

Insurance

We are self insured for employee medical claims and maintain stop loss insurance for individual claims. We have large deductible insurance programs for workers compensation, property and general liability claims. We maintain and review our claim and loss history to assist in assessing our expected future liability for these claims. We also use professional service providers, such as account administrators and actuaries, to help us accumulate and assess this information.

Revenue Recognition

Revenue from the sale of new and used vehicles (which excludes sales tax) is recognized upon the latest of delivery, passage of title, signing of the sales contract or approval of financing. Revenue from the sale of parts, service and collision repair work (which excludes sales tax) is recognized upon delivery of parts to the customer or at the time vehicle service or repair work is completed, as applicable. Manufacturer incentives and rebates, including manufacturer holdbacks, floor plan interest assistance and certain advertising assistance, are recognized as a reduction of new vehicle cost of sales at the time the related vehicles are sold.

We receive commissions from third−party lending and insurance institutions for arranging customer financing and from the sale of vehicle service contracts, credit life insurance and disability insurance to customers, and other insurance offerings (collectively "F&I"). We may be charged back ("chargebacks") for F&I commissions in the event a contract is prepaid, in default or terminated. F&I commissions are recorded at the time a vehicle is sold and a reserve for future chargebacks is established based on historical chargeback experience and the termination provisions of the applicable contracts. F&I commissions, net of estimated chargebacks, are included in Finance and Insurance, net in the accompanying Consolidated Statements of Income (Loss).

Internal Profit

Revenues and expenses associated with the internal work performed by our parts and service departments on new and used vehicle inventory are eliminated in consolidation. The gross profit earned by our parts and service departments for internal work performed is included as a reduction of Parts and Service Cost of Sales on the accompanying Consolidated Statements of Income (Loss). The costs incurred by our new and used departments for work performed by our parts and service departments is included in either New Vehicle Cost of Sales or Used Vehicle Cost of Sales on the accompanying Consolidated Statements of Income (Loss), depending on the classification of the vehicle serviced. We maintain an internal profit reserve for internal profit on vehicles that have not been sold.

Share−Based Compensation

We record share−based compensation expense under the fair value method on a straight−line basis over the vesting period.

Earnings (Loss) per Common Share

Basic earnings per share is computed for all periods presented by dividing net income by the weighted−average common shares outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted−average common shares and common share equivalents outstanding during the period. For all periods presented, there were no adjustments to the numerator necessary to compute diluted earnings per share. We have issued warrants that, upon exercise, may result in the issuance of between 2.4 million and 4.9 million shares of our common stock at an exercise price of $44.74 per share. Since the warrants are required to be settled in shares of common stock, the premium received for selling the warrants was recorded as an increase to additional paid in capital, together with any cash received upon exercise. In addition, our 3% Senior Subordinated Convertible Notes due 2012 (the "3% Convertible Notes") are convertible into shares of our common stock at a current conversion rate of $33.73 per share. The shares issuable upon exercise of these warrants and conversion of our 3% Convertible Notes could potentially dilute basic earnings per share in the future; however, these shares were not included in the computation of diluted earnings per share because their inclusion would be anti−dilutive. The maximum number of shares of common stock issuable upon conversion of our 3% Convertible Notes as of December 31, 2010 was 2.2 million shares.

Advertising

We expense costs of advertising as incurred and production costs when the advertising initially takes place, net of certain advertising credits and other discounts. Advertising expense from continuing operations totaled $26.4 million, $26.8 million and $39.5 million for the years ended December 31, 2010, 2009 and 2008, net of earned advertising credits and volume discounts of $10.4 million, $3.3 million and $4.6 million, respectively, and is included in Selling, General and Administrative expense in the accompanying Consolidated Statements of Income (Loss).

Income Taxes

We use the liability method to account for income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax basis using currently enacted tax rates. The effect on deferred assets and liabilities of a change in tax rates is recognized in income in the period when the change is enacted. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion or all the deferred tax assets will not be realized.

Discontinued Operations

Certain amounts reflected in the accompanying Consolidated Balance Sheets as of December 31, 2010 and 2009, have been classified as Assets Held for Sale or Liabilities Associated with Assets Held for Sale, to the extent that they were held for sale, or associated with assets held for sale, at each balance sheet date. Amounts in the accompanying Consolidated Statements of Income (Loss) for the years ended December 31, 2009 and 2008, have been reclassified to reflect the results of franchises sold during 2010 or held for sale as of December 31, 2010, as if we had classified those franchises as discontinued operations for all years presented. The assets and liabilities classified as held for sale are reclassified to the appropriate balance sheet categories for all periods presented in the period that it is determined that the related franchise will no longer be actively marketed for sale.

We report franchises and ancillary businesses as discontinued operations when it is evident that the operations and cash flows of a franchise or ancillary business being actively marketed for sale will be eliminated from our on−going operations and that we will not have any significant continuing involvement in its operations. We do not classify franchises as discontinued operations if we believe that the cash flows generated by the franchise will be replaced by expanded operations of our remaining franchises within the respective local market area.

Statements of Cash Flows

Borrowings and repayments of floor plan notes payable to a lender unaffiliated with the manufacturer from which we purchase a particular new vehicle (“Non−Trade”), and all floor plan notes payable relating to pre−owned vehicles (collectively referred to as "Floor Plan Notes Payable − Non−Trade"), are classified as financing activities on the accompanying Consolidated Statements of Cash Flows, with borrowings reflected separately from repayments. The net change in floor plan notes payable to a lender affiliated with the manufacturer from which we purchase a particular new vehicle (collectively referred to as “Floor Plan Notes Payable − Trade”) is classified as an operating activity on the accompanying Consolidated Statements of Cash Flows.

Loaner vehicles account for a significant portion of Other Current Assets on the accompanying Consolidated Statements of Cash Flows. We acquire loaner vehicles either with available cash or through borrowings from manufacturer affiliated lenders. While loaner vehicles are initially used by our service department for use in our business, these vehicles are used in such capacity for a short period of time (typically six to twelve months) before we sell them. Therefore we classify the acquisition of loaner vehicles and the related borrowings and repayments as operating activities in the accompanying Consolidated Statements of Cash Flows. The cash outflow to acquire loaner vehicles is presented in Other Current Assets in the accompanying Consolidated Statements of Cash Flows. Borrowings and repayments of loaner vehicle notes payable are presented in Accounts Payable and Accrued Liabilities in the accompanying Consolidated Statements of Cash Flows. When loaner vehicles are taken out of loaner status they are transferred to used vehicle inventory, which is reflected as a non−cash transfer in the accompanying Consolidated Statements of Cash Flows. The cash inflow from the sale of loaner vehicles is reflected in Inventories on the accompanying Consolidated Statements of Cash Flows.

Business and Credit Concentration Risk

Financial instruments, which potentially subject us to concentration of credit risk, consist principally of cash deposits. We maintain cash balances at financial institutions with strong credit ratings. Generally, amounts invested with financial institutions are in excess of FDIC insurance limits.

We have substantial debt service obligations. As of December 31, 2010, we had total debt of $550.7 million, including amounts classified as Liabilities Associated with Assets Held for Sale, excluding floor plan notes payable and the unamortized discount on our 3% Convertible Notes on our accompanying Consolidated Balance Sheet. In addition, we and our subsidiaries have the ability to obtain additional debt from time to time to finance acquisitions, real property purchases, capital expenditures or for other purposes, which borrowings are subject to the restrictions contained in our revolving credit facilities and the indentures governing our 8.375% Senior Subordinated Notes due 2020 (the "8.375% Notes") and our 7.625% Senior Subordinated Notes due 2017 (the "7.625% Notes"). We will have substantial debt service obligations, consisting of required cash payments of principal and interest, for the foreseeable future.

In addition, we are subject to operating and financial restrictions and covenants in certain of our leases and in our debt instruments, including our revolving credit facilities with Bank of America, N.A. and JPMorgan Chase, the indentures under our 8.375% Notes and our 7.625% Notes and the mortgage agreements or guarantees for mortgages held with Wachovia Bank, National Association, Wachovia Financial Services, Inc. and certain of our other mortgage obligations. These agreements contain restrictions on, among other things, our ability to incur additional indebtedness, to create liens or other encumbrances, and to make certain payments (including dividends and repurchases of our shares and investments). These agreements may also require us to maintain compliance with certain financial and other ratios. Our ability to comply with these ratios may be affected by events beyond our control. A breach of any of the covenants in our debt instruments or certain leases, or our

inability to comply with any required ratios could result in an event of default, which, if not cured or waived, could result in cross defaults which would have a material adverse effect on us. In the event of any default under these agreements governing our indebtedness or our mortgages and/or guarantees related to such mortgages, the payment of all outstanding borrowings could be accelerated, together with accrued and unpaid interest and other fees, and we would be required to apply our available cash to repay these borrowings or could be prevented from making debt service payments on our 8.375% Notes, our 7.625% Notes, and our 3% Convertible Notes, any of which would be an event of default under the respective indentures for such Notes. Furthermore, failing to comply with any of these covenants or meet the required financial ratios could prevent us from being able to access our credit lines under these credit facilities or limit the size or pricing, or result in other less favorable terms, or combination thereof, under such credit facilities.

A number of our dealerships are located on properties that we lease. Each of the leases governing such properties has certain covenants with which we must comply. If we fail to comply with the covenants under our leases, the respective landlords could terminate the leases and seek damages from us.

Concentrations of credit risk with respect to contracts−in−transit and accounts receivable are limited primarily to automotive manufacturers and financial institutions. Credit risk arising from receivables from commercial customers is minimal due to the large number of customers comprising our customer base.

A significant portion of our new vehicle sales are derived from a limited number of automotive manufacturers. For the year ended December 31, 2010, brands representing 5% or more of our revenues from new vehicle sales were as follows:

Brand	% of Total New Vehicle Revenues
Honda	23%
Nissan	13%
Toyota	10%
BMW	9%
Mercedes−Benz	8%
Ford	8%
Lexus	6%

No other brand accounted for more than 5% of our total new vehicle revenue for the year ended December 31, 2010.

Segment Reporting

We have determined that as a result of how we internally view our business, regularly review our financial data and operating metrics and allocate resources that we operate in one segment, automotive retail. Our Chief Operating Decision Maker is our Chief Executive Officer who manages the business, regularly reviews financial information and allocates resources on a consolidated basis. Our dealerships are components of our automotive retail segment and, therefore, are not segments themselves.

Nonfinancial Assets and Liabilities

We began accounting for the methods of fair value for nonfinancial assets and liabilities based on a new definition of fair value on January 1, 2009. The adoption of the new accounting requirements for nonfinancial assets and liabilities did not have a material impact on our consolidated financial statements.

3. RECLASSIFICATION OF PRIOR YEAR FINANCIAL STATEMENTS

We have previously presented the earnings impact associated with our various derivative financial instruments as components of Floor Plan Interest Expense and Other Interest Expense on our Consolidated Statements of Income (Loss). Our various derivative financial instruments, which include fair value and cash flow interest rate swaps, have been primarily designed to provide hedges against changes in fair value of certain debt obligations and variable rate cash flows. Our earnings have been impacted by these interest rate swaps in the form of (i) amounts reclassified from Accumulated Other Comprehensive Income ("AOCI") to earnings for active swaps, (ii) amortization of amounts reclassified from AOCI to earnings for terminated cash flow swaps and (iii) amortization of terminated fair value swaps. In order to more clearly show the earnings impact associated with our various derivative financial instruments, we have separately disclosed "Swap Interest Expense" on our Consolidated Statements of Income (Loss) and reclassified the appropriate amounts from Floor Plan Interest Expense and

Other Interest Expense to Swap Interest Expense. These reclassifications did not have any impact on income (loss) from continuing operations, earnings (loss) per share or retained earnings.

	For the Year Ended December 31,	
	2009	2008
	(In millions)	
Floor plan interest expense, previously reported	$ (18.0)	$ (28.9)
Swap interest expense previously included in floor plan interest expense	5.0	4.3
Floor plan interest expense of franchises placed into discontinued operations in 2010	2.1	2.4
Floor plan interest expense	$ (10.9)	$ (22.2)

	For the Year Ended December 31,	
	2009	2008
	(In millions)	
Other interest expense, previously reported	$ (38.2)	$ (40.0)
Swap interest expense previously included in other interest expense	1.6	1.2
Other interest expense of franchises placed into discontinued operations in 2010	0.2	0.2
Interest income	0.2	1.5
Other interest expense, net	$ (36.2)	$ (37.1)

	For the Year Ended December 31,	
	2009	2008
	(In millions)	
Swap interest expense, previously reported	$ —	$ —
Swap interest expense previously included in floor plan interest expense	(5.0)	(4.3)
Swap interest expense previously included in other interest expense	(1.6)	(1.2)
Swap interest expense	$ (6.6)	$ (5.5)

In addition, we have reclassified our Consolidated Statements of Income (Loss) for 2009 and 2008 to reflect the current status of our discontinued operations and we have made certain other immaterial reclassifications of prior year amounts to be consistent with current period presentation.

4. ACQUISITIONS

Results of acquired dealerships are included in our accompanying Consolidated Statements of Income (Loss) commencing on the date of acquisition.

In the fourth quarter of 2010, we acquired nine franchises (four dealership locations) for an aggregate purchase price of $77.5 million. We financed these acquisitions with (i) $46.6 million of cash, (ii) $13.9 million of floor plan borrowings for the purchase of the related new vehicle inventory and (iii) $17.0 million of a seller financed mortgage note payable for the purchase of land and buildings associated with five of those franchises (three dealership locations). During the twelve months ended December 31, 2009, we did not acquire any dealerships.

Two of the franchises acquired thereafter became part of our heavy truck business. In December 2010, we entered into a contract to sell our heavy truck business. As a result the assets and liabilities associated with these franchises were classified as Assets Held for Sale and Liabilities Associated with Assets Held for Sale as of December 31, 2010.

Below is the preliminary allocation of purchase price for acquisitions completed during 2010 and 2009. The $39.0 million of goodwill and manufacturer franchise rights will be deductible for federal and state income taxes ratably over a fifteen year period.

	For the Years Ended December 31,	
	2010	2009
	(In millions)	
Inventory	$ 17.4	$ —
Property and equipment	21.1	—
Goodwill	20.5	—
Manuacturer franchise rights	18.5	—
Total purchase price	$ 77.5	$ —

During the twelve months ended December 31, 2010, we were awarded two Sprinter franchises, which were added to our Mercedes−Benz locations in St. Louis, Missouri and Tampa, Florida. During the twelve months ended December 31, 2009, we were awarded one Jeep franchise, which was added to our Chrysler/Dodge location in Greensboro, North Carolina. We did not pay any amount in connection with being awarded any of these three franchises.

The pro forma consolidated statements of operations as if the results of these acquisitions had been included in our consolidated results for the entire year ended December 31, 2010 would not have been materially different from our reported consolidated statements of operations for these periods.

5. ACCOUNTS RECEIVABLE

We have agreements to sell certain of our trade receivables, without recourse as to credit risk, in an amount not to exceed $25.0 million annually. The receivables are sold at a discount, which is included in Selling, General and Administrative expense in the accompanying Consolidated Statements of Income (Loss). The discounts totaled $0.6 million, $0.6 million and $0.5 million for the years ended December 31, 2010, 2009 and 2008, respectively. During the years ended December 31, 2010, 2009 and 2008, $23.4 million, $22.5 million and $21.0 million of receivables, respectively, were sold under these agreements and were reflected as reductions of trade accounts receivable.

6. INVENTORIES

Inventories consist of the following:

	As of December 31,	
	2010	2009
	(In millions)	
New vehicles	$ 431.9	$ 395.5
Used vehicles	74.8	64.1
Parts and accessories	36.2	41.5
Total inventories	$ 542.9	$ 501.1

The lower of cost or market reserves reduced total inventory cost by $4.6 million and $7.4 million as of December 31, 2010 and 2009, respectively. In addition to the inventories shown above, we have $35.8 million and $5.6 million of inventory as of December 31, 2010 and 2009, respectively, classified as Assets Held for Sale on the accompanying Consolidated Balance Sheets as they are associated with franchises held for sale. As of December 31, 2010 and 2009, certain automobile manufacturer incentives reduced new vehicle inventory cost by $5.1 million and $5.2 million, respectively, and reduced new vehicle cost of sales from continuing operations for the years ended December 31, 2010, 2009 and 2008, by $19.2 million, $20.1 million and $26.5 million, respectively.

7. ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities classified as held for sale include (i) assets and liabilities associated with discontinued operations held for sale at each balance sheet date and (ii) real estate not currently used in our operations that we intend to sell and the related mortgage notes payable, if applicable.

Assets associated with pending dispositions as of December 31, 2010 totaled $53.0 million, which includes $10.6 million of land and building assets. Liabilities associated with pending dispositions totaled $37.7 million as of December 31, 2010.

Assets associated with pending dispositions totaled $8.0 million as of December 31, 2009. Liabilities associated with pending dispositions totaled $5.5 million as of December 31, 2009.

Real estate not currently used in our operations that we are actively marketing to sell totaled $12.7 million and $17.5 million as of December 31, 2010 and 2009, respectively. There were no liabilities associated with our real estate assets held for sale as of December 31, 2010 and 2009, respectively.

During the twelve months ended December 31, 2010, we sold one franchise (one dealership location). In addition, during the twelve months ended December 31, 2010 we removed $4.8 million and $1.4 million of assets held for sale and liabilities associated with assets held for sale related to one franchise (one dealership location) as a result of our decision to operate this store instead of market it for sale. As a result, we reclassified the assets and liabilities associated with this franchise from Assets Held for Sale and Liabilities Associated with Assets Held for Sale on the Consolidated Balance Sheet as of December 31, 2009.

A summary of assets held for sale and liabilities associated with assets held for sale is as follows:

	As of December 31,	
	2010	2009
	(In millions)	
Assets:		
Inventories	$ 35.8	$ 5.6
Property and equipment, net	26.1	19.9
Goodwill	1.6	—
Other	2.2	—
Total assets	65.7	25.5
Liabilities:		
Floor plan notes payable	32.5	5.5
Mortgage notes payable	5.2	—
Total liabilities	37.7	5.5
Net assets held for sale	$ 28.0	$ 20.0

8. OTHER CURRENT ASSETS

Other current assets consist of the following:

	As of December 31,	
	2010	2009
	(In millions)	
Service loaner vehicles	$ 41.2	$ 31.9
Prepaid taxes	9.4	10.3
Prepaid rent	0.7	3.8
Other	5.3	5.5
Other current assets	$ 56.6	$ 51.5

9. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

	As of December 31,	
	2010	2009
	(In millions)	
Land	$ 171.9	$ 167.3
Buildings and leasehold improvements	316.3	300.3
Machinery and equipment	65.6	71.6
Furniture and fixtures	28.9	30.4
Company vehicles	7.0	9.7
Total	589.7	579.3
Less—Accumulated depreciation	(131.3)	(126.8)
Property and equipment, net	$ 458.4	$ 452.5

During the years ended December 31, 2010, 2009 and 2008, we capitalized $0.5 million, $0.4 million and $1.1 million, respectively, of interest in connection with various capital projects to upgrade or remodel our facilities. Depreciation and amortization expense from continuing operations was $21.1 million, $22.2 million and $21.1 million for the years ended December 31, 2010, 2009 and 2008, respectively.

We have multiple mortgage agreements with various lenders. For a detailed description of our mortgage agreements, refer to our “Long−Term Debt” footnote below. As of December 31, 2010 and 2009, we had total mortgage notes payable outstanding of $178.0 million and $169.9 million, respectively, of which $5.2 million was classified as Liabilities Held for Sale on the accompanying Consolidated Balance Sheet as of December 31, 2010. These obligations were collateralized by the related real estate with a carrying value of $276.4 million and $246.7 million as of December 31, 2010 and 2009, respectively, of which $7.8 million was classified as Assets Held for Sale on the accompanying Consolidated Balance Sheet as of December 31, 2010.

10. ASSET IMPAIRMENT EXPENSES

Due to events and circumstances specific to each reporting period, we performed certain interim period impairment tests during 2010, 2009 and 2008. We compared the carrying value of our assets held for sale to estimates of fair values determined with the assistance of third−party desktop appraisals and real estate brokers.

The impairment tests indicated an impairment of our intangible assets and certain of our property and equipment. As a result, we recognized the following impairment expenses in 2010, 2009 and 2008:

	As of December 31,		
	2010	2009	2008
		(In millions)	
Goodwill	$ —	$ —	$ 499.8
Manufacturer franchise rights	—	—	37.1
Property and equipment	5.1	5.5	11.4
Other intangible assets	—	—	2.6
Total impairment expense	5.1	5.5	550.9
Less— impairment expenses included in discontinued operations			
Goodwill	—	—	(8.1)
Manufacturer franchise rights	—	—	(8.7)
Property and equipment	(2.1)	(4.8)	(5.3)
Other intangible assets	—	—	(0.1)
Total impairment expenses included in discontinued operations	(2.1)	(4.8)	(22.2)
Total impairment expenses included in continuing operations	$ 3.0	$ 0.7	$ 528.7

During the fourth quarter of 2008, we experienced a sustained decline in our market capitalization and a significant decline in total revenue due to overall retail industry conditions driven by declining consumer confidence, more stringent lending standards, rising gas prices, changes in consumer demand and falling home prices. Our stock price decreased 60% from $11.52 per share as of September 30, 2008 to $4.57 per share as of December 31, 2008. In addition, our total revenues decreased approximately 30% during the fourth quarter of 2008 as compared to the fourth quarter of 2007.

The test for goodwill impairment, as defined by SFAS No. 142, is a two−step approach (a) determining fair value of our single reporting unit and (b) allocating the fair value (as if it were the purchase price in a business combination). We determined fair value using two valuation methods (1) quoted market price of our outstanding common shares plus a control premium and (2) a discounted cash flow analysis using forward−looking projections of our estimated future operating results. As a result, during 2008, we recognized impairment expenses totaling $550.9 million, which includes (i) a $499.8 million impairment of all of our goodwill, (ii) a $39.7 million impairment of franchise rights and other intangible assets and (iii) an $11.4 million impairment of certain property and equipment.

11. GOODWILL

Our acquisitions have resulted in the recording of goodwill, which is an asset representing operational synergies and future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The changes in the carrying amount of goodwill for the years ended December 31, 2010 and 2009 are as follows:

	Gross Carrying Amount	Less: Accumulated Impairment	Net
		(In millions)	
Balance as of December 31, 2008 and 2009	$ 537.7	$ (537.7)	$ —
Acquisitions	20.5	—	20.5
Reclassified to assets held for sale	(1.6)	—	(1.6)
Balance as of December 31, 2010	$ 556.6	$ (537.7)	$ 18.9

12. OTHER LONG−TERM ASSETS

Other Long−Term Assets consist of the following:

	As of December 31,	
	2010	2009
	(In millions)	
Manufacturer franchise rights	$ 36.3	$ 18.5
Deferred financing costs	12.9	10.5
Cash surrender value of corporate−owned life insurance policies	13.6	12.1
Construction period rent	3.4	4.0
Other	4.0	6.7
Total other long−term assets	$ 70.2	$ 51.8

13. FLOOR PLAN NOTES PAYABLE

We have floor plan facilities with predominantly our brands' captive finance companies for the purchase of new and used inventory at all of our dealerships, except at our Chrysler, Dodge and Jeep dealerships ("Chrysler Dealerships"). In October 2008, we secured a $29.0 million new vehicle floor plan facility with Bank of America for the financing of new vehicle inventory at our Chrysler Dealerships.

As of December 31, 2010, our new vehicle inventory purchases are financed by the following floor plan providers:

- American Honda Finance—Honda and Acura new vehicle inventory;
- Bank of America—Chrysler, Dodge and Jeep new vehicle inventory—limited to $18.0 million of borrowing availability;
- BMW Financial Services—BMW and MINI new vehicle inventory;
- Comerica Bank—Hino and Isuzu Truck new heavy truck inventory;
- Navistar Financial—International Truck, IC Bus, Workhorse and UD new heavy truck inventory;
- DCFS USA LLC—Mercedes−Benz and smart new vehicle inventory;

- Ford Motor Credit Corporation—Ford, Lincoln, Volvo and Mazda new vehicle inventory;
- General Motors Acceptance Corporation—Chevrolet, Pontiac, Buick, GMC and Cadillac new vehicle inventory;
- JPMorgan Chase Bank, N.A.—Audi, Hyundai, Kia, Land Rover, Jaguar, Porsche, and Volkswagen new vehicle inventory—limited to $30.0 million of borrowing capacity;
- Nissan Motor Acceptance Corporation—Nissan and Infiniti new vehicle inventory;
- PACCAR Financial Services Corporation—Peterbilt new heavy truck inventory;
- Toyota Financial Services—Toyota new vehicle inventory purchased from Gulf States Toyota and Lexus new vehicle inventory; and
- World Omni Financial Corporation—Toyota new vehicle inventory purchased from Southeast Toyota.

Borrowings on all our new vehicle floor plan financing facilities above generally accrue interest at rates ranging from approximately 1.50% to 3.00% above the London Interbank Offered Rate (“LIBOR”) or 0.50% below to 1.50% above the Prime Rate, with some floor plan financing facilities establishing specific prime rate or LIBOR minimums. Other than the limitations under our new vehicle floor plan facilities with Bank of America and JPMorgan Chase, as described above, all of our other new vehicle floor plan facilities do not have stated borrowing limitations. Our floor plan facility with JPMorgan Chase matures in August 2012, and the floor plan facilities with all other lenders have no stated termination date.

Under the terms of the collateral documents entered into with the lenders under our new vehicle floor plan facilities, we and all of our dealership subsidiaries, granted security interests in all of the new vehicle inventory financed under the respective floor plan facilities, as well as the proceeds from the sale of such vehicles, and certain other collateral.

We consider floor plan notes payable to a party that is affiliated with the entity from which we purchase our new vehicle inventory “Floor plan notes payable—trade” and all other floor plan notes payable “Floor plan notes payable—non−trade.” As of December 31, 2010, we had $359.7 million of floor plan notes payable—trade and $91.9 million of floor plan notes payable—non−trade outstanding, including amounts classified as Liabilities Associated with Assets Held for Sale.

As of December 31, 2010 and 2009, we had a total of $451.6 million and $441.6 million of floor plan notes payable outstanding, respectively, including $32.5 million and $5.5 million classified as Liabilities Associated with Assets Held for Sale.

In addition to the facilities described above, we have established accounts with certain manufacturers that allow us to transfer cash to an account as an offset to floor plan notes payable (“floor plan offset accounts”) that reduces our outstanding new vehicle floor plan notes payable while retaining the ability to transfer amounts from the floor plan offset accounts into our operating cash accounts within one to two days. As of December 31, 2010, we had $59.5 million in these floor plan offset accounts.

JPMorgan Used Vehicle Floor Plan Facility

We have a used vehicle floor plan facility with JPMorgan Chase ("JPMorgan Used Vehicle Floor Plan Facility"), against which we use certain of our used motor vehicle inventory as collateral. Total credit availability under our JPMorgan Used Vehicle Floor Plan Facility is $50.0 million. The JPMorgan Used Vehicle Floor Plan Facility matures on August 15, 2012. Under the JPMorgan Used Vehicle Floor Plan Facility, subject to a borrowing base, we may borrow up to $50.0 million, which amount may be expanded up to $75.0 million in total credit availability upon satisfaction of certain conditions. The amount available for borrowing under the JPMorgan Used Vehicle Floor Plan Facility is limited by the lesser of (i) $50.0 million or (ii) 65% of the net book value of our used vehicle inventory (excluding heavy trucks and our Ford, Lincoln and Mercury inventory) eligible to be used in the borrowing base calculation, less unpaid liens. As of December 31, 2010, we did not have any amounts outstanding and our available borrowings under the JPMorgan Used Vehicle Floor Plan Facility were limited to $37.1 million.

Any loan under the JPMorgan Used Vehicle Floor Plan Facility will bear interest at LIBOR, as adjusted for statutory reserve requirements for Eurocurrency liabilities, plus 2%. If there is a change in the law making it unlawful to make or maintain any loan under the JPMorgan Used Vehicle Floor Plan Facility, then any outstanding loan may be converted to a loan bearing interest at the Prime Rate in effect, plus 2%. Upon an event of default under the JPMorgan Used Vehicle Floor Plan Facility and in addition to exercising the remedies set out below, the lenders may request that we pay interest on the principal outstanding amount of all outstanding loans at the interest rate otherwise applicable to such loan, plus 2% per annum.

Under the terms of the JPMorgan Used Vehicle Floor Plan Facility, we have agreed not to encumber assets, subject to

certain exceptions (such as the security interest in new vehicle inventory financed using floor plan arrangements). In addition, the JPMorgan Used Vehicle Floor Plan Facility contains certain negative covenants, including covenants which could prohibit or restrict the payment of dividends, capital expenditures and the dispositions of assets, as well as other customary covenants and default provisions. We are also subject to financial covenants under the terms of the JPMorgan Used Vehicle Floor Plan Facility (refer to further discussion in Note 15 below under "Covenants").

Under the terms of the JPMorgan Used Vehicle Floor Plan Facility, our ability to incur new indebtedness is currently limited to (i) permitted floorplan indebtedness, (ii) real estate loans in an aggregate amount not to exceed $30.0 million, (iii) certain refinancings, refunds, renewals or extensions of existing indebtedness and (iv) other customary permitted indebtedness. At our option and with 30 days' written notice, the indebtedness limitation and total leverage ratio, as described below, may be reinstated to the original terms as set forth in the JPMorgan Used Vehicle Floor Plan Facility prior to the July 2009 amendment. We are also subject to financial covenants under the terms of the JPMorgan Used Vehicle Floor Plan Facility (refer to further discussion in Note 15 below under "Covenants").

The JPMorgan Used Vehicle Floor Plan Facility contains events of default, including cross−defaults to other material indebtedness, change of control events and events of default customary for syndicated commercial credit facilities. Upon the occurrence of an event of default, JPMorgan, as the administrative agent, may (i) require us to immediately repay all outstanding amounts under the JPMorgan Used Vehicle Floor Plan Facility; (ii) terminate the commitment of each lender to make loans; and (iii) exercise on behalf of itself and the other lenders all rights and remedies available to it and the other lenders under the credit agreement.

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	As of December 31,	
	2010	2009
	(In millions)	
Accounts payable	$ 43.9	$ 43.0
Loaner vehicle notes payable	37.6	28.0
Accrued compensation	20.8	18.5
Accrued insurance	14.0	12.7
Taxes payable (non−income tax)	13.8	11.7
Accrued finance and insurance chargebacks	7.6	8.1
Accrued interest	7.4	9.5
Other	25.0	16.7
Accounts payable and accrued liabilities	$ 170.1	$ 148.2

15. LONG−TERM DEBT

Long−term debt consists of the following:

	As of December 31,	
	2010	2009
	(In millions)	
8.375% Senior Subordinated Notes due 2020	$ 200.0	$ —
7.625% Senior Subordinated Notes due 2017	143.2	143.2
8% Senior Subordinated Notes due 2014 ($179.4 million face value, net of hedging activity of $4.5 million	—	174.9
3% Senior Subordinated Convertible Notes due 2012 ($29.5 million and $54.7 million face value, respectively, net of discounts of $1.7 million and $4.9 million, respectively)	27.8	49.8
Mortgage notes payable bearing interest at fixed and variable rates (the weighted average interest rates were 3.6% and 3.7% for the years ended December 31, 2010 and 2009, respectively)	172.8	169.9
	543.8	537.8
Less: current portion	(8.9)	(9.0)
Long−term debt	$ 534.9	$ 528.8

The aggregate maturities of long−term debt as of December 31, 2010, are as follows (in millions) (a):

2011	$ 8.9
2012	38.1
2013	105.5
2014	1.9
2015	17.9
Thereafter	373.2
	$ 545.5

(a) Maturities do not include the $1.7 million discount which reduces the book value of our 3% Convertible Notes. In addition, maturities do not include $5.2 million of mortgage notes payable classified as Liabilities Associated with Assets Held for Sale as of December 31, 2010 with principal payments due of $0.3 million, $0.3 million and $4.6 million in 2011, 2012 and 2013, respectively.

Our previous independent registered public accounting firm included an explanatory paragraph in its audit report for our 2008 financial statements that indicated there was uncertainty that we would remain in compliance with certain covenants in our debt agreements, and that this uncertainty raised substantial doubt about our ability to continue as a going concern. The inclusion of this explanatory paragraph in the 2008 audit report constituted a default under our BofA Revolving Credit Facility, our JPMorgan Used Vehicle Floor Plan Facility and our new vehicle floor plan facility with General Motors Acceptance Corporation. On March 12, 2009, we received waivers from all of our associated lending partners with respect to these defaults and, as a result, we were in compliance with the covenants contained in these borrowing facilities.

Long−Term Debt Refinancing and Amendments

In November 2010, we completed a refinancing of our long−term debt, which included the issuance of $200.0 million of 8.375% Notes, the proceeds of which were used to repurchase all of our outstanding $179.4 million aggregate principal amount 8% Senior Subordinated Notes due 2014 (the "8% Notes").

We recognized an $11.3 million loss in connection with our long−term debt refinancing, which is included in (Loss) Gain on Extinguishment of Long−Term Debt, net on the accompanying Consolidated Statements of Income (Loss) and consisted of (i) $5.2 million of premiums paid in conjunction with the repurchase and redemption of the 8% Notes, (ii) a $3.6 million write−off of hedging activity associated with the 8% Notes and (iii) a $2.5 million write−off of remaining unamortized debt issuance costs associated with the 8% Notes. We also incurred approximately $1.0 million of third−party expenses in connection with our long−term debt refinancing, which are included in Other Operating Expense (Income), net on the accompanying Consolidated Statements of Income (Loss).

In addition, we obtained the consent of holders of our 7.625% Notes, to amendments to the indenture governing the 7.625% Notes, primarily to increase our ability to make restricted payments, including the payment of dividends and repurchases of our common stock. In addition, we entered into amendments to our mortgage loan facility, revolving credit facility and our used vehicle facility that were similar to the amendments of our 7.625% Notes (the "Loan Amendments"). In addition, the Loan Amendments included modifications to the Permitted Real Estate Debt (as defined in each of these credit facilities) allowance during the Modified Covenant Period (as defined in each of these credit facilities) to increase the limit from $12.0 million to $30.0 million.

We received net proceeds of $196.0 million from the issuance of the 8.375% Notes. The costs related to the issuance of the 8.375% Notes were capitalized and are being amortized to other interest expense over the term of the 8.375% Notes.

Our 8.375% Notes are fully and unconditionally guaranteed, on a joint−and−several basis, by all of our current wholly−owned subsidiaries and will be so guaranteed by all of our future domestic subsidiaries that have outstanding, incur or guarantee any other indebtedness. Any subsidiary of the Company other than the subsidiary guarantors are immaterial. The terms of our 8.375% Notes, in certain circumstances, restrict our ability to, among other things, incur additional indebtedness, pay dividends, repurchase our common stock or merge or sell all or substantially all our assets.

Revolving Credit Facility

We have a revolving credit facility with Bank of America, N.A. ("Bank of America"), as administrative agent, and a

syndicate of commercial banks and commercial financing entities (the “BofA Revolving Credit Facility”). The BofA Revolving Credit Facility matures on August 15, 2012. Under the BofA Revolving Credit Facility, subject to a borrowing base, we may (i) borrow up to $150.0 million, which amount may be expanded to up to $200.0 million in total credit availability upon satisfaction of certain conditions; (ii) borrow up to $20.0 million from Bank of America under a swing line of credit; and (iii) request Bank of America to issue letters of credit on our behalf. Availability under the BofA Revolving Credit Facility is, in part, a function of our borrowing base. Availability is reduced on a dollar−for−dollar basis by the aggregate face amount of any outstanding letters of credit and swing line loans issued by Bank of America. Based on the borrowing base calculation and the $12.0 million of outstanding letters of credit as of December 31, 2010, our available borrowings were limited to $138.0 million as of December 31, 2010. As of December 31, 2010, we did not have any borrowings outstanding under the BofA Revolving Credit Facility.

Loans (including any swing line loans) under the BofA Revolving Credit Facility bear interest at a specified percentage above the LIBOR or Base Rate (as defined therein), at our option, according to a utilization rate−based pricing grid

The BofA Revolving Credit Facility contains certain negative covenants, including covenants which could prohibit or restrict the payment of dividends, equity and debt repurchases, capital expenditures and material dispositions of assets, as well as other customary covenants and default provisions. Under the terms of the BofA Revolving Credit Facility, our ability to incur new indebtedness is currently limited to (i) permitted floorplan indebtedness, (ii) real estate loans in an aggregate amount not to exceed $30.0 million, (iii) certain existing indebtedness, and certain refinancings, refunds, renewals or extensions of existing indebtedness and (iv) other customary permitted indebtedness. The BofA Revolving Credit Facility contains a fixed charge coverage ratio covenant of 1.20 to 1.00. At our option and with 30 days’ written notice, the indebtedness limitation, as described above, may be removed in conjunction with the reinstatement of a total leverage ratio. We were in compliance with all covenants as of December 31, 2010.

Under the terms of collateral documents entered into with the lenders under the BofA Revolving Credit Facility, the lenders have a security interest in certain of our personal property other than fixtures and certain other excluded property. Our subsidiaries also guarantee our obligations under the BofA Revolving Credit Facility.

Mortgage Notes Payable

We have a master loan agreement with Wells Fargo Bank, National Association, successor by merger to Wachovia Bank, National Association, a national banking association, and Wachovia Financial Services, Inc., a North Carolina corporation (together referred to as “Wachovia”, and the master loan agreement being referred to as the “Wachovia Master Loan Agreement”). Pursuant to the terms of the Wachovia Master Loan Agreement, Wachovia has extended credit to certain of our subsidiaries guaranteed by us through a series of related but separate loans (collectively, the “Wachovia Mortgages”) for certain properties located in Florida, North Carolina, Virginia, Georgia, Arkansas and Texas. Each of the Wachovia Mortgages is secured by the related underlying property and bears interest at 1−month LIBOR plus 2.95%. We are required to make monthly principal payments based on a straight−line twenty year amortization schedule, with balloon repayment of all outstanding principal amounts due in June 2013.

The Wachovia Master Loan Agreement also contains customary representations and warranties and the guarantees under such agreements contain negative covenants, including, among other things, covenants not to, with permitted exceptions, (i) incur any additional debt; (ii) create any additional liens on the Property (as defined in the Wachovia Master Loan Agreement); and (iii) enter into any sale−leaseback transactions in connection with the underlying properties. In November 2010, we amended the Wachovia Master Loan Agreement, modifying our then−existing permitted additional debt allowance to include (i) a mortgage associated with an acquisition that closed in December 2010 totaling $17.0 million and (ii) a one−time real estate loan in an amount not to exceed $30.0 million.

In October 2010 we refinanced two variable rate mortgage notes payable to Wells Fargo Bank, National Association, a national banking association ("Wells Fargo"). These two mortgage notes payable were combined into one mortgage note payable bearing interest at 1−month LIBOR plus 3.6% and the maturity was extended to October 2015.

In December 2010, in connection with the acquisition of five franchises (three dealership locations), we entered into a fixed rate mortgage note payable with a principal amount of $17.0 million. This is an interest only mortgage note payable bearing interest at 8.5%, with the full principal due upon maturity in December 2020.

Below is a summary of our outstanding mortgage notes payable, the carrying values of the related collateralized real estate, and years of maturity as of December 31, 2010 and 2009:

	As of December 31, 2010			As of December 31, 2009		
Mortgage Agreement	Aggregate Principal Outstanding	Carrying Value of Collateralized Related Real Estate	Maturity Dates	Aggregate Principal Outstanding	Carrying Value of Collateralized Related Real Estate	Maturity Dates
Wachovia Master Loan Agreement (a)	$ 122.2	$ 197.5	2013	$ 129.2	$ 183.3	2013
Wells Fargo Mortgage(s)	22.3	34.9	2015	23.7	38.7	2011
Other mortgage debt	33.5	44.0	2018−2020	17.0	24.7	2018
Total	$ 178.0	$ 276.4		$ 169.9	$ 246.7	

(a) Aggregate principal outstanding and carrying value of real estate includes $5.2 million and $7.8 million, respectively, classified as Liabilities Associated with Assets Held for Sale and Assets Held for Sale, respectively, as of December 31, 2010.

Subordinated Note Repurchases

As of December 31, 2010, we had $372.7 million in aggregate principal amount of various series of our subordinated notes outstanding, including $200.0 million of 8.375% Notes, $143.2 million of 7.625% Notes and $29.5 million of 3% Convertible Notes. During the third quarter of 2010, we paid $24.4 million to repurchase $25.2 million of our 3% Convertible Notes.

We may from time to time repurchase various series of our subordinated notes in open market purchases or privately negotiated transactions. The decision to repurchase subordinated notes will be dependent upon prevailing market conditions, our liquidity position, and other factors. Currently, our BofA Revolving Credit Facility and our JPMorgan Used Vehicle Floor Plan Facility limit our ability to purchase our debt securities to $30.0 million per calendar year, plus 50% of the net proceeds from any asset sales during any given calendar year.

3% Senior Subordinated Convertible Notes due 2012

We had $29.5 million in aggregate principal amount of our 3% Convertible Notes outstanding as of December 31, 2010. If the 3% Convertible Notes are converted, we will pay cash for the principal amount of each Note and, if applicable, shares of our common stock. As of December 31, 2010, the conversion rate of our 3% Convertible Notes was equivalent to a per share stock price of $33.73. The conversion rate is subject to adjustment in some events, but is not adjusted for accrued interest.

Our 3% Convertible Notes are fully and unconditionally guaranteed, on a joint−and−several basis, by all of our current wholly−owned subsidiaries. We are a holding company that has no material independent assets or operations. Any subsidiary other than the subsidiary guarantors are immaterial.

In connection with the sale of our 3% Convertible Notes in March 2007, we entered into convertible note hedge and warrant transactions. The convertible note hedge and warrant transactions are separate contracts and are not part of the terms of the 3% Convertible Notes and, as such, they do not affect the holders' rights under the 3% Convertible Notes. The convertible hedge and warrant transactions have the effect of increasing the conversion price of the 3% Convertible Notes to $44.74 per share. The convertible note hedge and warrant transactions are expected to offset the potential dilution upon conversion of the 3% Convertible Notes in the event that the market value per share of our common stock at the time of conversion is between $33.73 and $44.74.

7.625% Senior Subordinated Notes due 2017

We had $143.2 million in aggregate principal amount of our 7.625% Notes outstanding as of December 31, 2010. Our 7.625% Notes are fully and unconditionally guaranteed, on a joint−and−several basis, by all of our current wholly−owned subsidiaries and will be so guaranteed by all of our future domestic subsidiaries that have outstanding, incur or guarantee any other indebtedness. The terms of our 7.625% Notes, in certain circumstances, restrict our ability to, among other things, incur additional indebtedness, pay dividends, repurchase our common stock and merge or sell all or substantially all our assets.

Covenants

We are subject to a number of covenants in our various debt and lease agreements, including those described below. We

were in compliance with all of our covenants throughout 2010. Failure to comply with any of our debt covenants would constitute a default under the relevant debt agreements, which would entitle the lenders under such agreements to terminate our ability to borrow under the relevant agreements and accelerate our obligations to repay outstanding borrowings, if any, unless compliance with the covenants is waived. In many cases, defaults under one of our agreements could trigger cross default provisions in our other agreements. If we are unable to remain in compliance with our financial or other covenants, we would be required to seek waivers or modifications of our covenants from our lenders, or we would need to raise debt and/or equity financing or sell assets to generate proceeds sufficient to repay such debt. We cannot give any assurance that we would be able to successfully take any of these actions on terms, or at times, that may be necessary or desirable.

Our BofA Revolving Credit Facility, JPMorgan Used Vehicle Floor Plan Facility and certain of our mortgages and/or guarantees related to such mortgages require compliance with certain financial covenants. In July 2009, we amended the BofA Revolving Credit Facility to, among other things, eliminate the total leverage ratio requirement and reduce the required fixed charge coverage ratio from 1.20 to 1.00 to 1.10 to 1.00 for each four fiscal quarter period ending on or before September 30, 2010. Beginning with the four fiscal quarter period ended December 31, 2010, our fixed charge coverage ratio requirement returned to 1.20 to 1.00 per the terms of the above−mentioned amendment. At our option and with 30 days' written notice, the $30.0 million indebtedness limitation, as described above, may be removed in conjunction with the reinstatement of the total leverage ratio to the terms as set forth in the BofA Revolving Credit Facility prior to the July 2009 amendment.

Our guarantees under the Wachovia Master Loan Agreement also require compliance with certain financial covenants. In May 2009, we amended the Wachovia Master Loan Agreement, which among other things, eliminated the requirement that we comply with a total leverage ratio, but imposed significant additional limitations on our ability to incur new indebtedness, primarily due to a limit on new real estate loans in an aggregate amount not to exceed $12.0 million. In November 2010, we amended the Wachovia Master Loan Agreement, which among other things, increased the limit on new real estate loans from $12.0 million to $30.0 million. At our option and with 30 days' written notice, the indebtedness limitation may be removed in conjunction with the reinstatement of the total leverage ratio to the terms as set forth in the Wachovia Master Loan Agreement prior to the May 2009 amendment.

Certain of our lease agreements also require compliance with various financial covenants and incorporate by reference the financial covenants set forth in the BofA Revolving Credit Facility. A breach of any of these covenants could immediately give rise to certain landlord remedies under our various lease agreements, the most severe of which include the following: (a) termination of the applicable lease and/or other leases with the same or an affiliated landlord under a cross−default provision, (b) eviction from the premises; and (c) the landlord would have a claim for any or all of the following: (i) damages suffered by landlord by reason of the default, equal to rent and other amounts payable by tenant under the lease prior to the default plus other fees and costs incurred by landlord; and (ii) additional damages, either payable monthly in an amount equal to the rent due under the lease less the amount of rent, if any, received by the landlord from a substitute tenant, or payable in a lump sum equal to the present value of the sum of the amount by which all remaining sums due under the lease exceeds the fair market rental value of the premises for the same period, plus landlord’s expense and value of all vacancy periods projected by landlord to be incurred in connection with reletting the premises.

16. FINANCIAL INSTRUMENTS AND FAIR VALUE

Financial instruments consist primarily of cash, contracts−in−transit, accounts receivable, notes receivable, cash surrender value of corporate−owned life insurance policies, accounts payable, floor plan notes payable, long−term debt and interest rate swap agreements. The carrying amounts of our financial instruments, with the exception of long−term debt, approximate fair value due either to their short−term nature or existence of variable interest rates, which approximate market rates. The fair market value of our long−term debt is based on reported market prices. A summary of the carrying values and fair values of our 8.375% Notes, 8% Notes, 7.625% Notes and our 3% Convertible Notes are as follows:

	As of	
	December 31, 2010	December 31, 2009
	(In millions)	
Carrying Value:		
8.375% Senior Subordinated Notes due 2020	$ 200.0	$ —
8% Senior Subordinated Notes due 2014 ($179.4 million face value, net of hedging activity of $4.5 million)	—	174.9
7.625% Senior Subordinated Notes due 2017	143.2	143.2
3% Senior Subordinated Convertible Notes Due 2012 ($29.5 million and $54.7 million face value, respectively, net of discounts of $1.7 million and $4.9 million, respectively)	27.8	49.8
Total carrying value	$ 371.0	$ 367.9
Fair Value:		
8.375% Senior Subordinated Notes due 2020	$ 205.8	$ —
8% Senior Subordinated Notes due 2014	—	178.7
7.625% Senior Subordinated Notes due 2017	144.1	135.0
3% Senior Subordinated Convertible Notes due 2012	29.0	48.0
Total fair value	$ 378.9	$ 361.7

In December 2010, we entered into an interest rate swap agreement with a notional principal amount of $10.8 million. This swap was designed to provide a hedge against changes in variable rate cash flows through maturity in June 2011. The notional value of this swap is reduced over its term until July 2011 when the notional principal amount increases to $21.5 million and then begins to reduce over the remaining term to $16.1 million at maturity. This interest rate swap qualifies for cash flow hedge accounting treatment and will not contain any ineffectiveness.

We have an interest rate swap with a current notional principal amount of $125.0 million. The swap was designed to provide a hedge against changes in variable rate cash flows through maturity in June 2013. This swap is collateralized by Company assets upon which we have not otherwise granted a first priority lien. This interest rate swap qualifies for cash flow hedge accounting treatment and will contain minor ineffectiveness.

We have a separate interest rate swap with a current notional principal amount of $11.6 million. The swap was designed to provide a hedge against changes in variable rate cash flows through maturity in June 2011. The notional value of this swap is reduced over its term to $11.3 million at maturity. This interest rate swap qualifies for cash flow hedge accounting treatment and will contain minor ineffectiveness.

For the Year Ended December 31,	Derivative in Cash Flow Hedging relationships	Effective Results Recognized in AOCI (Effective Portion)	Location of Results Reclassified from AOCI to Earnings	Amount Reclassified from AOCI to Earnings–Active Swaps	Amount Reclassified from AOCI to Earnings–Terminated Swaps	Ineffective Results Recognized in Earnings	Location of Ineffective Results
2010	Interest rate swaps	$ (5.9)	Swap interest expense	$ (5.3)	$ (0.3)	$ —	N/A
2009	Interest rate swaps	$ (5.6)	Swap interest expense	$ (5.1)	$ (0.4)	$ —	N/A
2008	Interest rate swaps	$ (5.7)	Swap interest expense	$ (2.3)	$ (0.4)	$ —	N/A

On the basis of yield curve conditions as of December 31, 2010, we anticipate that the amount expected to be reclassified out

of Accumulated Other Comprehensive Income ("AOCI") into earnings in the next 12 calendar months will be a loss of $5.0 million. However, this anticipated $5.0 million loss relates to hedging activity that fixes the interest rates on only 24% of our variable rate debt, including floor plan notes payable and, therefore, if the current low interest rate environment continues, we believe we would experience a benefit from such interest rates on 76% of our variable rate debt.

Fair value estimates reflect making a credit adjustment to the discount rate applied to all expected cash flows under the swap. Other than that assumption, all other inputs reflect level 2 inputs.

Market Risk Disclosures as of December 31, 2010:

Instruments entered into for trading purposes—None

Instruments entered into for hedging purposes (in millions)—

Type of Derivative	Notional Size	Underlying Rate	Expiration	Fair Value
Interest Rate Swap*	$ 147.3	1 month LIBOR	2011 − 2013	$ (9.2)

* The total fair value of our swaps is $9.2 million of which $5.0 million is included in Accounts Payable and Accrued Liabilities, $4.7 million is included in Other Long−Term Liabilities and $0.5 million is included in Other Long−Term Assets on the accompanying Consolidated Balance Sheet, respectively.

Market Risk Disclosures as of December 31, 2009:

Instruments entered into for trading purposes—None

Instruments entered into for hedging purposes (in millions)—

Type of Derivative	Notional Size	Expiration	Fair Value
Interest Rate Swap*	$ 137.2	2011 − 2013	$ (8.4)

* The total fair value of our swaps is $8.4 million of which $0.3 million is included in Accounts Payable and Accrued Liabilities and $8.1 million is included in Other Long−Term Liabilities on the accompanying Consolidated Balance Sheet, respectively.

In determining fair value, we use various valuation approaches, including market, income and/or cost approaches. Accounting standards establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities that we have the ability to access. Assets utilizing Level 1 inputs include exchange−traded equity securities that are actively traded.

Level 2—Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Assets and liabilities utilizing Level 2 inputs include fair value and cash flow swap instruments.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Asset and liability measurements utilizing Level 3 inputs include those used in estimating fair value of non−financial assets and non−financial liabilities in purchase acquisitions, those used in assessing impairment and those used in the reporting unit valuation in the first step of the annual goodwill impairment evaluation.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment required to determine fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed is determined

based on the lowest level input that is significant to the fair value measurement.

Fair value is a market−based measure considered from the perspective of a market participant who holds the asset or owes the liability rather than an entity−specific measure. Therefore, even when market assumptions are not readily available, our assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. We use inputs that are current as of the measurement date, including during periods when the market may be abnormally high or abnormally low.

Valuation Techniques

The fair value of cash flow swaps is calculated as the present value of expected future cash flows, determined on the basis of forward interest rates and present value factors. As such, the carrying amounts for these swaps are designated to be level 2 fair values and totaled $9.5 million and $8.4 million as of December 31, 2010 and 2009, respectively. The carrying value of these swaps is included in Other Long−Term Assets, Other Long−Term Liabilities and Other Current Liabilities on the accompanying Consolidated Balance Sheet as of December 31, 2010.

The fair value of assets held for sale used to determine the impairment expense we incurred in the fourth quarters of 2010 and 2009 were determined with the assistance of third−party desktop appraisals and real estate brokers and are designated to be level 3 fair values.

Other Financial Instruments

In connection with the sale of our 3% Convertible Notes in March 2007, we entered into convertible note hedge and warrant transactions. The convertible note hedge and warrant transactions are separate contracts and are not part of the terms of the 3% Convertible Notes and, as such, they do not affect the holders' rights under the 3% Convertible Notes. The convertible hedge and warrant transactions have the effect of increasing the conversion price of the 3% Convertible Notes to $44.74 per share. The convertible note hedge and warrant transactions are expected to offset the potential dilution upon conversion of the 3% Convertible Notes in the event that the market value per share of our common stock at the time of conversion is between $33.73 and $44.74.

The convertible note hedge transactions represent purchase options of our common stock. At the issuance, there were 3.4 million shares of our common stock underlying the convertible note hedge transactions, with 4.1 million shares representing the maximum number of shares that we could receive thereunder. The initial exercise price of the convertible note hedge contracts was $33.99. The exercise price is subject to certain adjustments which mirror the adjustments to the conversion price of the 3% Notes (including for subsequent changes in our dividend). A portion of the options will be exercised upon the conversion of our 3% Notes and each such exercise will be settled in shares of our common stock. The convertible note hedge transactions will expire on the earlier of (i) the last day on which any convertible notes remain outstanding and (ii) the third scheduled trading day immediately preceding September 15, 2012. In connection with the repurchase of 3% Notes a portion of the convertible note hedges was terminated. As of December 31, 2010, there were 2.2 million shares representing the maximum number of shares that we could receive under the convertible note hedge transactions.

The warrant transactions represent net call options. On exercise of the warrants, we are obligated to deliver a number of shares of our common stock in an amount based on the excess of the market value per share of our common stock over the strike price of the warrants. At issuance, there were 3.4 million shares of our common stock underlying the warrant transactions, with 6.8 million shares representing the maximum number of shares of our common stock required to be issued. The warrant transactions expire at various dates from December 14, 2012 through April 11, 2013. As of December 31, 2010, there were 4.9 million shares representing the maximum number of shares that we could receive under the warrant transactions.

17. INCOME TAXES

The components of income tax expense (benefit) from continuing operations are as follows:

	For the Years Ended December 31,		
	2010	2009	2008
	(In millions)		
Current:			
Federal	$ 6.0	$ 1.4	$ 18.1
State	1.9	(1.2)	0.6
Subtotal	7.9	0.2	18.7
Deferred:			
Federal	14.1	12.2	(128.7)
State	1.2	2.7	(26.2)
Subtotal	15.3	14.9	(154.9)
Total	$ 23.2	$ 15.1	$ (136.2)

A reconciliation of the statutory federal rate to the effective tax rate from continuing operations is as follows:

	For the Years Ended December 31,		
	2010	2009	2008
	(In millions)		
Provision at the statutory rate	$ 21.2	$ 14.1	$ (162.1)
Increase (decrease) resulting from:			
State income tax expense (benefit) , net	2.0	1.3	(14.5)
Book goodwill in excess of tax goodwill associated with impairment expense and divestitures	—	—	41.1
(Gain) loss on corporate owned life insurance policies	(0.2)	(0.4)	1.1
Tax credits received	(0.1)	(0.1)	(0.2)
Release of valuation allowance	—	—	(1.1)
Other	0.3	0.2	(0.5)
Provision for income taxes	$ 23.2	$ 15.1	$ (136.2)

The tax effects of temporary differences representing deferred tax assets (liabilities) result principally from the following:

	December 31,	
	2010	2009
	(In millions)	
Reserves and accruals	$ 20.5	$ 18.9
Net operating loss (“NOL”) carryforwards	4.5	3.6
Goodwill amortization	51.4	67.9
Depreciation	(12.1)	(2.1)
Interest Rate Swaps	3.8	3.6
Other	1.0	1.1
Net deferred tax asset	$ 69.1	$ 93.0

	December 31,	
	2010	2009
	(In millions)	
Balance sheet classification:		
Deferred tax assets:		
Current	$ 8.6	$ 9.8
Long−term	87.7	98.6
Deferred tax liabilities:		
Current	(1.0)	(1.2)
Long−term	(26.2)	(14.2)
Net deferred tax asset	$ 69.1	$ 93.0

As of December 31, 2010, our net operating losses were set to expire between 2011 and 2030.

As of December 31, 2010, the net amount of our unrecognized tax benefits was $1.0 million, all of which, if recognized, would affect our effective tax rate. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	Gross Liability for Unrecognized Tax Benefits
	In Millions
Balance at January 1, 2008	4.8
Additions for Tax Positions of Current Year	0.1
Additions for Tax Positions of Prior Year	1.6
Reduction for Tax Positions of Prior Years	(0.7)
Reduction for Lapse of Statute of Limitations	(1.2)
Balance at Decemeber 31, 2008	$ 4.6
Additions for Tax Positions of Current Year	0.3
Additions for Tax Positions of Prior Year	0.1
Reduction for Tax Positions of Prior Years	(0.4)
Reduction for Lapse of Statute of Limitations	(1.2)
Effective Settlements	(1.9)
Balance at December 31, 2009	1.5
Reduction for Lapse of Statute of Limitations	(0.3)
Balance at December 31, 2010	$ 1.2

We recognize interest and penalties related to unrecognized tax benefits in income tax expense. Included in the liability for unrecognized tax benefits was accrued interest of $0.2 million and no amount for penalties, as of December 31, 2010.

The statute of limitations related to the consolidated Federal income tax return is closed for all tax years up to and including

2005. In addition, the IRS has conducted and closed a Joint Committee Audit for the consolidated Federal consolidated tax returns for the 2004 and 2005 tax years.

The expiration of the statute of limitations related to the various state income tax returns that we and our subsidiaries file varies by state. The 2007 through 2009 tax years generally remain subject to examination by most state tax authorities. We do not anticipate any material changes related to unrecognized tax benefits, individually or in the aggregate, to occur within the next twelve months.

18. OTHER LONG−TERM LIABILITIES

Other long−term liabilities consist of the following:

	As of December 31,	
	2010	2009
	(In millions)	
Deferred compensation liability	$ 8.2	$ 7.6
Deferred rent	7.7	6.3
Interest rate swap liabilities	4.7	8.1
Accrued finance and insurance chargebacks	4.9	5.2
Other	3.0	2.5
Other long−term liabilities	$ 28.5	$ 29.7

19. DISCONTINUED OPERATIONS AND DIVESTITURES

During the year ended December 31, 2010, we sold one franchise (one dealership location). As of December 31, 2010, there were eleven franchises (four dealership locations) pending disposition, of which ten franchises (three dealership locations) were associated with our heavy truck business. The accompanying Consolidated Statements of Income (Loss) for the years ended December 31, 2009 and 2008, have been reclassified to reflect the status of our discontinued operations as of December 31, 2010.

The following table provides further information regarding our discontinued operations as of December 31, 2010, and includes the results of businesses sold prior to December 31, 2010:

	For the Year Ended December 31, 2010			For the Year Ended December 31, 2009			For the Year Ended December 31, 2008		
	Sold/ Closed	Pending Disposition	Total	Sold/ Closed(a)	Pending Disposition(b)	Total	Sold/ Closed(c)	Pending Disposition(b)	Total
	(Dollars in millions)								
Franchises:									
Mid−line domestic	—	—	—	7	—	7	15	—	15
Mid−line import	1	—	1	2	—	2	4	—	4
Heavy Trucks	—	10	10	—	10	10	—	10	10
Luxury	—	1	1	2	1	3	4	1	5
Total	1	11	12	11	11	22	23	11	34
Revenues	$ 8.8	$ 277.3	$ 286.1	$ 133.0	$ 258.4	$ 391.4	$ 364.0	$ 324.8	$ 688.8
Cost of sales	7.4	241.1	248.5	110.9	231.1	342.0	304.4	285.2	589.6
Gross profit	1.4	36.2	37.6	22.1	27.3	49.4	59.6	39.6	99.2
Operating expenses	3.7	28.8	32.5	36.9	27.3	64.2	64.2	31.4	95.6
Impairment expenses	2.1	—	2.1	4.8	—	4.8	22.2	—	22.2
Income (loss) from operations	(4.4)	7.4	3.0	(19.6)	—	(19.6)	(26.8)	8.2	(18.6)
Other income (expense), net	0.1	(1.5)	(1.4)	(0.8)	(2.3)	(3.1)	(3.5)	(2.8)	(6.3)
Gain/(loss) on disposition	(0.2)	—	(0.2)	3.8	—	3.8	(0.5)	—	(0.5)
Income (loss) before income taxes	(4.5)	5.9	1.4	(16.6)	(2.3)	(18.9)	(30.8)	5.4	(25.4)
Income tax benefit (expense)	1.8	(2.4)	(0.6)	6.3	0.8	7.1	10.5	(1.8)	8.7
Discontinued operations, net of tax	$ (2.7)	$ 3.5	$ 0.8	$ (10.3)	$ (1.5)	$ (11.8)	$ (20.3)	$ 3.6	$ (16.7)

(a) Franchises were sold between January 1, 2009 and December 31, 2010
(b) Franchises placed into discontinued operations in 2010 and pending dispositions as of December 31, 2010
(c) Franchises were sold between January 1, 2008 and December 31, 2010

In April 2010, a tornado severely damaged one of our former dealership buildings in Yazoo City, Mississippi with a book value of $1.5 million. We estimated that the tornado caused approximately $0.8 million of damage. The building was insured for replacement cost as part of our property insurance policy and, as a result, we received insurance proceeds totaling $4.9 million, which is included in Other Investing Activities in the accompanying Consolidated Statement of Cash Flows for the year ended December 31, 2010. Since the dealership was not being used in our operations, we do not plan to replace the building. Therefore, we recorded the $4.9 million of proceeds, net of the $0.8 million cost of the building damage, as a gain in Discontinued Operations, net in the third quarter of 2010.

20. SUPPLEMENTAL CASH FLOW INFORMATION

During the years ended December 31, 2010, 2009 and 2008, we made interest payments, including amounts capitalized, totaling $52.1 million, $55.2 million and $71.2 million, respectively. Included in these interest payments are $10.9 million, $11.7 million and $12.5 million of floor plan interest payments for the years ended December 31, 2010, 2009 and 2008, respectively.

During the years ended December 31, 2010 and 2009, we received income tax refunds, net of payments made, of $1.7 million and $3.9 million, respectively. During the year ended December 31, 2008, we made income tax payments, net of refunds received, totaling $8.8 million.

In the fourth quarter of 2010, we acquired nine franchises (four dealership locations) for an aggregate purchase price of $77.5 million, which was financed with (i) $46.6 million of cash, (ii) $13.9 million of floor plan borrowings for the purchase of the related new vehicle inventory and (iii) $17.0 million of a seller financed mortgage note payable for the purchase of land and buildings associated with five of those franchises (three dealership locations). The $17.0 million of seller financed mortgage note payable is a non−cash transaction and therefore is not included in the accompanying Consolidated Statement of Cash Flows for the year ended December 31, 2010.

The following items are included in Other Adjustments to reconcile net income (loss) to cash flow from operating activities:

	For the Years Ended December 31,		
	2010	2009	2008
Accelerated rent expense associated with abandoned rental properties	$ 0.4	$ 4.0	$ —
Amortization of deferred financing fees	2.5	2.8	2.4
Convertible debt discount amortization	1.4	1.8	3.0
Depreciation and amortization from discontinued operations	1.2	2.5	3.2
Deferred compensation expense (income)	0.9	1.4	(2.9)
(Gain) loss on sale of assets	(0.3)	(2.9)	1.2
Gain on insurance proceeds	(4.3)	—	—
Unrealized (gain) loss on deferred compensation investments	(0.5)	(1.1)	3.2
Other individually immaterial items	2.5	1.9	3.3
Other adjustments, net	$ 3.8	$ 10.4	$ 13.4

21. LEASE OBLIGATIONS

We lease various facilities, real estate and equipment primarily under operating lease agreements, most of which have remaining terms from one to twenty years. Certain of our leases contain renewal options and rent escalation clauses. We record rent expense on a straight−line basis over the life of the lease for lease agreements where the rent escalates at fixed rates over time. Rent expense from continuing operations totaled $42.2 million, $39.3 million and $44.2 million for the years ended December 31, 2010, 2009 and 2008, respectively. As of December 31, 2010, we had no material capital lease obligations.

Future minimum payments under long−term, non−cancelable operating leases as of December 31, 2010, are as follows:

	Total
	(In millions)
2011	$ 44.6
2012	42.3
2013	39.0
2014	32.9
2015	30.4
Thereafter	140.8
Total minimum lease payments	$ 330.0

Certain of our lease agreements include financial covenants and incorporate by reference the financial covenants set forth in the BofA Revolving Credit Facility. A breach of any of these covenants could immediately give rise to certain landlord remedies under our various lease agreements, the most severe of which include the following: (a) termination of the applicable lease and/or other leases with the same or an affiliated landlord under a cross−default provision, (b) eviction from the premises; and (c) the landlord would have a claim for any or all of the following: (i) damages suffered by landlord by reason of the default, equal to rent and other amounts payable by tenant under the lease prior to the default plus other fees and costs incurred by landlord; and (ii) additional damages, either payable monthly in an amount equal to the rent due under the lease less the amount of rent, if any, received by landlord from a substitute tenant, or payable in a lump sum equal to the present value of the sum of the amount by which all remaining sums due under the lease exceeds the fair market rental value of the premises for the same period, plus landlord’s expense and value of all vacancy periods projected by landlord to be incurred in connection with reletting the premises.

22. COMMITMENTS AND CONTINGENCIES

A significant portion of our business involves the sale of vehicles, parts or vehicles composed of parts that are manufactured outside the United States of America. As a result, our 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 of America 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.

In some instances, manufacturers may have the right, and may direct us to implement costly capital improvements to dealerships as a condition upon entering into 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 use our financial resources on capital projects that we might not have planned for or otherwise determined to undertake.

Our dealerships are party to dealer and framework agreements with the applicable vehicle manufacturer. In accordance with these 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 any of these agreements could have a negative impact on our operating results.

Substantially all of our 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 do we expect such compliance to have, any material effect upon our capital expenditures, net earnings, financial condition, liquidity or competitive position. We believe that our current practices and procedures for the control and disposition of such materials comply with applicable federal, state and local requirements. No assurances can be provided, however, that future laws or regulations, or changes in existing laws or regulations, would not require us to expend significant resources in order to comply therewith.

From time to time, we and our dealerships may become involved in various claims relating to, and arising out of our business and our operations. These claims may involve, but are not limited to, financial and other audits by vehicle manufacturers, lenders and certain federal, state and local government authorities, which relate primarily to (a) incentive and warranty payments received from vehicle manufacturers, (b) compliance with lender rules and covenants and (c) payments made to government authorities relating to federal, state and local taxes, as well as compliance with other government regulations. Claims may also arise through litigation, government proceedings and other dispute resolution processes. Such claims, including class actions, can relate to, but are not limited to, the practice of charging administrative fees, employment−related matters, truth−in−lending practices, contractual disputes, actions brought by governmental authorities and other matters. We evaluate pending and threatened claims and establish loss contingency reserves based upon outcomes we currently believe to be probable and reasonably estimable.

We currently do not anticipate that any known claim will materially adversely affect our financial condition, liquidity, results of operations or financial statement disclosures. However, the outcome of any known matter cannot be predicted with certainty, and an unfavorable resolution of one or more matters presently known or arising in the future could have a material adverse effect on our financial condition, liquidity, results of operations or financial statement disclosures.

We have $12.0 million of letters of credit outstanding as of December 31, 2010, which are required by certain of our insurance providers. In addition, as of December 31, 2010, we maintain a $5.0 million surety bond line which we use in our ordinary course of business.

Other material commitments include (i) floor plan notes payable, (ii) operating leases, (iii) long−term debt and (iv) interest on long−term debt, as described elsewhere herein.

23. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2010, 2009 and 2008, we were party to certain agreements with a member of our board of directors, who was a former member of management. These transactions primarily involved long−term operating leases of dealership facilities. We believe that these transactions were on terms comparable to those that could be obtained from unaffiliated third parties. For the years ended December 31, 2010, 2009 and 2008, we made rental payments totaling $3.7 million, $3.3 million and $3.5 million, respectively, to this director or entities controlled by this director.

24. SHARE−BASED COMPENSATION AND EMPLOYEE BENEFIT PLANS

We have established two share−based compensation plans (the “Plans”) under which we have granted non−qualified stock

options, performance share units, restricted share units and shares of restricted stock to our directors, officers and employees at fair market value on the date of the grant. Stock options generally vest ratably over three years from the date of grant and expire ten years from the date of grant. Performance share units vest after three years or ratably over three years from the date of grant. The actual number of shares earned by a holder of performance share units may range from 0% to 180% of the target number of shares to be granted to the holder, depending on the achievement of certain performance criteria over a defined period of time. Restricted share units vest ratably over a three year period from the date of grant. Restricted stock vests either ratably over three years or after three years from the date of grant and provides the holder voting and dividend rights prior to vesting. We have granted a total of 5.8 million non−qualified stock options, 1.1 million performance share units, 0.7 million shares of restricted stock and $0.1 million of restricted share units. In addition, there were approximately 2.7 million share−based awards available for grant under our share−based compensation plans as of December 31, 2010.

We issue new shares of our common stock upon the exercise of stock options or vesting of performance share units, restricted stock or restricted share units. In addition, in connection with the vesting of performance share units, restricted stock or restricted share units, we expect to repurchase a portion of the shares issued equal to the amount of employee income tax withholding.

The fair value of each option award was estimated on the date of grant using the Black Scholes option valuation model. The fair value of each performance share unit and restricted stock was calculated using the closing market price of our common stock on the date of grant. Expected volatilities are based on the historical volatility of our common stock. We use historical data to estimate the rate of option exercises and employee turnover within the valuation model. The expected term of options granted represents the period of time that the related options are expected to be outstanding. The risk−free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

The table below summarizes the assumptions used relating to the valuation of our stock options during 2009 and 2008. We did not grant any stock options during 2010.

	2009	2008
Risk−free interest rate	1.61%−2.35%	2%
Expected term	4−6 years	4 years
Expected volatility	64% − 75%	64%
Expected dividends	–	–

We have recognized $5.1 million ($2.0 million tax benefit), $2.8 million ($1.1 million tax benefit) and $1.9 million ($0.7 million tax benefit) in stock−based compensation expense for the years ended December 31, 2010, 2009 and 2008, respectively. As of December 31, 2010, there was $6.4 million of total unrecognized share−based compensation expense related to non−vested share−based awards granted under the Plans. We expect to recognize $3.6 million of stock−based compensation expense in 2011, $2.1 million in 2012 and a total of $0.7 million in 2013 and 2014.

A summary of options outstanding and exercisable under the Plans as of December 31, 2010, changes during the year then ended and changes during the years ended December 31, 2009 and 2008 is presented below:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value* (in millions)
Options outstanding—December 31, 2007	1,100,804	$ 14.37		
Granted	420,000	3.69		
Exercised	(17,335)	12.42		
Expired / Forfeited	(9,169)	14.61		
Options outstanding—December 31, 2008	1,494,300	$ 11.39		
Granted	1,100,000	4.21		
Exercised	(188,874)	7.76		
Expired / Forfeited	(550,314)	10.24		
Options outstanding—December 31, 2009	1,855,112	$ 7.84		
Granted	—	—		
Exercised	(106,367)	5.28		
Expired / Forfeited / Cancelled	(209,767)	12.60		
Options outstanding—December 31, 2010	1,538,978	$ 7.37	6.4	$ 6.8
Options exercisable—December 31, 2010	818,978	$ 10.13	5.0	$ 17.1

* Based on the closing price of our common stock on December 31, 2010, which was $18.48 per share.

Net cash received from option exercises for the year ended December 31, 2010 was $0.6 million. The actual intrinsic value of options exercised during the years ended December 31, 2010 and 2009 was $1.2 million and $0.9 million, respectively. The actual tax benefit realized for the tax deductions from option exercises during the years ended December 31, 2010 and 2009 was $0.1 million and $0.3 million, respectively. There was no material actual intrinsic value for options exercised or actual tax benefit realized for the tax deductions from option exercises during the year ended December 31, 2008.

A summary of performance share units, restricted share units and restricted stock as of December 31, 2010, changes during the year then ended and changes during the years ended December 31, 2009 and 2008 is presented below:

	Shares	Weighted Average Grant Date Fair Value
Performance Share Units—December 31, 2007	575,768	$ 21.92
Granted	169,251	14.29
Performance estimate	(228,120)	21.94
Vested	(211,094)	16.86
Forfeited	(102,500)	21.63
Performance Share Units—December 31, 2008	203,305	$ 21.06
Granted	—	—
Performance estimate	(10,318)	24.47
Vested	(63,950)	22.98
Forfeited	(74,175)	22.23
Performance Share Units—December 31, 2009	54,862	$ 14.36
Granted	309,517	11.69
Performance estimate	83,747	11.64
Vested	—	—
Forfeited	(14,000)	11.88
Performance Share Units—December 31, 2010*	434,126	$ 12.40

* Maximum of 606,609 issuable upon attaining certain performance metrics.

Each performance share unit provides an opportunity for the employee to receive a number of shares of our common stock

based on our performance during a three year period as measured against objective performance goals as determined by the compensation committee of our board of directors. The actual number of shares earned may range from 0% to 180% of the target number of shares depending upon achievement of the performance goals.

	Shares	Weighted Average Grant Date Fair Value
Restricted Stock—December 31, 2007	72,525	$ 26.83
Granted	224,491	14.39
Vested	(58,483)	22.15
Forfeited	(17,451)	13.85
Restricted Stock—December 31, 2008	221,082	$ 16.40
Granted	82,000	9.09
Vested	(31,379)	21.20
Forfeited	(28,492)	14.68
Restricted Stock—December 31, 2009	243,211	$ 13.57
Granted	307,038	11.67
Vested	(52,047)	15.71
Forfeited	(22,756)	11.70
Restricted Stock—December 31, 2010	475,446	$ 12.40

	Shares	Weighted Average Grant Date Fair Value
Restricted Share Units—December 31, 2009	—	$ —
Granted	100,767	11.58
Vested	—	—
Forfeited	—	—
Restricted Share Units—December 31, 2010	100,767	$ 11.58

Employee Retirement Plan

We sponsor the Asbury Automotive Retirement Savings Plan (the “Plan”), a 401(k) plan, for eligible employees except for the employees of one of our dealership groups, which maintains a separate retirement plan. Employees are eligible to participate in the Plan on or after ninety days of service to the Company. Employees electing to participate in the Plan may contribute up to 75% of their annual eligible compensation. IRS rules limited total participant contributions during 2010 to $16,500 or $22,000 if age 50 or more; however, we limit participant contributions for employees with an annual salary of greater than $110,000 to $10,000 per year or $15,500 if age 50 or more. After one year of employment, we match 25% of employees’ contributions up to 4% of their eligible compensation, with a maximum match of $2,450 per participant. Beginning on January 1, 2009, we suspended our matching contributions for employees with an annual salary of greater than $110,000. Employer contributions vest by graded schedule over four years after the date of hire. Expenses from continuing operations related to employer matching contributions totaled $0.9 million, $1.0 million and $3.1 million for the years ended December 31, 2010, 2009 and 2008, respectively.

Deferred Compensation Plan

We sponsor the Asbury Automotive Wealth Accumulation Plan (the “Deferred Compensation Plan”) wherein eligible employees, generally those at senior levels, may elect to defer a portion of their annual compensation. We have established a rabbi trust to finance obligations under the Deferred Compensation Plan with corporate−owned variable life insurance contracts. Participants are 100% vested in their respective deferrals and the earnings thereon. Historically, we elected to match a portion of certain eligible employee’s contributions. Beginning January 1, 2009, we suspended our matching contributions for all

employees in our deferred compensation plan. The employee deferral match expense totaled $0.2 million for the year ended December 31, 2008. Each annual employer match vests in full three years from the date the employee deferral match is funded. The total deferred compensation liability was $8.2 million and $7.6 million as of December 31, 2010 and 2009, respectively. The related cash surrender value and face value on such contracts totaled $11.5 million and $66.8 million as of December 31, 2010, respectively.

25. CONDENSED QUARTERLY REVENUES AND EARNINGS (UNAUDITED):

	For the Three Months Ended			
	March 31,	June 30,	September 30,	December 31,
	(In millions, except per share data)			
2009				
Revenues (1)	$ 760.3	$ 871.4	$ 938.3	$ 836.1
Gross profit (1)	$ 136.4	$ 147.2	$ 156.6	$ 142.4
Net income (1)	$ 0.3	$ 5.5	$ 7.4	$ 0.2
Net income per common share:				
Basic (2)	$ 0.01	$ 0.17	$ 0.23	$ 0.01
Diluted (2)	$ 0.01	$ 0.17	$ 0.22	$ 0.01
2010				
Revenues (1)	$ 886.5	$ 998.8	$ 1,029.3	$ 1,021.4
Gross profit (1)	$ 152.3	$ 164.2	$ 166.3	$ 165.9
Net income (1) (3)	$ 7.4	$ 12.8	$ 12.5	$ 5.4
Net income per common share:				
Basic (2) (3)	$ 0.23	$ 0.40	$ 0.39	$ 0.17
Diluted (2) (3)	$ 0.22	$ 0.39	$ 0.38	$ 0.16

(1) Quarterly revenues, gross profit and net income (loss) do not agree to previously reported amounts on Form 10−Q as a result of subsequent discontinued operations.

(2) The sum of income (loss) per common share for the four quarters does not equal total income (loss) per common share due to changes in the average number of shares outstanding during the respective periods.

(3) Results for the three months ended December 31, 2010 were reduced by $7.6 million, net of tax, or $0.23 per common share, as a result of expenses associated with the repurchase of our 8% Notes and amendments to our 7.625% Notes and credit facilities and mortgage notes payable.

26. SUBSEQUENT EVENTS

In January 2011, we purchased certain previously leased real estate from a member of our board of directors for $16.8 million.

In February 2011, we announced a management succession plan in connection with the anticipated retirement of our former President and Chief Executive Officer, Charles R. Oglesby, on July 31, 2011. As part of that plan, on February 9, 2011, Mr. Oglesby was elected as the Executive Chairman of our Board of Directors until he retires in July 2011, and Craig T. Monaghan, our former Senior Vice President and Chief Financial Offier, was elected President and Chief Executive Officer. We expect to incur approximately $4.7 million of compensation expense in 2011 related to our former Chief Executive Officer.

In February 2011, our Board of Directors authorized us to use up to $30.0 million of cash to repurchase 3% Convertible Notes, 7.625% Notes or 8.375% Notes, which authorization expires February 28, 2012. This authority supercedes and replaces the existing authority under which we repurchased $25.2 million of 3% Convertible Notes.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company conducted an evaluation, under the supervision and with

the participation of the Company's principal executive officer and principal financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rule 13a−15(e) and 15d−15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, the Company's principal executive officer and principal financial officer concluded that as of the end of such period such disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time period specified in the rules and forms of the U.S. Securities and Exchange Commission and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding disclosure. Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives. The Company's management, including the principal executive officer and the principal financial officer, does not expect that our disclosure controls and procedures can prevent all possible errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that objectives of the control system are met. There are inherent limitations in all control systems, including the realities that judgments in decision−making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of one or more persons. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and while our disclosure controls and procedures are designed to be effective under circumstances where they should reasonably be expected to operate effectively, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in any control system, misstatements due to possible errors or fraud may occur and not be detected.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over our company's financial reporting, as such term is defined in Exchange Act Rule 13a−15(f). Our internal control system was designed to provide reasonable assurance to our management and our board of directors regarding the preparation and fair presentation of published financial statements. Our internal control over financial reporting also includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2010. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. Our assessment included a review of the documentation of controls, evaluation of the design effectiveness of controls and testing of the effectiveness of controls. Based on our assessment under the framework in Internal Control—Integrated Framework issued by COSO, our management concluded that our internal control over financial reporting was effective as of December 31, 2010. Our auditors, Ernst & Young LLP, an independent registered public accounting firm, has audited and reported on our consolidated financial statements and on the effectiveness of our internal controls over financial reporting. Their report is contained herein.

During December 2010, we acquired substantially all of the assets, including certain real estate, of nine franchises (four dealership locations). As permitted by Securities and Exchange Commission guidance, the scope of our Section 404 evaluation for the fiscal year ended December 31, 2010 does not include the internal controls over financial reporting of the acquired operations. These acquisitions are included in our consolidated financial statements from the date of acquisition. The nine franchises represented approximately $64.5 million of our $1.5 billion consolidated assets as of December 31, 2010 and approximately $13.6 million of our $3.9 billion consolidated revenues for the year then ended.

From the acquisition date to December 31, 2010, the processes and systems of the acquired operations were discrete and did not significantly impact internal control over financial reporting for our other consolidated subsidiaries.

Changes in Internal Control Over Financial Reporting

During the quarter ended December 31, 2010, the Company continued its implementation of the ADP Dealer Management System, which has been implemented at approximately 30% of our dealerships. As appropriate, the Company is modifying the documentation of its internal control processes and procedures relating to this change in dealer management systems to supplement and complement existing internal controls over financial reporting. Other than the above, there was no change in the Company's internal control over financial reporting during the fourth quarter of the fiscal year ended December 31, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Reference is made to the information to be set forth in the "Proposal No. 1 Election of Directors," "Governance of the Company," "Director Compensation Table" and "Corporate Officers" sections of our Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

Item 11. Executive Compensation.

Reference is made to the information to be set forth in the "Executive Compensation" section of our Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Reference is made to the information to be set forth in the "Securities Owned by Management and Certain Beneficial Owners" section of our Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Reference is made to the information to be set forth in the "Related Persons Transaction" section of our Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

Reference is made to the information to be set forth in the "Independent Auditors' Fees" section of our Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as a part of this report on Form 10−K:

(1) Financial Statements: See index to Consolidated Financial Statements.

(2) Financial Statement Schedules: Not applicable.

(3) Exhibits required to be filed by Item 601 of Regulation S−K:

The Exhibits listed below are identified by numbers corresponding to the Exhibit Table of Item 601 of Regulation S−K.

Exhibit Number	Description of Documents
3.1	Restated Certificate of Incorporation of Asbury Automotive Group, Inc. (filed as Exhibit 4.1 to the Company’s Registration Statement on Form S−8 filed with the SEC on March 20, 2002)*
3.2	Bylaws of Asbury Automotive Group, Inc. (filed as Exhibit 3.1 to the Company’s Current Report on Form 8−K filed with the SEC on October 26, 2009)*
4.1	Indenture, dated as of March 16, 2007, by and among Asbury Automotive Group, Inc., the Subsidiary Guarantors listed on Schedule I thereto, and the Bank of New York Mellon, as Trustee, related to the 3.00% Senior Subordinated Convertible Notes due 2012 (filed as Exhibit 4.1 to the Company’s Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.2	Form of 3.00% Senior Subordinated Convertible Notes due 2012 (filed with Exhibit 4.2 to the Company’s Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.3	First Supplemental Indenture, dated as of June 29, 2007, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York, as Trustee, related to the 3.00% Senior Subordinated Convertible Notes due 2012 (filed as Exhibit 4.10 to the Company’s Registration Statement on Form S−4 filed with the SEC on July 5, 2007)*

Exhibit Number	Description of Documents
4.4	Second Supplemental Indenture, dated as of August 17, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 3.00% Senior Subordinated Convertible Notes due 2012 (filed as Exhibit 4.10 to the Company's Quarterly Report on Form 10−Q for the quarter ended September 30, 2010)*
4.5	Indenture, dated as of March 26, 2007, by and among Asbury Automotive Group, Inc., the Subsidiary Guarantors listed on Schedule I thereto and The Bank of New York, as Trustee, relating to the 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.3 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.6	Form of 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.4 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.7	First Supplemental Indenture, dated as of June 29, 2007, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York, as Trustee, related to the 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.3 to the Company's Registration Statement on Form S−4 filed with the SEC on July 5, 2007)*
4.8	Second Supplemental Indenture, dated as of June 30, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10−Q for the quarter ended June 30, 2010)*
4.9	Third Supplemental Indenture, dated as of November 10, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.6 to the Company's Current Report on Form 8−K filed with the SEC on November 18, 2010)*
4.10	Fourth Supplemental Indenture, dated as of November 16, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.4 to the Company's Current Report on Form 8−K filed with the SEC on November 18, 2010)*
4.11	Fifth Supplemental Indenture, dated as of December 30, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 7.625% Senior Subordinated Notes due 2017
4.12	Indenture, dated as of November 16, 2010, by and among Asbury Automotive Group, Inc., the Subsidiary Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, relating to the 8.375% Senior Subordinated Notes due 2020 (filed as Exhibit 4.1 to the Company's Current Report on Form 8−K filed with the SEC on November 18, 2010)*
4.13	Form of 8.375% Senior Subordinated Notes due 2020 (included as Exhibit A in Exhibit 4.1 and filed as Exhibit 4.2 to the Company's Current Report on Form 8−K filed with the SEC on November 18, 2010)*
4.14	First Supplemental Indenture, dated as of December 30, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 8.375% Senior Subordinated Notes due 2020
4.15	Confirmation of Issuer Warrant by and between Asbury Automotive Group, Inc. and Goldman, Sachs & Co., dated March 12, 2007 (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.16	Confirmation of Issuer Warrant dated March 12, 2007 by and between Asbury Automotive Group, Inc. and Deutsche Bank AG, London Branch (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.17	Amendment to Confirmation dated March 13, 2007, by and between Goldman, Sachs & Co. and Asbury Automotive Group, Inc. relating to the Issuer Warrant (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*

Exhibit Number	Description of Documents
4.18	Amendment to Confirmation dated March 13, 2007, by and between Deutsche Bank AG, London Branch and Asbury Automotive Group, Inc. relating to the Issuer Warrant (filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.19	Registration Rights Agreement dated November 16, 2010, by and among Asbury Automotive Group, Inc. and Merrill Lynch Fenner & Smith Incorporated, J.P. Morgan Securities LLC and Wells Fargo Securities, LLC (filed as Exhibit 4.3 to the Company's Current Report on Form 8−K filed with the SEC on November 18, 2010)*
10.1**	Amended and Restated Wealth Accumulation Plan (filed as Exhibit 4.19 to the Company's Annual Report on Form 10−K for the year ended December 31, 2007)*
10.2**	Amended and Restated 1999 Stock Option Plan (filed as Exhibit 10.1 to the Company's Annual Report on Form 10−K for the year ended December 31, 2007) *
10.3**	Amended and Restated 2002 Equity Incentive Plan (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010) *
10.4**	First Amendment to the Amended and Restated 2002 Equity Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010)*
10.5**	Amended and Restated Key Executive Incentive Compensation Plan (filed as Exhibit 10.2 to the Company's Current Report on Form 8−K filed with the SEC on May 4, 2009) *
10.6**	Form of Officer/Director Indemnification Agreement (filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010)*
10.7**	Severance Agreement by and between Asbury Automotive Group, Inc. and Philip R. Johnson, dated April 29, 2009 (filed as Exhibit 10.6 to the Company's Current Report on Form 8−K filed with the SEC on May 4, 2009)*
10.8**	Employment Agreement by and between Asbury Automotive Group, Inc. and Elizabeth B. Chandler, dated April 27, 2009 (filed as Exhibit 10.10 to the Company's Annual Report on Form 10−K for the year ended December 31, 2009)*
10.9**	Severance Agreement by and between Asbury Automotive Group, Inc. and Elizabeth B. Chandler, dated June 26, 2009 (filed as Exhibit 10.11 to the Company's Annual Report on Form 10−K for the year ended December 31, 2009)*
10.10**	Severance Agreement by and between Asbury Automotive Group, Inc. and Keith R. Style, dated February 28, 2008 (filed as Exhibit 10.12 to the Company's Annual Report on Form 10−K for the year ended December 31, 2008)*
10.11**	Letter Agreement by and between Asbury Automotive Group, Inc. and Joseph G. Parham, Jr., dated April 22, 2010
10.12**	Severance Agreement by and between Asbury Automotive Group, Inc. and Joseph G. Parham, Jr., dated May 3, 2010
10.13	First Amended and Restated Lease Agreement by and between Jeffrey I. Wooley and Asbury Automotive Tampa, L.P., effective September 17, 1998 (for premises located on Hillsborough Avenue, Tampa, Florida) (filed as Exhibit 10.20 to the Company's Annual Report on Form 10−K for the year ended December 31, 2007)*
10.14	Lease Agreement by and between Jeffrey I. Wooley and Asbury Automotive Tampa, L.P., effective January 5, 2011 (for premises located on Adamo Drive, Brandon, Florida)
10.15	Agreement of Purchase and Sale between Asbury Automotive Tampa L.P. and Jeffrey I. Wooley, dated as of December 17, 2010 (filed as Exhibit 10.1 to the Company's Form 8−K filed with the SEC on December 20, 2010)*
10.16**	Amended and Restated Employment Agreement by and between Asbury Automotive Group, Inc. and Charles Oglesby, dated March 22, 2010 (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on March 25, 2010) *
10.17**	Employment Agreement between Asbury Automotive Group, Inc. and Philip R. Johnson, dated June 30, 2010 (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on June 30, 2010)*

Exhibit Number	Description of Documents
10.18**	Letter Agreement by and between Asbury Automotive Group, Inc. and Craig T. Monaghan, executed on April 30, 2008 (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on May 1, 2008)*
10.19**	Severance Agreement by and between Asbury Automotive Group, Inc. and Craig T. Monaghan, dated April 29, 2009 (filed as Exhibit 10.5 to the Company's Current Report on Form 8−K filed with the SEC on May 4, 2009)*
10.20**	Letter Agreement by and between Asbury Automotive Group, Inc. and Michael S. Kearney, dated April 29, 2009 (filed as Exhibit 10.3 to the Company's Current Report on Form 8−K filed with the SEC on May 4, 2009) *
10.21**	Severance Agreement by and between Asbury Automotive Group, Inc. and Michael S. Kearney, dated April 29, 2009 (filed as Exhibit 10.4 to the Company's Current Report on Form 8−K filed with the SEC on May 4, 2009) *
10.22**	Form of Nonqualified Stock Option Grant Agreement (filed as Exhibit 10.24 to the Company's Annual Report on Form 10−K for the year ended December 31, 2007)*
10.23**	Form of Performance Share Unit Award Agreement (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010)*
10.24**	Form of Restricted Share Award Agreement for Non−Employee Directors (filed as Exhibit 10.26 to the Company's Annual Report on Form 10−K for the year ended December 31, 2007)*
10.25**	Form of Restricted Share Award Agreement (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010)*
10.26**	Restricted Share Award Agreement for Non−Employee Directors by and between Asbury Automotive Group, Inc. and Michael J. Durham, dated October 23, 2006 (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10−Q for the quarter ended September 30, 2006)*
10.27	Ford Sales and Service Agreement (filed as Exhibit 10.13 to Amendment No. 2 to the Company's Registration Statement on Form S−1 filed with the SEC on October 12, 2001)*
10.28	General Motors Dealer Sales and Service Agreement (filed as Exhibit 10.14 to Amendment No. 2 to the Company's Registration Statement on Form S−1 filed with the SEC on October 12, 2001)*
10.29	Honda Automobile Dealer Sales and Service Agreement (filed as Exhibit 10.15 to Amendment No. 2 to the Company's Registration Statement on Form S−1 filed with the SEC on October 12, 2001.)*
10.30	Mercedes−Benz Passenger Car Dealer Agreement (filed as Exhibit 10.16 to Amendment No. 2 to the Company's Registration Statement on Form S−1 filed with the SEC on October 12, 2001)*
10.31	Nissan Dealer Sales and Service Agreement (filed as Exhibit 10.17 to Amendment No. 2 to the Company's Registration Statement on Form S−1 filed with the SEC on October 12, 2001)*
10.32	Toyota Dealer Agreement (filed as Exhibit 10.18 to Amendment No. 2 to the Company's Registration Statement on Form S−1filed with the SEC on October 12, 2001)*
10.33	Credit Agreement dated as of September 26, 2008, by and among Asbury Automotive Group, Inc., Bank of America, N.A., as administrative agent, swing line lender and L/C Issuer and the other Lenders party thereto listed on the signature pages thereto (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K with the SEC on October 2, 2008)*
10.34	Revolving Credit Agreement dated as of October 29, 2008, by and among Asbury Automotive Group, Inc., the Lenders listed therein and JPMorgan Chase Bank, N.A., as administrative agent (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on November 4, 2008)*
10.35	Amendment No. 1 to Credit Agreement by and between Asbury Automotive Group, Inc. and Bank of America, N. A., as administrative agent, swing line lender and L/C Issuer and the other Lenders party thereto listed on the signature pages thereto, and Subsidiary Guarantors listed on the signature pages thereto, dated July 22, 2009 (filed as Exhibit 10.2 to the Company's Current Report on Form 8−K filed with the SEC on July 24, 2009)*
10.36	Amendment No. 2 to Credit Agreement by and between Asbury Automotive Group, Inc. and Bank of America, N. A., as administrative agent, swing line lender and L/C Issuer and the other Lenders party thereto listed on the signature pages thereto, and Subsidiary Guarantors listed on the signature pages thereto, dated November 16, 2010

Exhibit Number	Description of Documents
10.37	Amendment No. 1 to Credit Agreement by and between Asbury Automotive Group, Inc. and JPMorgan Chase Bank, N. A., as administrative agent, and the other Lenders party thereto listed on the signature pages thereto, and Guarantors listed on the signature pages thereto, dated July 21, 2009 (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on July 24, 2009)*
10.38	Amendment No. 2 to Credit Agreement by and between Asbury Automotive Group, Inc. and JPMorgan Chase Bank, N. A., as administrative agent, and the other Lenders party thereto listed on the signature pages thereto, and Guarantors listed on the signature pages thereto, dated November 16, 2010
10.39	Confirmation of Convertible Bond Hedge Transaction dated March 12, 2007, by and between Asbury Automotive Group, Inc. and Goldman, Sachs & Co. (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
10.40	Confirmation of Convertible Bond Hedge Transaction dated March 12, 2007, by and between Asbury Automotive Group, Inc. and Deutsche Bank AG, London Branch (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
10.41	Master Loan Agreement by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wachovia Bank, National Association and Wachovia Financial Services, Inc., dated as of June 4, 2008 (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on June 10, 2008)*
10.42	Unconditional Guaranty dated as of June 4, 2008, by and between Asbury Automotive Group, Inc. and Wachovia Bank, National Association (filed as Exhibit 10.2 to the Company's Current Report on Form 8−K filed with the SEC on June 10, 2008)*
10.43	Unconditional Guaranty dated as of June 4, 2008, by and between Asbury Automotive Group, Inc. and Wachovia Financial Services, Inc. (filed as Exhibit 10.3 to the Company's Current Report on Form 8−K filed with the SEC on June 10, 2008)*
10.44	Purchase and Sale Agreement by and between the affiliates of AutoStar Realty Operating Partnership listed on Schedule 1.1.1 thereto, and Asbury Automotive Group, Inc. dated May 8, 2008 (filed as Exhibit 10.4 to the Company's Current Report on Form 8−K filed with the SEC on June 10, 2008)*
10.45	Modification Number One to Master Loan Agreement by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wachovia Bank, National Association and Wachovia Financial Services, Inc., dated as of December 1, 2008 (filed as Exhibit 10.48 to the Company's Annual Report on Form 10−K for the year ended December 31, 2008)*
10.46	Modification Number Two to Master Loan Agreement, dated as of May 7, 2009, by and among certain subsidiaries of Asbury Automotive Group, Inc., and Wachovia Bank, National Association and Wachovia Financial Services, Inc. (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on May 12, 2009)*
10.47	Modification Number Three to Master Loan Agreement, dated July 2, 2009, by and among certain subsidiaries of Asbury Automotive Group, Inc., and Wachovia Bank, National Association and Wachovia Financial Services, Inc.
10.48	Modification Number Four to Master Loan Agreement, dated as of October 21, 2010, by and among certain subsidiaries of Asbury Automotive Group, Inc., and Wachovia Bank, National Association and Wachovia Financial Services, Inc.
10.49	Modification Number Five to Master Loan Agreement, dated as of November 29, 2010, by and among certain subsidiaries of Asbury Automotive Group, Inc., and Wells Fargo Bank, N.A., as successor to Wachovia Bank, National Association and Wachovia Financial Services, Inc.
10.50	Modification Number One to Unconditional Guaranty and Reaffirmation of Unconditional Guaranty, dated as of May 7, 2009, by and between Asbury Automotive Group, Inc., and Wachovia Bank, National Association (filed as Exhibit 10.2 to the Company's Current Report on Form 8−K filed with the SEC on May 12, 2009)*
10.51	Modification Number One to Unconditional Guaranty and Reaffirmation of Unconditional Guaranty, dated as of May 7, 2009, by and between Asbury Automotive Group, Inc., and Wachovia Bank Financial Services, Inc. (filed as Exhibit 10.3 to the Company's Current Report on Form 8−K filed with the SEC on May 12, 2009)*
10.52	Modification Number One to Amended and Restated Unconditional Guaranty and Reaffirmation of Amended and Restated Unconditional Guaranty dated as of November 29, 2010, by and between Asbury Automotive Group, Inc. and Wells Fargo Bank, N.A., as successor to Wachovia Bank, National Association

Exhibit Number	Description of Documents
10.53	Modification Number One to Amended and Restated Unconditional Guaranty and Reaffirmation of Amended and Restated Unconditional Guaranty dated as of November 29, 2010, by and between Asbury Automotive Group, Inc. and Wachovia Financial Services, Inc.
10.54	Limited Waiver by and among Asbury Automotive Group, Inc., each of the Subsidiaries of Asbury Automotive Group, Inc. listed on the signature pages thereto, each of the Lenders listed on the signature pages thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders, dated as of March 12, 2009 (filed as Exhibit 10.49 to the Company's Annual Report on Form 10−K for the year ended December 31, 2008)*
10.55	Limited Waiver by and among Asbury Automotive Group, Inc., Bank of America, N.A., as Administrative Agent for the Lenders and as Swing Line Lender and L/C Issuer, each of the Lenders listed on the signature pages thereto, and each of the Subsidiaries of Asbury Automotive Group, Inc. listed on the signature pages thereto, dated as of March 12, 2009 (filed as Exhibit 10.50 to the Company's Annual Report on Form 10−K for the year ended December 31, 2008)*
10.56**	Form of Restricted Stock Unit Award Agreement (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010)*
12.1	Statement Regarding Computation of Ratio of Earnings to Fixed Charges
21	Subsidiaries of the Company
23.1	Consent of Ernst & Young LLP
23.2	Consent of Deloitte & Touche LLP
24	Powers of Attorney (included on signature page hereto)
31.1	Certificate of Chief Executive Officer pursuant to Rule 13a−14(a)/15d−14(a)of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002
31.2	Certificate of Chief Financial Officer pursuant to Rule 13a−14(a)/15d−14(a)of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002
32.1	Certificate of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002
32.2	Certificate of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002
*	Incorporated by reference.
**	Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Asbury Automotive Group, Inc.

Date: February 25, 2011

By: /s/ Craig T. Monaghan
Name: Craig T. Monaghan
Title: Chief Executive Officer and President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Craig T Monaghan and Keith R. Style, and each of them, acting individually, as his or her true and lawful attorney−in−fact, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10−K for the year ended December 31, 2010, and other documents in connection herewith and therewith, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission, granting unto said attorneys−in−fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection herewith and therewith and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys−in−fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Signature	Title	Date
/s/ Craig T. Monaghan (Craig T. Monaghan)	Chief Executive Officer and President Principal Financial Officer	February 25, 2011
/s/ Keith R. Style (Keith R. Style)	Vice President, Operations, Formerly Vice President, Finance	February 25, 2011
/s/ Bryan C. Hanlon (Bryan C. Hanlon)	Controller and Chief Accounting Officer	February 25, 2011
/s/ Charles R. Oglesby (Charles R. Oglesby)	Director Executive Chairman of the Board	February 25, 2011
/s/ Michael J. Durham (Michael J. Durham)	Director	February 25, 2011
/s/ Janet M. Clarke (Janet M. Clarke)	Director	February 25, 2011
/s/ Dennis E. Clements (Dennis E. Clements)	Director	February 25, 2011

Signature	Title	Date
/s/ Thomas C. DeLoach, Jr. (Thomas C. DeLoach, Jr.)	Director	February 25, 2011
/s/ Juanita T. James (Juanita T. James)	Director	February 25, 2011
/s/ Vernon E. Jordan, Jr. (Vernon E. Jordan, Jr.)	Director	February 25, 2011
/s/ Eugene S. Katz (Eugene S. Katz)	Director	February 25, 2011
/s/ Philip F. Maritz (Philip F. Maritz)	Director	February 25, 2011
/s/ Jeffrey I. Wooley (Jeffrey I. Wooley)	Director	February 25, 2011

Exhibit Number	Description of Documents
3.1	Restated Certificate of Incorporation of Asbury Automotive Group, Inc. (filed as Exhibit 4.1 to the Company's Registration Statement on Form S−8 filed with the SEC on March 20, 2002)*
3.2	Bylaws of Asbury Automotive Group, Inc. (filed as Exhibit 3.1 to the Company's Current Report on Form 8−K filed with the SEC on October 26, 2009)*
4.1	Indenture, dated as of March 16, 2007, by and among Asbury Automotive Group, Inc., the Subsidiary Guarantors listed on Schedule I thereto, and the Bank of New York Mellon, as Trustee, related to the 3.00% Senior Subordinated Convertible Notes due 2012 (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.2	Form of 3.00% Senior Subordinated Convertible Notes due 2012 (filed with Exhibit 4.2 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.3	First Supplemental Indenture, dated as of June 29, 2007, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York, as Trustee, related to the 3.00% Senior Subordinated Convertible Notes due 2012 (filed as Exhibit 4.10 to the Company's Registration Statement on Form S−4 filed with the SEC on July 5, 2007)*
4.4	Second Supplemental Indenture, dated as of August 17, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 3.00% Senior Subordinated Convertible Notes due 2012 (filed as Exhibit 4.10 to the Company's Quarterly Report on Form 10−Q for the quarter ended September 30, 2010)*
4.5	Indenture, dated as of March 26, 2007, by and among Asbury Automotive Group, Inc., the Subsidiary Guarantors listed on Schedule I thereto and The Bank of New York, as Trustee, relating to the 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.3 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.6	Form of 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.4 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.7	First Supplemental Indenture, dated as of June 29, 2007, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York, as Trustee, related to the 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.3 to the Company's Registration Statement on Form S−4 filed with the SEC on July 5, 2007)*
4.8	Second Supplemental Indenture, dated as of June 30, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10−Q for the quarter ended June 30, 2010)*
4.9	Third Supplemental Indenture, dated as of November 10, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.6 to the Company's Current Report on Form 8−K filed with the SEC on November 18, 2010)*
4.10	Fourth Supplemental Indenture, dated as of November 16, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 7.625% Senior Subordinated Notes due 2017 (filed as Exhibit 4.4 to the Company's Current Report on Form 8−K filed with the SEC on November 18, 2010)*
4.11	Fifth Supplemental Indenture, dated as of December 30, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 7.625% Senior Subordinated Notes due 2017
4.12	Indenture, dated as of November 16, 2010, by and among Asbury Automotive Group, Inc., the Subsidiary Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, relating to the 8.375% Senior Subordinated Notes due 2020 (filed as Exhibit 4.1 to the Company's Current Report on Form 8−K filed with the SEC on November 18, 2010)*

Exhibit Number	Description of Documents
4.13	Form of 8.375% Senior Subordinated Notes due 2020 (included as Exhibit A in Exhibit 4.1 and filed as Exhibit 4.2 to the Company's Current Report on Form 8−K filed with the SEC on November 18, 2010)*
4.14	First Supplemental Indenture, dated as of December 30, 2010, by and among Asbury Automotive Group, Inc., the Subsidiaries of Asbury Automotive Group, Inc. listed on Schedule II thereto, the other Guarantors listed on Schedule I thereto and The Bank of New York Mellon, as Trustee, related to the 8.375% Senior Subordinated Notes due 2020
4.15	Confirmation of Issuer Warrant by and between Asbury Automotive Group, Inc. and Goldman, Sachs & Co., dated March 12, 2007 (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.16	Confirmation of Issuer Warrant dated March 12, 2007 by and between Asbury Automotive Group, Inc. and Deutsche Bank AG, London Branch (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.17	Amendment to Confirmation dated March 13, 2007, by and between Goldman, Sachs & Co. and Asbury Automotive Group, Inc. relating to the Issuer Warrant (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.18	Amendment to Confirmation dated March 13, 2007, by and between Deutsche Bank AG, London Branch and Asbury Automotive Group, Inc. relating to the Issuer Warrant (filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
4.19	Registration Rights Agreement dated November 16, 2010, by and among Asbury Automotive Group, Inc. and Merrill Lynch Fenner & Smith Incorporated, J.P. Morgan Securities LLC and Wells Fargo Securities, LLC (filed as Exhibit 4.3 to the Company's Current Report on Form 8−K filed with the SEC on November 18, 2010)*
10.1**	Amended and Restated Wealth Accumulation Plan (filed as Exhibit 4.19 to the Company's Annual Report on Form 10−K for the year ended December 31, 2007)*
10.2**	Amended and Restated 1999 Stock Option Plan (filed as Exhibit 10.1 to the Company's Annual Report on Form 10−K for the year ended December 31, 2007) *
10.3**	Amended and Restated 2002 Equity Incentive Plan (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010) *
10.4**	First Amendment to the Amended and Restated 2002 Equity Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010)*
10.5**	Amended and Restated Key Executive Incentive Compensation Plan (filed as Exhibit 10.2 to the Company's Current Report on Form 8−K filed with the SEC on May 4, 2009) *
10.6**	Form of Officer/Director Indemnification Agreement (filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010)*
10.7**	Severance Agreement by and between Asbury Automotive Group, Inc. and Philip R. Johnson, dated April 29, 2009 (filed as Exhibit 10.6 to the Company's Current Report on Form 8−K filed with the SEC on May 4, 2009)*
10.8**	Employment Agreement by and between Asbury Automotive Group, Inc. and Elizabeth B. Chandler, dated April 27, 2009 (filed as Exhibit 10.10 to the Company's Annual Report on Form 10−K for the year ended December 31, 2009)*
10.9**	Severance Agreement by and between Asbury Automotive Group, Inc. and Elizabeth B. Chandler, dated June 26, 2009 (filed as Exhibit 10.11 to the Company's Annual Report on Form 10−K for the year ended December 31, 2009)*
10.10**	Severance Agreement by and between Asbury Automotive Group, Inc. and Keith R. Style, dated February 28, 2008 (filed as Exhibit 10.12 to the Company's Annual Report on Form 10−K for the year ended December 31, 2008)*
10.11**	Letter Agreement by and between Asbury Automotive Group, Inc. and Joseph G. Parham, Jr., dated April 22, 2010
10.12**	Severance Agreement by and between Asbury Automotive Group, Inc. and Joseph G. Parham, Jr., dated May 3, 2010

Exhibit Number	Description of Documents
10.13	First Amended and Restated Lease Agreement by and between Jeffrey I. Wooley and Asbury Automotive Tampa, L.P., effective September 17, 1998 (for premises located on Hillsborough Avenue, Tampa, Florida) (filed as Exhibit 10.20 to the Company's Annual Report on Form 10−K for the year ended December 31, 2007)*
10.14	Lease Agreement by and between Jeffrey I. Wooley and Asbury Automotive Tampa, L.P., effective January 5, 2011 (for premises located on Adamo Drive, Brandon, Florida)
10.15	Agreement of Purchase and Sale between Asbury Automotive Tampa L.P. and Jeffrey I. Wooley, dated as of December 17, 2010 (filed as Exhibit 10.1 to the Company's Form 8−K filed with the SEC on December 20, 2010)*
10.16**	Amended and Restated Employment Agreement by and between Asbury Automotive Group, Inc. and Charles Oglesby, dated March 22, 2010 (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on March 25, 2010) *
10.17**	Employment Agreement between Asbury Automotive Group, Inc. and Philip R. Johnson, dated June 30, 2010 (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on June 30, 2010)*
10.18**	Letter Agreement by and between Asbury Automotive Group, Inc. and Craig T. Monaghan, executed on April 30, 2008 (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on May 1, 2008)*
10.19**	Severance Agreement by and between Asbury Automotive Group, Inc. and Craig T. Monaghan, dated April 29, 2009 (filed as Exhibit 10.5 to the Company's Current Report on Form 8−K filed with the SEC on May 4, 2009)*
10.20**	Letter Agreement by and between Asbury Automotive Group, Inc. and Michael S. Kearney, dated April 29, 2009 (filed as Exhibit 10.3 to the Company's Current Report on Form 8−K filed with the SEC on May 4, 2009) *
10.21**	Severance Agreement by and between Asbury Automotive Group, Inc. and Michael S. Kearney, dated April 29, 2009 (filed as Exhibit 10.4 to the Company's Current Report on Form 8−K filed with the SEC on May 4, 2009) *
10.22**	Form of Nonqualified Stock Option Grant Agreement (filed as Exhibit 10.24 to the Company's Annual Report on Form 10−K for the year ended December 31, 2007)*
10.23**	Form of Performance Share Unit Award Agreement (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010)*
10.24**	Form of Restricted Share Award Agreement for Non−Employee Directors (filed as Exhibit 10.26 to the Company's Annual Report on Form 10−K for the year ended December 31, 2007)*
10.25**	Form of Restricted Share Award Agreement (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010)*
10.26**	Restricted Share Award Agreement for Non−Employee Directors by and between Asbury Automotive Group, Inc. and Michael J. Durham, dated October 23, 2006 (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10−Q for the quarter ended September 30, 2006)*
10.27	Ford Sales and Service Agreement (filed as Exhibit 10.13 to Amendment No. 2 to the Company's Registration Statement on Form S−1 filed with the SEC on October 12, 2001)*
10.28	General Motors Dealer Sales and Service Agreement (filed as Exhibit 10.14 to Amendment No. 2 to the Company's Registration Statement on Form S−1 filed with the SEC on October 12, 2001)*
10.29	Honda Automobile Dealer Sales and Service Agreement (filed as Exhibit 10.15 to Amendment No. 2 to the Company's Registration Statement on Form S−1 filed with the SEC on October 12, 2001.)*
10.30	Mercedes−Benz Passenger Car Dealer Agreement (filed as Exhibit 10.16 to Amendment No. 2 to the Company's Registration Statement on Form S−1 filed with the SEC on October 12, 2001)*
10.31	Nissan Dealer Sales and Service Agreement (filed as Exhibit 10.17 to Amendment No. 2 to the Company's Registration Statement on Form S−1 filed with the SEC on October 12, 2001)*
10.32	Toyota Dealer Agreement (filed as Exhibit 10.18 to Amendment No. 2 to the Company's Registration Statement on Form S−1filed with the SEC on October 12, 2001)*

Exhibit Number	Description of Documents
10.33	Credit Agreement dated as of September 26, 2008, by and among Asbury Automotive Group, Inc., Bank of America, N.A., as administrative agent, swing line lender and L/C Issuer and the other Lenders party thereto listed on the signature pages thereto (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K with the SEC on October 2, 2008)*
10.34	Revolving Credit Agreement dated as of October 29, 2008, by and among Asbury Automotive Group, Inc., the Lenders listed therein and JPMorgan Chase Bank, N.A., as administrative agent (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on November 4, 2008)*
10.35	Amendment No. 1 to Credit Agreement by and between Asbury Automotive Group, Inc. and Bank of America, N. A., as administrative agent, swing line lender and L/C Issuer and the other Lenders party thereto listed on the signature pages thereto, and Subsidiary Guarantors listed on the signature pages thereto, dated July 22, 2009 (filed as Exhibit 10.2 to the Company's Current Report on Form 8−K filed with the SEC on July 24, 2009)*
10.36	Amendment No. 2 to Credit Agreement by and between Asbury Automotive Group, Inc. and Bank of America, N. A., as administrative agent, swing line lender and L/C Issuer and the other Lenders party thereto listed on the signature pages thereto, and Subsidiary Guarantors listed on the signature pages thereto, dated November 16, 2010
10.37	Amendment No. 1 to Credit Agreement by and between Asbury Automotive Group, Inc. and JP Morgan Chase Bank, N. A., as administrative agent, and the other Lenders party thereto listed on the signature pages thereto, and Guarantors listed on the signature pages thereto, dated July 21, 2009 (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on July 24, 2009)*
10.38	Amendment No. 2 to Credit Agreement by and between Asbury Automotive Group, Inc. and JP Morgan Chase Bank, N. A., as administrative agent, and the other Lenders party thereto listed on the signature pages thereto, and Guarantors listed on the signature pages thereto, dated November 16, 2010
10.39	Confirmation of Convertible Bond Hedge Transaction dated March 12, 2007, by and between Asbury Automotive Group, Inc. and Goldman, Sachs & Co. (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
10.40	Confirmation of Convertible Bond Hedge Transaction dated March 12, 2007, by and between Asbury Automotive Group, Inc. and Deutsche Bank AG, London Branch (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2007)*
10.41	Master Loan Agreement by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wachovia Bank, National Association and Wachovia Financial Services, Inc., dated as of June 4, 2008 (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on June 10, 2008)*
10.42	Unconditional Guaranty dated as of June 4, 2008, by and between Asbury Automotive Group, Inc. and Wachovia Bank, National Association (filed as Exhibit 10.2 to the Company's Current Report on Form 8−K filed with the SEC on June 10, 2008)*
10.43	Unconditional Guaranty dated as of June 4, 2008, by and between Asbury Automotive Group, Inc. and Wachovia Financial Services, Inc. (filed as Exhibit 10.3 to the Company's Current Report on Form 8−K filed with the SEC on June 10, 2008)*
10.44	Purchase and Sale Agreement by and between the affiliates of AutoStar Realty Operating Partnership listed on Schedule 1.1.1 thereto, and Asbury Automotive Group, Inc. dated May 8, 2008 (filed as Exhibit 10.4 to the Company's Current Report on Form 8−K filed with the SEC on June 10, 2008)*
10.45	Modification Number One to Master Loan Agreement by and among certain subsidiaries of Asbury Automotive Group, Inc. and Wachovia Bank, National Association and Wachovia Financial Services, Inc., dated as of December 1, 2008 (filed as Exhibit 10.48 to the Company's Annual Report on Form 10−K for the year ended December 31, 2008)*
10.46	Modification Number Two to Master Loan Agreement, dated as of May 7, 2009, by and among certain subsidiaries of Asbury Automotive Group, Inc., and Wachovia Bank, National Association and Wachovia Financial Services, Inc. (filed as Exhibit 10.1 to the Company's Current Report on Form 8−K filed with the SEC on May 12, 2009)*
10.47	Modification Number Three to Master Loan Agreement, dated July 2, 2009, by and among certain subsidiaries of Asbury Automotive Group, Inc., and Wachovia Bank, National Association and Wachovia Financial Services, Inc.

Exhibit Number	Description of Documents
10.48	Modification Number Four to Master Loan Agreement, dated as of October 21, 2010, by and among certain subsidiaries of Asbury Automotive Group, Inc., and Wachovia Bank, National Association and Wachovia Financial Services, Inc.
10.49	Modification Number Five to Master Loan Agreement, dated as of November 29, 2010, by and among certain subsidiaries of Asbury Automotive Group, Inc., and Wells Fargo Bank, N.A., as successor to Wachovia Bank, National Association and Wachovia Financial Services, Inc.
10.50	Modification Number One to Unconditional Guaranty and Reaffirmation of Unconditional Guaranty, dated as of May 7, 2009, by and between Asbury Automotive Group, Inc., and Wachovia Bank, National Association (filed as Exhibit 10.2 to the Company's Current Report on Form 8−K filed with the SEC on May 12, 2009)*
10.51	Modification Number One to Unconditional Guaranty and Reaffirmation of Unconditional Guaranty, dated as of May 7, 2009, by and between Asbury Automotive Group, Inc., and Wachovia Bank Financial Services, Inc. (filed as Exhibit 10.3 to the Company's Current Report on Form 8−K filed with the SEC on May 12, 2009)*
10.52	Modification Number One to Amended and Restated Unconditional Guaranty and Reaffirmation of Amended and Restated Unconditional Guaranty dated as of November 29, 2010, by and between Asbury Automotive Group, Inc. and Wells Fargo Bank, N.A., as successor to Wachovia Bank, National Association
10.53	Modification Number One to Amended and Restated Unconditional Guaranty and Reaffirmation of Amended and Restated Unconditional Guaranty dated as of November 29, 2010, by and between Asbury Automotive Group, Inc. and Wachovia Financial Services, Inc.
10.54	Limited Waiver by and among Asbury Automotive Group, Inc., each of the Subsidiaries of Asbury Automotive Group, Inc. listed on the signature pages thereto, each of the Lenders listed on the signature pages thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders, dated as of March 12, 2009 (filed as Exhibit 10.49 to the Company's Annual Report on Form 10−K for the year ended December 31, 2008)*
10.55	Limited Waiver by and among Asbury Automotive Group, Inc., Bank of America, N.A., as Administrative Agent for the Lenders and as Swing Line Lender and L/C Issuer, each of the Lenders listed on the signature pages thereto, and each of the Subsidiaries of Asbury Automotive Group, Inc. listed on the signature pages thereto, dated as of March 12, 2009 (filed as Exhibit 10.50 to the Company's Annual Report on Form 10−K for the year ended December 31, 2008)*
12.1	Statement Regarding Computation of Ratio of Earnings to Fixed Charges
10.56**	Form of Restricted Stock Unit Award Agreement (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10−Q for the quarter ended March 31, 2010)*
21	Subsidiaries of the Company
23.1	Consent of Ernst & Young LLP
23.2	Consent of Deloitte & Touche LLP
24	Powers of Attorney (included on signature page hereto)
31.1	Certificate of Chief Executive Officer pursuant to Rule 13a−14(a)/15d−14(a)of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002
31.2	Certificate of Chief Financial Officer pursuant to Rule 13a−14(a)/15d−14(a)of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002
32.1	Certificate of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002
32.2	Certificate of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002
*	Incorporated by reference.
**	Management contract or compensatory plan or arrangement.

Exhibit 4.11

FIFTH SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of December 30, 2010, among the Subsidiaries of the Company (as defined below) listed on Schedule II hereto (the "Guaranteeing Subsidiaries"), Asbury Automotive Group, Inc., a Delaware corporation (the "Company"), the other Guarantors (as defined in the Indenture referred to herein) and The Bank of New York Mellon (formerly known as The Bank of New York), as trustee under the indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture, dated as of March 26, 2007, as amended, supplemented and otherwise modified by the First Supplemental Indenture dated as of June 29, 2007, by the Second Supplemental Indenture dated as of June 30, 2010, by the Third Supplemental Indenture dated as of November 10, 2010 and by the Fourth Supplemental Indenture dated as of November 16, 2010 (the "Indenture"), providing for the issuance of 7.625% Senior Subordinated Notes due 2017 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which each Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Subsidiary Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company, the Guaranteeing Subsidiaries, the other Guarantors and the Trustee, as applicable, mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. Each Guaranteeing Subsidiary hereby agrees as follows:

(a) Along with all Guarantors named in the Indenture, to jointly and severally Guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, the Notes or the obligations of the Company hereunder or thereunder, that:

(i) the principal of and interest and premium, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal and premium, if any, of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. In addition to the foregoing, each Guarantor also agrees unconditionally and jointly and severally with each other Guarantor to pay any and all expenses (including, without limitation, fees and expenses) incurred by the Trustee under the Indentures in enforcing any rights under a Subsidiary Guarantee with respect to a

Guarantor. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Subsidiary Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and the Indenture, and such Guaranteeing Subsidiary accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors, or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Subsidiary Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Such Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Subsidiary Guarantee.

(h) The Guarantors shall have the right to seek contribution from any non−paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee.

(i) Pursuant to Section 11.03 of the Indenture, after giving effect to any maximum amount and any other contingent and fixed liabilities that are relevant under any applicable Bankruptcy Law or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 11 of the Indenture, this new Subsidiary Guarantee shall be limited to the maximum amount permissible such that the obligations of such Guarantor under this Subsidiary Guarantee will not constitute a fraudulent transfer or conveyance.

3. EXECUTION AND DELIVERY. Each of the Guaranteeing Subsidiaries agree that the Subsidiary Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a

notation of such Subsidiary Guarantees.

4. GUARANTEEING SUBSIDIARIES MAY CONSOLIDATE, ETC. ON CERTAIN TERMS. Each Guarantor Subsidiary hereby agrees as follows:

(a) No Guaranteeing Subsidiary may sell or otherwise dispose of all or substantially all of its assets to or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person whether or not affiliated with such Guarantor unless:

(i) either

(A) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger, if other than such Guarantor, assumes all the obligations of that Guarantor under the Indenture and its Subsidiary Guarantee pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee and completes all other required documentation; or

(B) the Net Proceeds, if any, of such sale or other disposition are applied in accordance with the provisions described in the third paragraph of Section 4.10 of the Indenture; and

(ii) immediately after giving effect to such transaction, no Default exists.

(b) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Subsidiary Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of the Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.

(c) Except as set forth in Articles 4 and 5, and Section 11.05 of Article 11 of the Indenture, and notwithstanding clauses (a) and (b) above, nothing contained in the Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

5. RELEASES.

(a) In the event of a sale or other disposition of all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all of the capital stock of any Guarantor, in each case to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary of the Company, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be released and relieved of any obligations under its Subsidiary Guarantee; provided that the Net Proceeds, if any, of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture,

including without limitation Section 4.10 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.10 of the Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Subsidiary Guarantee.

(b) Any Guarantor not released from its obligations under its Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under the Indenture as provided in Article 11 of the Indenture.

6. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator or stockholder of any Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company, or any Guaranteeing Subsidiary under the Notes, any Subsidiary Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

7. INDENTURE. Except as expressly amended hereby, the Indenture shall continue in full force and effect in accordance with the provisions thereof as in existence on the date hereof. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

8. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE.

9. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

10. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

11. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guarantors and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

Dated as of December 30, 2010

ASBURY AUTOMOTIVE GROUP, INC.

By: /s/ Craig T. Monaghan

Name: Craig T. Monaghan
Title: SVP & CFO

EACH GUARANTOR LISTED ON SCHEDULE I HERETO

By: /s/ Craig T. Monaghan

Name: Craig T. Monaghan
Title: SVP of VP of each Limited Liability Company or Corporation, or the General Partner of each Limited Partnership listed on the attached Schedule

EACH GUARANTEEING SUBSIDIARY LISTED ON SCHEDULE II HERETO

By: /s/ Craig T. Monaghan

Name: Craig T. Monaghan
Title: SVP of VP of each Limited Liability Company or Corporation, or the General Partner of each Limited Partnership listed on the attached Schedule

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Latoya S. Elvin

Name: Latoya S. Elvin
Title: Associate

[Signature Page to the Fifth Supplemental Indenture]

Schedule I

SCHEDULE OF GUARANTORS

The following schedule lists each Guarantor as of the date hereof:

Asbury Automotive Group Holdings, Inc. (merged with and into the Company)
Asbury Automotive Group L.L.C.
Asbury Automotive Management L.L.C.
Asbury Automotive Financial Services, Inc. (merged with and into the Company)
Asbury Automotive Arkansas L.L.C.
Asbury Automotive Arkansas Dealership Holdings L.L.C.
Arkansas Automotive Services, L.L.C.
NP FLM L.L.C.
NP VKW L.L.C.
Premier NSN L.L.C.
NP MZD L.L.C.
Prestige Bay L.L.C.
Premier PON L.L.C.
Escude NN L.L.C.
Escude NS L.L.C.
Asbury MS Gray−Daniels L.L.C.
Asbury Automotive Atlanta LLC
Asbury Atlanta HON LLC
Asbury Atlanta Chevrolet LLC
Asbury Atlanta AC LLC
Atlanta Real Estate Holdings LLC
Asbury Atlanta Jaguar L.L.C.
Spectrum Insurance Services L.L.C.
Asbury Atlanta AU L.L.C.
Asbury Atlanta Infiniti L.L.C.
Asbury Automotive Jacksonville GP, L.L.C.
Asbury Automotive Jacksonville, L.P.
Asbury Jax Holdings, L.P.
Asbury Jax Management L.L.C.
Coggin Automotive Corp
CP−GMC Motors Ltd
CH Motors Ltd
CN Motors Ltd
CFP Motors Ltd
Avenues Motors Ltd
CHO Partnership Ltd
ANL, L.P.
Bayway Financial Services, L.P.
Coggin Management, L.P.

C&O Properties Ltd.
Asbury Automotive Central Florida, L.L.C.
Asbury Automotive Deland, L.L.C.
AF Motors, L.L.C.
ALM Motors, L.L.C.
Asbury Deland Imports 2 LLC
Asbury−Deland Imports LLC
Coggin Chevrolet L.L.C.
CSA Imports L.L.C.
KP Motors L.L.C.
HFP Motors L.L.C.
Asbury Automotive Mississippi L.L.C.
Crown GPG L.L.C.
Crown GBM L.L.C.
Crown GDO L.L.C.
Crown GNI L.L.C.
Crown GHO L.L.C.
Crown CHH L.L.C.
Crown CHV L.L.C.
Crown RIA L.L.C.
Crown RIB L.L.C.
Crown Motorcar Company L.L.C.
Crown GVO L.L.C.
Crown FFO L.L.C.
Asbury Automotive North Carolina L.L.C.
Asbury Automotive North Carolina Management L.L.C.
Asbury Automotive North Carolina Real Estate Holdings L.L.C.
Asbury Automotive North Carolina Dealership Holdings L.L.C.
Camco Finance II L.L.C.
Crown FFO Holdings L.L.C.
Crown FDO L.L.C.
Crown Acura/Nissan L.L.C.
Crown Honda, LLC
Thomason FRD LLC
Thomason HON LLC
Thomason NISS LLC
Thomason HUND LLC
Thomason MAZ LLC
Thomason ZUK LLC
Thomason DAM LLC
Asbury Automotive Oregon LLC
Asbury Automotive Oregon Management LLC
Thomason Auto Credit Northwest, Inc.
Thomason Outfitters L.L.C.

Thomason SUZU L.L.C.
Asbury Automotive St. Louis L.L.C.
Asbury St. Louis Cadillac L.L.C.
Asbury Automotive Tampa GP L.L.C.
Asbury Automotive Tampa, L.P.
Asbury Tampa Management L.L.C.
Tampa Hund L.P.
Tampa KIA L.P.
Tampa Mit L.P.
Tampa Suzu L.P.
WMZ Motors L.P.
WMZ Brandon Motors L.P.
Asbury Automotive Brandon L.P.
Precision Enterprises Tampa, Inc.
Precision Nissan, Inc.
Precision Computer Services, Inc.
Precision Motorcars, Inc.
Precision Infiniti, Inc.
JC Dealer Systems L.L.C. (formerly “Dealer Profit Systems L.L.C.”)
McDavid Austin−Acra, L.L.C.
McDavid Frisco−Hon, L.L.C.
McDavid Houston−Niss, L.L.C.
McDavid Houston−Hon, L.L.C.
McDavid Plano−Acra, L.L.C.
McDavid Grande, L.L.C.
McDavid Irving−Hon, L.L.C.
Asbury Automotive Texas Real Estate Holdings L.L.C.
Plano Lincoln−Mercury, Inc
Asbury Automotive Texas L.L.C.
Crown CHO L.L.C.
Asbury Automotive Fresno L.L.C.
Asbury Fresno Imports L.L.C.
Asbury MS Yazoo L.L.C.
Asbury Atlanta VL L.L.C.
Asbury Atlanta BM L.L.C.
Asbury Automotive Southern California L.L.C.
Crown SNI L.L.C.
BFP Motors L.L.C.
Asbury So Cal DC L.L.C.
Asbury So Cal Niss L.L.C.
Asbury MS Chev L.L.C.
Southern Atlantic Automotive Services L.L.C. (f/k/a Asbury Automotive South L.L.C.)
Florida Automotive Services L.L.C. (f/k/a Asbury Automotive Florida L.L.C.)
Asbury AR Niss L.L.C.

Asbury Jax PB Chev L.L.C.
Asbury Jax K L.L.C.
Asbury Jax AC, L.L.C.
Asbury MS Wimber LLC
Tampa LM, LP
Thomason Pontiac−GMC LLC
Asbury Atlanta Lex, LLC
Asbury St. Louis Lex L.L.C.
Coggin Cars L.L.C.
Escude T L.L.C.
Prestige TOY L.L.C.
Thomason TY LLC
WTY Motors L.P.
Asbury Atlanta Inf. L.L.C.
Asbury Atlanta Nis L.L.C.
Asbury Atlanta Toy L.L.C.
Asbury Automotive Atlanta II L.L.C.
Asbury Automotive St. Louis II L.L.C.
Mid−Atlantic Automotive Services, L.L.C.
Mississippi Automotive Services, L.L.C.
Texas Automotive Services, L.L.C.
Missouri Automotive Services, L.L.C.
Asbury St. Louis M L.L.C.
Asbury Texas D FSKR L.L.C.
Asbury Texas H FSKR L.L.C.
Asbury St. Louis FSKR L.L.C.
Asbury SC Toy L.L.C.
Asbury SC JPV L.L.C.
Asbury SC Lex L.L.C.

Schedule II

SCHEDULE OF GUARANTEEING SUBSIDIARIES

The following schedule lists each Guaranteeing Subsidiary becoming a Guarantor under the Indenture pursuant to the Supplemental Indenture to which this Schedule II is attached:

Asbury South Carolina Real Estate Holdings L.L.C.

Exhibit 4.14

FIRST SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of December 30, 2010, among the Subsidiary (as defined below) of Asbury Automotive Group, Inc. (or its permitted successor), a Delaware corporation (the "Company"), listed on Schedule II hereto (the "Guaranteeing Subsidiary"), the Company, the other Guarantors (as defined in the Indenture referred to herein) and The Bank of New York Mellon, as trustee under the Indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of November 16, 2010 providing for the issuance of 8.375% Senior Subordinated Notes due 2020 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Subsidiary Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1.CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2.AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to jointly and severally along with all Guarantors named in the Indenture, to guarantee the Company's obligations under the Notes on the terms and subject to the conditions set forth in Article 11 of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes.

3.RATIFICATION OF INDENTURE; SUPPLEMENTAL INDENTURES PART OF INDENTURE. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provision thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder heretofore or hereafter authenticated and delivered shall be bound hereby.

4.NEW YORK LAW TO GOVERN. THE LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE.

5.COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6.EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

7.THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.
Dated as of December 30, 2010

ASBURY AUTOMOTIVE GROUP, INC.

By: /s/Craig T. Monaghan
Name: Craig T. Monaghan
Title: SVP & CFO

EACH GUARANTOR LISTED ON SCHEDULE I HERETO

By: /s/Craig T. Monaghan
Name: Craig T. Monaghan
Title: SVP of VP of each Limited Liability Company or Corporation, or the General Partner of each Limited Partnership listed on the attached Schedule

EACH GUARANTEEING SUBSIDIARY LISTED ON SCHEDULE II HERETO

By: /s/Craig T. Monaghan
Name: Craig T. Monaghan
Title: SVP of VP of each Limited Liability Company or Corporation, or the General Partner of each Limited Partnership listed on the attached Schedule

[Signature Page for First Supplemental Indenture]

THE BANK OF NEW YORK MELLON

By: /s/ Latoya s. Elvin
Name: Latoya S. Elvin
Title: Associate

[Signature page for First Supplemental Indenture]

Schedule I

SCHEDULE OF GUARANTORS

The following schedule lists each Guarantor under the Indenture as of the Issue Date:

Legal Name
AF Motors, L.L.C.
ALM Motors, L.L.C.
Arkansas Automotive Services, L.L.C.
Asbury AR Niss L.L.C.
Asbury Atlanta AC L.L.C.
Asbury Atlanta AU L.L.C.
Asbury Atlanta BM L.L.C.
Asbury Atlanta Chevrolet L.L.C.
Asbury Atlanta Hon L.L.C.
Asbury Atlanta Inf L.L.C.
Asbury Atlanta Infiniti L.L.C.
Asbury Atlanta Jaguar L.L.C.
Asbury Atlanta Lex L.L.C.
Asbury Atlanta Nis L.L.C.
Asbury Atlanta Toy L.L.C.
Asbury Atlanta VL L.L.C.
Asbury Automotive Arkansas Dealership Holdings L.L.C.
Asbury Automotive Arkansas L.L.C.
Asbury Automotive Atlanta II L.L.C.
Asbury Automotive Atlanta L.L.C.
Asbury Automotive Central Florida, L.L.C.
Asbury Automotive Deland, L.L.C.
Asbury Automotive Fresno L.L.C.
Asbury Automotive Group L.L.C.
Asbury Automotive Jacksonville GP L.L.C.
Asbury Automotive Jacksonville GP L.L.C., as general partner of Asbury Automotive Jacksonville, L.P.
Asbury Automotive Management L.L.C.
Asbury Automotive Mississippi L.L.C.
Asbury Automotive North Carolina Dealership Holdings, L.L.C.
Asbury Automotive North Carolina L.L.C.
Asbury Automotive North Carolina Management L.L.C.
Asbury Automotive North Carolina Real Estate Holdings, L.L.C.
Asbury Automotive Oregon L.L.C.
Asbury Automotive Southern California L.L.C.
Asbury Automotive St. Louis II L.L.C.
Asbury Automotive St. Louis L.L.C.
Asbury Automotive Tampa GP L.L.C.
Asbury Automotive Tampa GP L.L.C., as general partner of Asbury Automotive Tampa, L.P.
Asbury Automotive Texas L.L.C.
Asbury Automotive Texas Real Estate Holdings, L.L.C.
Asbury Deland Imports 2, L.L.C.
Asbury Fresno Imports L.L.C.
Asbury Jax AC, LLC
Asbury Jax Hon L.L.C.
Asbury Jax K L.L.C.
Asbury Jax Management L.L.C.

Asbury Jax Management L.L.C., as general partner of ANL, L.P., Asbury Jax Holdings, L.P., Avenues Motors, Ltd., Bayway Financial Services, L.P., C&O Properties, Ltd., CFP Motors, Ltd., CH Motors, Ltd., CHO Partnership, Ltd., CN Motors, Ltd., Coggin Management, L.P. and CP−GMC Motors, Ltd.
Asbury Jax VW, L.L.C.
Asbury MS Chev L.L.C.
Asbury MS Gray−Daniels L.L.C.
Asbury No Cal Niss L.L.C.
Asbury Sacramento Imports L.L.C.
Asbury SC JPV, L.L.C.
Asbury SC LEX L.L.C.
Asbury SC Toy L.L.C.
Asbury So Cal DC L.L.C.
Asbury So Cal Hon L.L.C.
Asbury So Cal Niss L.L.C.
Asbury St. Louis Cadillac L.L.C.
Asbury St. Louis FSKR, L.L.C.
Asbury St. Louis Lex L.L.C.
Asbury St. Louis LR L.L.C.
Asbury St. Louis M, L.L.C.
Asbury Tampa Management L.L.C.
Asbury Tampa Management L.L.C., as general partner of Asbury Automotive Brandon, L.P., Tampa Hund, L.P., Tampa Kia, L.P., Tampa LM, L.P., Tampa Mit, L.P., WMZ Motors, L.P. and WTY Motors, L.P.
Asbury Texas D FSKR, L.L.C.
Asbury Texas H FSKR, L.L.C.
Asbury−Deland Imports, L.L.C.
Atlanta Real Estate Holdings L.L.C.
BFP Motors L.L.C.
Camco Finance II L.L.C.
CK Chevrolet L.L.C.
CK Motors LLC
Coggin Automotive Corp.
Coggin Cars L.L.C.
Coggin Chevrolet L.L.C.
Crown Acura/Nissan, LLC
Crown CHH L.L.C.
Crown CHO L.L.C.
Crown CHV L.L.C.
Crown FDO L.L.C.
Crown FFO Holdings L.L.C.
Crown FFO L.L.C.
Crown GAC L.L.C.
Crown GBM L.L.C.
Crown GCA L.L.C.
Crown GDO L.L.C.
Crown GHO L.L.C.
Crown GNI L.L.C.
Crown GPG L.L.C.
Crown GVO L.L.C.
Crown Honda, LLC
Crown Motorcar Company L.L.C.
Crown PBM L.L.C.
Crown RIA L.L.C.
Crown RIB L.L.C.

Crown SJC L.L.C.
Crown SNI L.L.C.
CSA Imports L.L.C.
Escude−NN L.L.C.
Escude−NS L.L.C.
Escude−T L.L.C.,
Florida Automotive Services L.L.C.
HFP Motors L.L.C.
JC Dealer Systems, LLC
KP Motors L.L.C.
McDavid Austin−Acra, L.L.C.
McDavid Frisco−Hon, L.L.C.
McDavid Grande, L.L.C.
McDavid Houston−Hon, L.L.C.
McDavid Houston−Niss, L.L.C.
McDavid Irving−Hon, L.L.C.
McDavid Outfitters, L.L.C.
McDavid Plano−Acra, L.L.C.
Mid−Atlantic Automotive Services, L.L.C.
Mississippi Automotive Services, L.L.C.
Missouri Automotive Services, L.L.C.
NP FLM L.L.C.
NP MZD L.L.C.
NP VKW L.L.C.
Plano Lincoln−Mercury, Inc.
Precision Computer Services, Inc.
Precision Enterprises Tampa, Inc.
Precision Infiniti, Inc.
Precision Motorcars, Inc.
Precision Nissan, Inc.
Premier NSN L.L.C.
Premier Pon L.L.C.
Prestige Bay L.L.C.
Prestige TOY L.L.C.
Southern Atlantic Automotive Services, L.L.C.
Texas Automotive Services, L.L.C.
Thomason Auto Credit Northwest, Inc.
Thomason DAM L.L.C.
Thomason FRD L.L.C.
Thomason Hund L.L.C.
Thomason Pontiac−GMC L.L.C.

Schedule II

SCHEDULE OF GUARANTEEING SUBSIDIARIES

The following schedule lists each Guaranteeing Subsidiary becoming a Guarantor under the Indenture pursuant to the Supplemental Indenture to which this Schedule II is attached:

Asbury South Carolina Real Estate Holdings L.L.C.

Exhibit 10.11

PERSONAL & CONFIDENTIAL

April 22, 2010

Joseph Parham Jr.

Dear Joe:

We are excited that you will be joining our Company as Vice President Chief Human Resources Officer reporting to me. I am sure that you will make a significant contribution to our company and I look forward to your starting with us on May 3, 2010.

Cash Compensation

Your Target Annualized compensation will be $462,000. This includes base salary plus the full year annual target bonus. The components are as follows:

Annual base compensation will be $330,000 and a total target annual bonus opportunity of $132,000, which is 40% of your base salary. The bonus for 2010 will be prorated for the portion of the year that you are actually employed. Since you are starting on May 3rd, your proration will be 8/12 or $88,000. The bonus targets, which are the same for all bonus−eligible employees in the corporate office, are based upon the number of cars sold in the US in 2010 and Asbury EBITDA at each level of sales. We are excited about our opportunity to eam an excellent bonus in 2010 and a copy of the Bonus plan document is attached.

Equity Grants

Special new hire grant

On May 3,2010 you will also receive a grant of 10,000 restricted shares. These shares will vest 100% on the third anniversary of the grant date. If Asbury resumes dividend payments to our shareholders, you will also receive dividend equivalents for your unvested restricted shares. These dividend equivalents will be accrued and paid out to you in cash when the shares vest.

Prorated annual Grants

On May 3, 2010 you will receive a grant of 10,000 restricted shares. These shares will vest 1/3 on each anniversary of the grant date. This Grant will also accrue Dividend equivalents.
On May 3, 2010 you will receive a grant of 10,000 performance units. These shares will vest 1/3 on each anniversary of the grant date. This Grant will also accrue Dividend equivalents. A summary of the terms

of the performance grant is attached.

Equity Holding Guidelines
Unvested restricted shares also count toward your equity holding guideline, which is two times your base salary. These grants will put you at about 59% of your guideline amount of 34,144 shares.

Auto Allowance
You will receive a car allowance in the amount of $800 per month. This amount will be paid to you in our regular payroll and will be subject to normal withholding.
Benefits

We offer the following items in our benefits package: Family Health, Dental and Vision Care, a 401 (k) Plan, Employee LTD, Life and STD. We can provide you the details as you would like.
Vacation
In 2010 you will be have 3 weeks of vacation and 4 weeks of paid vacation annually thereafter.
Termination Protection
You will receive a termination protection agreement providing base salary and benefits continuation for one year in the event of termination, as defined in the agreement. A form of this agreement is attached.

In extending this offer of employment, we have relied on your representations that (1) you will not use in any way any confidential information (or any records, documents and similar items) relating to the business of your former employers while employed at Asbury and (2) you have not entered into any agreement or made any commitment to any prior employer or other third party (including, without limitation, non−competition provisions or other restrictive covenants in agreements with prior employers) which would in any way affect or limit your ability to carry out your duties with Asbury. By signing this offer letter, you acknowledge that any inaccuracy in these representations may be grounds for termination.
To signify your acceptance of this position, please sign below and return one copy to me.

Sincerely,

/s/ Charles Oglesby
Charles Oglesby
President and CEO
Asbury Automotive Group, Inc.

I hereby Signify my acceptance of the position

Signature	Date
/s/ Joseph G. Parham, Jr.	April 22, 2010

GENERAL PROVISIONS

A. At Will Employment

Executive and Asbury acknowledge and agree that Executive is an "at will" employee, which means that either Executive or Asbury may terminate the employment relationship at any time, for any reason, with or without cause or notice, and that nothing in this Agreement shall be construed as an express or implied contract of employment for any length of time.

B. Execution of Release

As a condition to the receipt of the Severance Pay payments and benefits described in Section I above, Executive agrees to execute a release of all claims arising out of Executive's employment or Termination including but not limited to any claim of discrimination, harassment or wrongful discharge under local, state or federal law.

C. Alternative Dispute Resolution

Any disputes arising under or in connection with this Agreement shall be resolved by binding arbitration before an arbitrator (who shall be an attorney with at least ten years' experience in employment law) in the city where Executive is located and in accordance with the rules and procedures of the American Arbitration Association. Each party may choose to retain legal counsel and shall pay its own attorneys' fees, regardless of the outcome of the arbitration. Executive may be required to pay a filing fee limited to the equivalent cost of filing in the court of jurisdiction. Asbury will pay the fees and costs of conducting the arbitration. Judgment upon the award rendered by the arbitrator may be entered in any court of jurisdiction. This clause shall not preclude or restrict the Company from seeking and obtaining injunctive relief in a court of competent jurisdiction in relation to the enforcement of any post−employment restrictive covenants.

Initials _____ Initials _____

Executive For the Company

D. Other Provisions

The headings and captions are provided for reference and convenience only and shall not be considered part of this Agreement.

Any notice or other communication required or permitted to be delivered under this Agreement shall be (i) in writing, (ii) delivered personally, by nationally recognized overnight courier service or by certified or registered mail, first−class postage prepaid and return receipt requested, (iii) deemed to have been received on the date of delivery or on the third business day after mailing, and (iv) addressed as follows (or This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

AGREED TO AS OF _____ _____ ,2010:

BY EXECUTIVE:	BY ASBURY:
	ASBURY AUTOMOTIVE GROUP, INC.
_____	_____
Print Name:	Print Name and Title:

Exhibit 10.12

SEVERANCE PAY AGREEMENT
FOR KEY EMPLOYEE

This Agreement ("Agreement") is between Asbury Automotive Group, Inc. and its subsidiaries, affiliates, successors, and assigns ("Asbury" or the "Company") and Joseph Parham ("Executive"), a key employee of Asbury, in order to provide for an agreed−upon compensation in the event of a Termination (as such term is defined in this Agreement) of Executive's employment with Asbury.

1. Severance Pay Arrangement

If a Termination of Executive's employment occurs at any time during Executive's employment, Asbury will pay Executive 12 months of Executive's base salary as of the date of Termination as Severance Pay (as such term is defined in this Agreement). Payment (subject to required withholding) will be made by Asbury to Executive monthly over the course of 12 months on the regular payroll dates beginning on the first regular payroll date after Executive executes the release referenced in Section B below.

If Executive participates in a bonus compensation plan at the date of Termination, the Company shall pay Executive a pro rata bonus for the year of the Termination equal to the amount of the bonus that Executive would have received if Executive's employment not been terminated during such year, multiplied by the percentage of such year that has expired through the date of Termination. Such bonus shall be paid at such time as bonuses are paid under the bonus compensation plan to the Company's other employees whose employment has not terminated in such year.

In addition, for 12 months following the date of Termination, Executive shall be entitled to continue to participate at the same level of coverage and Executive contribution in any health and dental insurance plans, as may be amended from time to time, in which Executive was participating immediately prior to the date of Termination. Such participation will terminate 30 days after Executive has obtained other employment under which Executive is covered by equal benefits. Executive agrees to notify Asbury promptly upon obtaining such other employment. At the end of 12 months, Executive, at his or her option, may elect to obtain COBRA coverage in accordance with the terms and conditions of applicable law and Asbury's standard policy.

Notwithstanding anything herein to the contrary, if Executive is determined to be a "specified employee" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and if one or more of the payments or benefits to be received by Executive pursuant to this Agreement would be considered deferred compensation subject to Section 409A of the Code, then no such payment shall be made or benefit provided until six (6) months following Executive's date of Termination.

The amounts payable under this Section 1 shall constitute "Severance Pay" under this Agreement.

2. Definition of Termination Triggering Severance Pay

A "Termination" triggering the Severance Pay set forth above in Section 1 is defined as a termination of Executive's employment with Asbury, which constitutes a "separation from service" from the Company (within the meaning of Section 409A(a)(2)(A)(i) of the Code, and Treasury Regulation Section 1.409A−1(h)) either

(1) by Asbury without Cause (as such term is defined in this Agreement), or (2) by Executive because of (x) a material change in the geographic location at which Executive must perform Executive's services, including a relocation of Executive's current principal place of business to a location outside the 50 mile radius of the intersection of Peachtree Street S.W. and Martin Luther King Jr. Drive S.W., Atlanta, Georgia 30303, (y) a material diminution in Executive's base compensation, or (z) a material diminution in Executive's authority, duties, or responsibilities, even if such occurs in connection with a transfer of Executive's employment to an affiliate of Asbury (collectively "Good Reason"); provided that no termination shall be deemed to be for Good Reason unless (i) Executive provides the Company with written notice setting forth the specific facts or circumstances constituting Good Reason within ninety (90) days after the initial existence of the occurrence of such facts or circumstances, (ii) the Company has failed to cure such facts or circumstances within thirty (30) days of its receipt of such written notice, and (iii) the effective date of the termination for Good Reason occurs no later than one hundred fifty (150) days after the initial existence of the facts or circumstances constituting Good Reason. For avoidance of doubt, a Termination shall not include either (1) a termination of Executive's employment by Asbury for Cause or due to Executive's, death, disability (as such term is defined in this Agreement), retirement or voluntary resignation; or (2) the transfer of Executive from Asbury to any of its affiliates, until such time as Executive is no longer employed by Asbury or any of its affiliates. If Executive is transferred to an affiliate of Asbury, references to "Asbury" herein shall be deemed to include the applicable affiliate to which Executive is transferred.

For the purposes of this Agreement, the definition of "Cause" is: (a) Executive's gross negligence or serious misconduct (including, without limitation, any criminal, fraudulent or dishonest conduct) that is or may be injurious to Asbury; or (b) Executive being convicted of, or entering a plea of nolo contendere to, any crime that constitutes a felony or involves moral turpitude; or (c) Executive's breach of Sections 3, 4 or 5 below; or (d) Executive's willful and continued failure to perform Executive's duties on behalf of Asbury; or (e) Executive's material breach of a written policy of Asbury relating to the behavior and conduct of the Company's employees; provided, however, that with respect to clauses (c), (d) or (e) such breach or failure is not corrected within thirty days after delivery of written notice to Executive by the Company; provided, further, that Executive shall not be entitled to the opportunity to correct more than one such breach or failure and, in all events the Company shall be required to provide Executive with written notice of the basis upon which it has determined that Cause exists.

For purposes of this Agreement, the definition of "disability" is a physical or mental disability or infirmity that prevents the performance by Executive of his or her duties lasting (or likely to last, based on competent medical evidence presented to Asbury) for a continuous period of six (6) months or longer.

3. Confidential Information and Nondisclosure Provision

During employment, Executive agrees not to directly or indirectly disclose or use the Company's confidential and/or proprietary information except as required for the performance of services in furtherance of the Company's business. Also, for a period of two years following employment with the Company, Executive agrees not to directly or indirectly disclose or use the Company's confidential and/or proprietary information. Confidential and/or proprietary information means information which has value to the Company and has not been made generally available to its competitors, and may include but is not limited to customer information; business/strategy plans; sales reports; training programs; technical information about equipment and software; the Company's profitability and/or profit margins; internal memoranda; software developed by or for the benefit of the Company and related data source code and programming information; sales techniques and strategies; marketing methods/strategies and related data; contract renewal/expiration dates; the Company's purchasing habits/methods and special purchasing needs; accounting/financial records; unique methods and procedures regarding pricing and advertising; budgets and proj ections; information relating to costs, sales or services provided to the Company by vendors/suppliers; information regarding the manner of business operations; technical information; research and development projects; and financial information concerning the Company. This promise is not

intended to and does not limit in any way Executive's duties and obligations to the Company under statutory (e.g., a trade secrets statute) or case law not to disclose or make personal use of such information. Also, upon Executive's termination of employment for any reason, Executive will deliver to Asbury on or before the date of Termination all documents and data of any nature pertaining to Executive's work with Asbury and will not take any documents or data or any reproduction, or any documents containing or pertaining to any confidential and/or proprietary information.

4. Non−Solicitation of Employees

During employment and for one year following termination of Executive's employment for any reason, Executive shall not directly or indirectly solicit or attempt to solicit for employment any of the Company's employees with whom Executive became familiar as a result of Executive's employment with the Company. Executive further agrees that he/she will not attempt to persuade such persons from discontinuing their employment or relationship with the Company for the same time period.

5. Covenant Not to Compete

For a period of one year following the termination of Executive's employment for any reason, Executive will not directly or indirectly compete against the Company by performing services that are competitive with or similar to the services that Executive performed for the Company during the last twelve months of his/her employment with the Company. This restriction shall only apply to the following competitors of the Company: AutoNation, Inc., Sonic Automotive, Inc., Lithia Motors, Inc., Penske Automotive Group, Inc. (f/k/a/ United Auto Group, Inc.), and Group One Automotive Inc. Executive recognizes and acknowledges that the Company conducts its business on a national basis. Therefore, Executive agrees that a geographical restriction on competitive employment with only these key competitors in the United States based on Executive's role in the Company is reasonable and necessary to protect the Company's legitimate business interests.

While employed by Asbury, Executive agrees not to directly or indirectly engage in, participate in, represent or be connected with in any way, as an officer, director, partner, owner, employee, agent, independent contractor, consultant, proprietor or stockholder (except for the ownership of a less than 5% stock interest in a publicly−traded corporation) or otherwise, any business or activity which competes with the business of Asbury unless expressly consented to in writing by the Chief Executive Officer of Asbury.

6. Breach of Covenants

Executive agrees that in the event of a breach by Executive of any of the covenants in Sections 3, 4, and 5 above, Asbury shall be entitled to cease payments and benefits that would otherwise be made pursuant to Section 1 above, as well as to obtain injunctive relief and damages which may include recovery of amounts paid to Executive under this Agreement and attorneys' fees and costs incurred by Asbury in enforcing any covenants.

7. Future Employment

Upon request, Executive shall disclose in writing to Asbury within twenty−four hours the name, address and type of business conducted by any proposed or actual new employer of Executive. Also, Executive acknowledges that Asbury is entitled to inform all potential or new employers of Executive's post−employment obligations to the Company.

GENERAL PROVISIONS

A. At Will Employment

Executive and Asbury acknowledge and agree that Executive is an "at will" employee, which means that either Executive or Asbury may terminate the employment relationship at any time, for any reason, with or without cause or notice, and that nothing in this Agreement shall be construed as an express or implied contract of employment for any length of time.

B. Execution of Release

As a condition to the receipt of the Severance Pay payments and benefits described in Section 1 above, Executive agrees to execute a release of all claims arising out of Executive's employment or Termination including but not limited to any claim of discrimination, harassment or wrongful discharge under local, state or federal law.

C. Alternative Dispute Resolution

Any disputes arising under or in connection with this Agreement shall be resolved by binding arbitration before an arbitrator (who shall be an attorney with at least ten years' experience in employment law) in the city where Executive is located and in accordance with the rules and procedures of the American Arbitration Association. Each party may choose to retain legal counsel and shall pay its own attorneys' fees, regardless of the outcome of the arbitration. Executive may be required to pay a filing fee limited to the equivalent cost of filing in the court of jurisdiction. Asbury will pay the fees and costs of conducting

the arbitration. Judgment upon the award rendered by the arbitrator may be entered in any court of jurisdiction. This clause shall not preclude or restrict the Company from seeking and obtaining injunctive relief in a court of competent jurisdiction in relation to the enforcement of any post−employment restrictive covenants.

Initials JP

Executive

Initials JP

For the Company

D. Other Provisions

The headings and captions are provided for reference and convenience only and shall not be considered part of this Agreement.

Any notice or other communication required or permitted to be delivered under this Agreement shall be (i) in writing, (ii) delivered personally, by nationally recognized overnight courier service or by certified or registered mail, first−class postage prepaid and return receipt requested, (iii) deemed to have been received on the date of delivery or on the third business day after mailing, and (iv) addressed as follows (or to such other address as the party entitled to notice shall later designate in accordance with these terms):

If to Asbury: Asbury Automotive Group, Inc. c/o General Counsel 2905 Premiere Parkway, Suite 300 Duluth, GA 30097

If to Executive: To the most recent address of Executive set forth in the personnel records of Asbury.

This Agreement represents the entire understanding between Executive and the Company on the matters addressed herein, supersedes any other agreements on the specific topics addressed herein, and may not be modified, changed or altered by any promise or statement by the Company until such modification has been approved in writing and signed by an authorized agent of the Company, except that the provisions of Section 1 and 2 relating to Severance Pay may only be modified in a writing signed by Asbury and Executive.

The Company represents and warrants that the execution of this Agreement by the Company has been duly authorized by the Company, including by action of Compensation Committee ofthe Company's Board of Directors.

All payments hereunder shall be subject to any required withholding of federal, state, local and foreign

taxes pursuant to any applicable law or regulation.

If any provision of this Agreement shall be held invalid or unenforceable, such holding shall not affect any other provisions, and this Agreement shall be construed and enforced as if such provisions had not been included. No provision of this Agreement shall be waived unless the waiver is agreed to in writing and signed by Executive and the Chief Executive Officer of Asbury. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

The parties hereto acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder. Notwithstanding any provision of this Agreement to the contrary, in the event that Asbury determines that any amounts payable hereunder will be immediately taxable to Executive under Section 409A of the Code and related Department of Treasury guidance, Asbury and Executive shall cooperate in good faith to (x) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that they mutually determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for Asbury and/or

(y) take such other actions as mutually determined to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A ofthe Code or to comply with the requirements of Section 409A of the Code and thereby avoid the application of penalty taxes thereunder.

[Remainder of Page Intentionally Left Blank]

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

AGREED TO AS OF May 3, 2010:

BY EXECUTIVE:	BY ASBURY:
	ASBURY AUTOMOTIVE GROUP, INC.
/s/Joseph G. Parham, Jr.	/s/Joseph G. Parham, Jr.
Print Name:	Print Name and Title:
Joseph G. Parham, Jr.	Joseph G. Parham, Jr. VP, Chief Human Resources Officer

Exhibit 10.14

LEASE

JEFFREY I. WOOLEY

as “Landlord”

and

ASBURY AUTOMOTIVE TAMPA, L.P.,
a Delaware limited partnership

as “Tenant”

Demised Premises:

Courtesy Toyota of Brandon
9210 Adamo Drive
Brandon, FL 33619

LEASE

THIS LEASE (this “Lease”) is made and entered into by and between JEFFREY I. WOOLEY, an individual ("Landlord") and ASBURY AUTOMOTIVE TAMPA, L.P., a Delaware limited partnership ("Tenant") and is effective as of the 1st day of January 2011 (the “Effective Date”).

Background Statement

Landlord is the owner of certain real property consisting of approximately 17.99 areas of land located in Hillsborough County, Florida and legally described on Exhibit A to this Lease (the “Land”). The Land is currently improved with various buildings and other improvements (the “Existing Improvements”) operated as an automobile dealership known as Courtesy Toyota of Brandon. Tenant currently leases the Demised Premises (as defined in Section 1.01 below) from Landlord pursuant to Amended and Restated Lease between Landlord and Tenant dated the 17th day of September, 1998 (the “Existing Lease”). Tenant (or an affiliated entity) has been in possession of and has operated an automobile dealership on the Land since the September 17, 1998 commencement date under the Existing Lease. Landlord and Tenant are entering into this Lease to replace the existing Lease and concurrently with this Lease will be entering into a lease termination agreement providing for the termination of the Existing Lease, effective as of the Effective Date of this Lease, as provided for in Section 18.13.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant covenant and agree as follows:

ARTICLE I.
DEMISE OF PREMISES

Section 1.01 Demise of Premises. Landlord does hereby lease and demise unto Tenant, and Tenant does hereby take from Landlord the following (the “Demised Premises”): (i) the Land, together with (ii) all building, structures and other improvements now existing or hereafter constructed on or under the Land (the “Improvements”), together with (iii) all rights to any alleys, streets and other right−of−ways adjacent to the Land (before or after the vacation thereof), and together with (iv) all easements, access rights, development rights and credits, sewer and water rights and all other estates, rights, title, interests, privileges, tenements, and appurtenances belong or appertaining to the Land or the Improvements.

ARTICLE II.
TERM

Section 2.01 Lease Term. The term of this Lease shall commence on the Effective Date (also the “Commencement Date”) and shall end on December 31, 2030 (the "Expiration Date"). The term of this Lease, as it may be extended pursuant to Section 2.05 below or otherwise, shall be referred to in this Lease as the "Lease Term".

Section 2.02 Tender of Possession. As Tenant has possession of the Demised Premises under the Existing Lease, possession under this Lease shall be deemed tendered to and accepted by Landlord as of the Effective Date without any additional action being required by Landlord.

Section 2.03 Rent Commencement Date. Tenant's obligation to pay the Rent provided for in Article III shall commence on the Commencement Date, also referred to in this Lease as the "Rent Commencement Date".

Section 2.04 Lease Year. The term "Lease Year" shall mean each successive period of twelve (12) consecutive calendar months, commencing on the Rent Commencement Date; provided that if the Rent Commencement Date is other than the first day of a calendar month, the first Lease Year shall include the initial partial calendar month in which the Rent Commencement Date falls and the next twelve (12) calendar months.

Section 2.05 Renewal Options. Tenant shall have the option (each a “Renewal Option”) to renew this Lease and extend the Lease Term and the Expiration Date for two (2) successive five (5) year renewal periods (each a “Renewal Period”). Each Renewal Period shall commence at the expiration of the then current Lease Term, and be pursuant to all of the terms, covenants and conditions of this Lease as were in place for the initial Lease Term. Rent for any Renewal Period shall continue to be as provided for in Article III. The Renewal Options shall be exercised by written notice to Landlord (a “Renewal Notice”) given no later than one year prior to the expiration of the then existing Lease Term. No Renewal Notice shall be effective during any period that Tenant is in Default under this Lease beyond the applicable notice and cure period.

Section 2.06 Holding Over. Should Tenant hold over in possession after the expiration of the Lease Term (as it may be extended) (a “Holdover”) with Landlord's consent, the Holdover will be on a month−to−month basis upon all the terms and conditions of this Lease (including the payment of Additional Rent), except that the Base Rent shall be payable at such rate as may have been agreed upon by Landlord and Tenant, or if no alternative rate was agreed upon, Base Rent shall continue at the rate in effect for the last month of the Lease Term. Should Tenant Holdover without Landlord's consent, the Holdover will be on an a per diem basis upon all the terms and conditions of this Lease, except that Rent shall be payable at a per diem rate equal to [one hundred fifty percent (150%) of the Base Rent in effect for the last month of the Lease Term] divided by [thirty (30)] for each day Tenant remains in possession without Landlord's consent and Landlord shall also have the right to bring an appropriate action to immediately recover possession of the Demised Premises.

ARTICLE III.
RENT

Section 3.01 Rent Payment Obligation. Tenant shall pay to Landlord, beginning on the Rent Commencement Date and throughout the Lease Term, including any Renewal Periods provided for in Section 2.05, the Rent provided for in this Article. The term "Rent" shall be defined to include "Base Rent" (as defined below) and any additional rental payable by Tenant to Landlord as provided for in this Lease ("Additional Rent"). All payments of Rent shall be paid to Landlord at Landlord's office indicated below, or to any other place within the continental United States designated by Landlord by at least thirty (30) days' prior written notice to Tenant. In lieu of payment by check, Tenant has the right to pay Rent by wire transfer, by ACH (Automated Clearing House) debit or by other recognized payment method. The initial address for the payment of Rent to Landlord is:

Jeffrey I. Wooley
3800 West Hillsborough Avenue
Tampa, Florida 33614

Section 3.02 Base Rent. Tenant shall pay to Landlord base annual rent ("Base Rent") as set forth below, in equal monthly installments of one−twelfth (1/12th) thereof, in advance, commencing on the Rent Commencement Date, and on the first day of each calendar month thereafter during the Lease Term. If the Rent Commencement Date is other than the first day of a calendar month, or the Lease Term expires or is terminated on other than the last day of a calendar month, the Base Rent for that month will be prorated based upon the number of days in the month from and after the Rent Commencement Date or prior to the expiration or termination, as applicable. The Base Rent set out below is subject to adjustment as provided for in Section 3.03.

Base Rent:	Monthly Base Rent:
$1,280,000.00	$106,666.67

Section 3.03 Base Rent Adjustments.

(a)For purposes of this Section:

“CPI Index” means the Consumer Price Index − All Urban Consumers, U.S. City Average, All Items (1982−1984 equals 100), as published by the United States Department of Labor, Bureau of Labor Statistics. If the CPI Index becomes unavailable, then Landlord shall use any successor index published by the Department of Labor or other agency of the United States government, if substantially equivalent. If no such substantially equivalent index exists, Landlord and Tenant shall agree upon a reasonable substitute index or substitute procedure, which reflects and monitors the increase in consumer prices.

“CPI Adjustment Date” means the first day of the eleventh (11th) Lease Year and the first day of each subsequent Lease Year. (See Paragraph (c) below for a limitation on the start of the CPI Adjustment Dates.)

“CPI Increase” shall mean, as to each CPI Adjustment Date, the increase (expressed as a percentage rounded to the nearest one−tenth of one percent), in the CPI index between the CPI Index for the month three (3) months prior to the month of the applicable CPI Adjustment Date and the CPI index for the same month of the prior year. For example, for a January 1, 2022 CPI Adjustment Date, October 2021 and October 2020. If there is a decrease in the CPI Index, the CPI

Increase shall be zero (0).

"Increase Cap" shall mean three percent (3%).

(b) Subject to Paragraph (c) below, on each CPI Adjustment Date, the Base Rent to be paid by Tenant to Landlord pursuant to Section 3.02 of the Lease, shall be increased by the lesser of (i) the CPI Increase and (ii) the Increase Cap.

(c) The CPI Increase will only occur if prior to the applicable CPI Adjustment Date, the Demised Premises has been Adequately Remediated as defined for in Article XX (Environmental Matters). It is the intent of the Landlord and the Tenant that there be no increase in the Base Rent prior to the Demised Premises being Adequately Remediated and all CPI Adjustment Dates occurring prior to that time will be ignored.

Section 3.04 Real Estate Taxes.

(a) Tenant shall pay, as Additional Rent, all Real Estate Taxes (as defined below) assessed against the Land or Improvements (together, the "Real Property") accruing after the Rent Commencement Date during the Lease Term (the "Tax Obligation"). Tenant shall pay the Real Estate Taxes directly to the taxing authorities before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the nonpayment or late payment thereof. Landlord authorizes Tenant to request from any taxing authority having jurisdiction over the Demised Premises that all bills for Real Estate Taxes be sent directly to Tenant. Tenant's liability to pay the Tax Obligation shall be prorated on the basis of a 365−day year for any tax fiscal year only a portion of which is included in a Lease Year; provided that Tenant acknowledges that since it also has the obligation to pay Real Estate Taxes under the Existing Lease there shall be no gap in the Tenant's obligation to pay Real Estate Taxes between the Existing Lease and this Lease. Tenant shall furnish to Landlord, upon request, reasonable evidence of the payment of the Tax Obligation, including receipts of the appropriate taxing authority when available.

(b) The term "Real Estate Taxes" shall mean all real estate taxes and general and special assessments which are levied or assessed against the Real Property by any governmental authority having jurisdiction over the Demised Premises, ordinary or extraordinary, foreseen or unforeseen. Real Estate Taxes do not, however, include any estate, inheritance, succession, capital levy, corporate, franchise, occupancy, gross receipts, rental, transfer or income tax of Landlord. If any non−recurring Real Estates Taxes (e.g., a one−time special assessment) may be paid in installments, Tenant may elect to pay the particular Real Estate Tax in installments; Tenant shall be responsible to pay all the installments due and payable within the Lease Term, but not those due and payable after the Lease Term.

(c) Unless there is an existing Default by Tenant under this Lease, Tenant shall have the right to contest the amount or validity, or otherwise seek an exemption or abatement of any Real Estate Taxes and to seek a reduction in the valuation of the Real Property for Real Estate Tax purposes by appropriate proceedings diligently conducted in good faith (a "Tax Contest"). Tenant shall provide Landlord written notice of its intent to initiate a Tax Contest prior to the formal filing of any Tax Contest by Tenant and will pursue any Tax Contest with reasonable diligence and in accordance with applicable procedures and requirements. In any instance where any Tax Contest is being undertaken by Tenant, Landlord shall fully cooperate with Tenant in the Tax Contest including, without limitation the execution of any and all documents required in connection therewith and, if required by any law, rule or regulation, by joining with Tenant in the Tax Contest or allowing it to be brought in Landlord

name; provided that Landlord shall have no obligation to incur any costs or expenses in connection with such cooperation, unless Tenant agrees in writing to directly pay or to reimburse Landlord for the cost or expense. Tenant shall be entitled to any refund of any Real Estate Taxes (including any penalties or interest thereon) received by Tenant or Landlord, whether or not the refund was a result a Tax Contest, which relate to the period Tenant is responsible for the payment of Real Estate Taxes under this Lease or the Existing Lease.

(d) If permitted under applicable law, Tenant may delay the payment of any Real Estate Taxes that are the subject of a Tax Contest until the amount of Real Estate Taxes due is finally determined; provided that (i) Tenant shall be responsible for any interest, fines or penalties assessed as a result of such delay; (ii) in no event shall Tenant allow a tax sale for the sale of the Real Property as a result of the non−payment of Real Estate Taxes to be scheduled; (iii) Tenant shall indemnify Landlord against any claims arising out of such delay of payment, including without limitation any fines or penalties assessed in connection therewith; and (iv) Tenant shall post any security required in connection therewith by the taxing authority.

Section 3.05 Personal Property Taxes. Tenant shall be responsible to pay, before delinquent, all taxes and assessments levied or assessed against the Tenant's Personal Property (as defined in Section 13.02) by any governmental authority (“Personal Property Taxes”).

Section 3.06 Sales or Rent Taxes. Tenant shall pay to Landlord, together with each installment of Base Rent or Additional Rent due under this Lease, the amount of any sales, use or occupancy tax (the “Sales Tax”) now or hereafter imposed upon the Base Rent or Additional Rent under this Lease that is customarily paid by lessees in the State of Florida. The exclusion of a tax from the definition of Real Estate Taxes does not prevent it from qualifying as a Sales Tax under this Section. Landlord will be responsible to remit all Sales Tax paid by Tenant to the applicable authorities as and when due and to deliver evidence of the payment thereof to Tenant within ten (10) days after a written request from Tenant therefor.

ARTICLE IV.
USE

Section 4.01 Permitted Use. The Demised Premises may be used and occupied for the operation of a car dealership and all related uses and all ancillary uses and, with Landlord's prior written consent, for any other lawful use or purpose (the “Permitted Use”).

Section 4.02 No Operating Covenant. This Lease does not contain an operating covenant or other requirement that Tenant operate any particular business or engage in any particular activity at the Demised Premises; provided that a lack of business operations shall not excuse Tenant from its obligation to pay Rent, maintain the Improvements and to otherwise comply with the terms of this Lease.

Section 4.02 Utilities. Landlord has no obligation to provide any utility service to the Demised Premises. Landlord does not warrant that the utilities available at the Premises are adequate for Tenant's Permitted Use and shall have no liability for any inadequacy or cessation of utility service to the Demised Premises, except only if the direct result of Landlord's negligence or wrongful acts (or that of any of its agents, employees or contractors).

ARTICLE V.
CONSTRUCTION AND ALTERATIONS

Section 5.01 Tenant's New Improvements. Landlord and Tenant acknowledge that Tenant intends

to (but is not required or committing to) raze some or all of the Existing Improvements and to construct certain new Improvements for the continued operation of a Toyota dealership (the “Contemplated Redevelopment”).

Section 5.02 Approval of Plans. If Tenant proceeds with the Contemplated Redevelopment, Tenant will submit to Landlord for its approval plans and specifications for the Contemplated Redevelopment (together with any revisions thereto, the “Preliminary Plans”). Landlord will respond to any Preliminary Plans submitted by Tenant within fifteen (15) days following receipt thereof with (a) approval of the Preliminary Plans or (b) disapproval of the Preliminary Plans together with the specific objections and the corresponding changes required to obtain Landlord's approval. If Landlord fails to respond to any Preliminary Plans within the 15−day response period the Preliminary Plans submitted by Tenant shall be deemed approved. Landlord may not object to any elements of the Preliminary Plans reflected in a prior set of Preliminary Plans and not objected to by Landlord. The Preliminary Plans as approved by Landlord and Tenant are referred to in this Lease and the “Final Plans”. During the permitting process, Tenant may make the revisions to the Final Plans required by the approving agencies without Landlord's consent so long as the value, quality of construction and functionality of the contemplated improvements is not materially reduced. In addition, elements in or changes or modifications of the Preliminary Plans or Final Plans shall not be subject to Landlord's approval (and Landlord may not object thereto) if required or requested by (i) the automobile manufacturer providing the franchise for the dealership to be operated at the Demised Premises (the “Automobile Manufacturer”) or (ii) any Applicable Governmental Authority as a result of the Landlord's Environmental Matters (as such terms are defined in Article XX).

Section 5.03 Alterations. In addition to the Contemplated Redevelopment (and before or after it occurs, or if it does not occur), Tenant shall have the right to make changes, alterations, or additions ("Alterations") to the Demised Premises; provided that the following Alterations shall require the Landlord's consent: (i) any Alteration that, after completion, would materially reduce the value of the Demised Premises (unless required or directed by governmental authorities or the Automobile Manufacturer), and (ii) an overall redevelopment of the Demised Premises after or in lieu of the Contemplated Redevelopment. For Alterations requiring Landlord's consent, the terms and procedure set out in Section 5.02 shall be followed, pursuant to which Landlord and Tenant shall agree upon the plans and specifications for the Alteration. All Alterations will be at Tenant's cost and expense.

Section 5.04 Work Requirements. The Contemplated Redevelopment (if it occurs) and all Alterations shall be performed (i) at Tenant's cost and expense (subject to Section 20.09); (ii) in accordance with applicable governmental laws, codes, ordinances and regulations (collectively, “Laws”); (iii) in a good and workmanlike manner using quality labor and materials (comparable or superior to the Existing Improvements); and (iv) in all material respects in accordance with the plans and specifications approved by Landlord, if Landlord's approval of plans and specifications is required by this Article (e.g., the Final Plans as to the Contemplated Redevelopment).

Section 5.05 Construction Liens. If any mechanic's or construction lien (a “Construction Lien”) is filed against the Demised Premises arising out of Contemplated Redevelopment or any Alterations or other work, materials or services provided to Tenant, Tenant shall, at its own cost and expense, cause the same to be discharged of record or transferred to a bond or other security so that it no longer encumbers the Demised Premises, within thirty (30) days after written demand from Landlord. If Tenant fails to comply with the foregoing provisions, Landlord shall have the option, upon fifteen (15) days' prior written notice to Tenant, of itself discharging any such lien, and Tenant shall reimburse Landlord for all reasonable costs and expenses incurred in connection therewith.

Section 5.06 Construction Liens Prohibition. The interest of Landlord in the Demised Premises

shall not be subject to liens for improvements made by or on behalf of Tenant. The Memorandum of Lease, provided for in Section 18.12, contains a notice of this lien prohibition pursuant to Section 713.10 of the Florida Construction Lien Law.

Section 5.07 Construction Deliveries. Tenant will deliver to Landlord such items that Landlord (or any Fee Mortgagee) may reasonably request relative to the Contemplated Redevelopment to the extent in Tenant's possession or subject to Tenant's control, including, but not limited to, surveys, plans and specifications, construction contracts, title updates, lien releases and waivers, notices to owner, contractor's affidavits and claims of lien. This is intended to allow Landlord to stay fully informed as to the status of the Contemplated Redevelopment, it is not intended to require Tenant to obtain or prepare any items that would not otherwise be obtained or prepared by Tenant.

Section 5.08 Permits and Approvals Contingency. If, despite good faith and diligent efforts, Tenant fails to obtain all permits, approvals, agreements, consents and other authorizations (collectively, the "Permits and Approvals") which are necessary or desirable to construct the Contemplated Redevelopment consistent with the requirements of this Lease and the Automobile Manufacturer on or before December 31, 2013 (the "Outside Permitting Date"), as a result of Landlord's Environmental Matters (as defined in Section 20.01), then Tenant may, by notice to Landlord (the "Early Expiration Notice"), elect to accelerate the Expiration Date of this Lease to a date (the "Early Expiration Date") selected by Tenant; provided that the Early Expiration Date shall be no earlier than the later of (I) the first anniversary of the Outside Permitting Date and (II) September 16, 2013. To be effective, the Early Expiration Notice must be given no later than the sixtieth (60th) day following the Outside Permitting Date. If the Early Expiration Notice is given then the Early Expiration Date shall become the Expiration Date of this Lease and this Lease and the Lease Term shall expire on the Early Expiration Date in lieu of the Expiration Date originally set out in Section 2.01. As used in this Section Permits and Approvals include, but are not limited to (i) site plan approvals, planned development approvals, special exceptions and variances, site development permits, stormwater management permits and building permits required for the Contemplated Redevelopment; and (ii) approvals, agreements, consents and other authorizations required in connection with the Landlord's Environmental Matters referenced in Article XX ("Environmental Redevelopment Permits"). Landlord acknowledges that the Environmental Redevelopment Permits may have requirements different than, in addition to, or with timing different than would otherwise be required by the Consent Order (as defined in Section 20.01) or would otherwise be implemented by Landlord (for example, a requirement that contaminated soils be removed from the Demised Premises at the time the new Improvements to be part of the Contemplated Redevelopment are constructed).

Section 5.09 Coordination of Environmental Redevelopment Permits. Landlord and Tenant acknowledge that the Environmental Redevelopment Permits will need to be coordinated between them, which the parties anticipate doing in connection Landlord's approval of the Preliminary Plans and Tenant's efforts to obtain the Permits and Approvals. Landlord and Tenant agree that all Environmental Redevelopment Permits that will (i) directly impact or increase the cost or scope of Landlord's work under the Consent Order or (ii) conflict with or materially interfere with Landlord's work under the Consent Order, must be approved by Landlord.

Section 5.10 Landlord Cooperation. Landlord shall fully cooperate with Tenant in connection with obtaining the Permits and Approvals and otherwise in connection with the Contemplated Redevelopment and any Alterations, which cooperation shall include, without limitation the execution of any and all documents required in connection therewith; provided that Landlord shall have no obligation to incur any costs or expenses in connection with such cooperation, unless (i) Tenant agrees in writing to directly pay or to reimburse Landlord for the cost or expense or (ii) the costs and expenses are the result of any of the Landlord's Environmental Matters.

ARTICLE VI.
REPAIRS, MAINTENANCE AND COMPLIANCE WITH LAWS

Section 6.01 Tenant Repairs and Maintenance. Tenant shall, at its cost and expense, maintain the Improvements in good order and condition and shall make any necessary repairs thereto, interior and exterior, structural and non−structural (including foundation and roof). When used in this Article, the term "repairs" shall include all required replacements. The necessity for and adequacy of the maintenance and repairs pursuant to this Article shall be measured by the standard by which buildings and related facilities of similar use, age, construction and class are generally maintained.

Section 6.02 Specific Maintenance Items. Without intending to limit the scope of Section 6.01, Tenant shall (i) maintain the parking area in good condition, including repaving and restriping as and when necessary, (ii) maintain the parking area lighting in working order, including replacement of lamps as and when necessary, (iii) maintain the landscaping in a reasonably attractive condition, including the removal of dead plants or trees, (iv) maintain the HVAC equipment serving the Improvements in good working order, and (v) provide for pest control as and when necessary. Tenant shall, however, have the right to defer maintenance and repairs required under this Section and Section 6.01, to the extent that the subject Improvements will be impacted by the Contemplated Redevelopment.

Section 6.03 Trash and Refuse Removal. Tenant will be responsible, at its cost and expense, to provide for regularly scheduled pick−up of the trash and refuse generated by any business operated by Tenant (or any subtenant) at the Demised Premises.

Section 6.04 Compliance with Laws. Tenant shall, from and after the Tender Date, at its cost and expense, cause the Demised Premises and its operations thereon to comply with all applicable Laws. Tenant may, however, contest or appeal the application or validity of any Law, by appropriate process or proceeding. Tenant will be fully responsible for and shall indemnify Landlord from and against any fines or penalties arising out of any non−compliance with any Laws by Tenant, regardless of whether or not any contest or appeal is pending. This Section does not apply to, and “Laws” when used in this Section does not include, “Environmental Laws”; the responsibility to compliance with Environmental Laws has been allocated as provided for in Article XX (Environmental Matters).

Section 6.05 Return of Demised Premises. Upon the expiration of the Lease Term or earlier termination of this Lease, Tenant shall surrender the Demised Premises to Landlord, broom−clean, in good order and condition and maintained in accordance with this Article, subject however to: any Casualty or Taking (which are controlled by Articles VIII and IX) and reasonable wear and tear and obsolescence.

ARTICLE VII.
INSURANCE AND INDEMNITY

Section 7.01 Required Insurance. Tenant shall at its expense provide and cause to be maintained:

(a) Commercial general liability insurance (or successor or alternative type of commercial liability insurance then customarily carried) against claims for bodily injury, death or property damage occurring on, in or about the Demised Premises (the “Liability Insurance”). The Liability Insurance shall have minimum limits of $2,000,000 per occurrence and $5,000,000 annual aggregate and shall name Landlord as an additional insured. The Liability Insurance limits (over the initial $500,000) may be met through umbrella or excess liability coverage.

(b) Property insurance against loss or damage by fire and such other risks to the Improvements as are included in so−called "extended coverage" endorsements (or successor or alternative type of commercial property insurance then customarily carried) (the “Property Insurance”). The Property Insurance shall be in an amount sufficient to prevent Tenant from being a co−insurer within the terms of the policy in question and in no event for less than eighty percent (80%) of the replacement value of the buildings located on the Land, exclusive of the cost of foundations, excavations and footings, without any deduction being made for depreciation and shall name Landlord as an insured, as its interest may appear.

(c) During the Contemplated Redevelopment and during any other period of any significant construction at the Demised Premises, builder's risk insurance against loss or damage by fire and such other risks as are included in so−called "extended coverage" endorsements (or successor or alternative type of insurance covering construction in process then customarily carried) (the “Builder's Risk Insurance”). The Builder's Risk Insurance shall name Landlord as an insured, as its interest may appear.

(d) Worker's compensation insurance, as and to the extent required by Florida law.

Section 7.02 Insurance Requirements. All insurance provided for in this Article shall be effected under policies issued by insurers selected by Tenant which are licensed to do business in the State in which the Demised Premises are located and acceptably rated (i.e., not having a cautionary rating for financial standing) by a national rating organization. Tenant shall on request provide to Landlord certificates evidencing current Property Insurance and Liability Insurance policies, together with evidence that the policies have been paid for. Tenant's Liability Insurance and Property Insurance may (a) be carried under a blanket or comprehensive policy covering the Demised Premises and other properties or Tenant and its affiliates and (b) have a commercially reasonable deductable or self insured amount based upon the financial standing of Tenant.

Section 7.03 Indemnity by Tenant. Tenant covenants to indemnify, defend and hold Landlord harmless from and against any and all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees (collectively, “Claims and Damages”), for loss of life, personal injury and/or damage to property arising out of any occurrence, in or upon the Demised Premises or any part thereof, occasioned or caused by the negligence or wrongful act of Tenant, or its agents, employees or contractors, but excluding any Claims and Damages within the scope of Section 7.04 (Indemnity by Landlord). This Section does not apply to matters within the scope of Landlord's indemnity or otherwise arising out of Landlord's Environmental Matters under Article XX (Environmental Matters). This Section shall survive the expiration or any termination of this Lease.

Section 7.04 Indemnity by Landlord. Landlord covenants to indemnify, defend and hold Tenant harmless from and against any and all Claims and Damages for loss of life, personal injury and/or damage to property arising out of (i) any entry by Landlord upon the Property as contemplated by Article XII (Landlord's Access) or (ii) any occurrence, in or upon the Demised Premises or any part thereof, occasioned or caused by the negligence or wrongful act of Landlord, or its agents, employees or contractors. This Section does not apply to matters within the scope of Tenant's indemnity or otherwise arising out of or related to Tenant's Environmental Matters under Article XX (Environmental Matters). This Section shall survive the expiration or any termination of this Lease.

ARTICLE VIII.
DAMAGE OR DESTRUCTION

Section 8.01 Restoration. If the Improvements, or any part thereof, shall be damaged or destroyed by fire or other casualty of any kind or nature (a “Casualty”), Tenant shall proceed with due diligence (subject to a reasonable time allowance for the purpose of obtaining insurance proceeds and the required permits and approvals) to repair, replace or rebuild the Improvements to a condition consistent with the requirements of Articles V and VI (the "Restoration Work").

Section 8.02 Payment of Insurance Proceeds. If the estimated cost of the Restoration Work is less than the greater of (a) one year's Base Rent or (b) ten percent (10%) of Tenant net worth, all insurance proceeds payable as a result of the Casualty shall be paid directly to Tenant to be used to complete the Restoration Work. Otherwise, all insurance proceeds payable as a result of damage to the Improvements, shall be paid to a bank, trust company of title company, selected by Tenant, subject to the written approval of Landlord (the "Depositary"), to be held in trust or escrow for purpose of paying the cost of the Restoration Work (such funds being referred to as the “Escrowed Funds”). Landlord will fully cooperate with Tenant and promptly execute and deliver any documents required to provide for the disbursement of the insurance proceeds consistent with this Section. The Escrowed Funds will be advanced from time to time in draws (the “Draws”) to Tenant as the Restoration Work progresses upon certified request of Tenant's architect or engineer and receipt by Landlord of (to the extent not previous delivered): (i) copies of the contracts and plans and specifications for the Restoration Work, (ii) a title search indicating that no Construction, Liens have been filed and not discharged, (iii) evidence of available funds equal to the difference between the Escrowed Funds and the sum necessary to complete the Restoration Work, (iv) evidence of the state of completion of the Restoration Work and of performance of the Restoration Work in a good and workmanlike manner in accordance with the contracts and plans and specifications through certification by the Tenant's architect or engineer, and (v) customary lien waivers and releases. Within five (5) days of receipt of the items set out above, Landlord agrees to execute a consent document reasonably satisfactory to the Depository to release an amount of the Escrowed Funds requested by the applicable Draw.

Section 8.03 No Abatement of Rent. Except as provided for in Section 8.04 below, Tenant's obligation to pay the Rent under this Lease shall not be affected by any Casualty, regardless of whether the Improvements are partially or totally damaged or destroyed. Except as provided for in this Lease, Tenant waives any right under any existing or future statute that allows a tenant to terminate a lease in the event of the damage or destruction of the leased premises.

Section 8.04 Termination Events. If (a) the existing buildings on the Land (the “Damaged Improvements”) shall be substantially damaged or destroyed by Casualty, such that the cost of the Restoration Work is in excess of one−half (50%) of the replacement cost of the Damaged Improvements (before the Casualty), exclusive of foundations, excavations and footings, and (b) there are less than two (2) years remaining in the Lease Term, then Tenant may elect not to do the Restoration Work, but to terminate this Lease by serving upon Landlord, within one hundred twenty (120) days after the date of the Casualty, written notice of Tenant's election to so terminate (a “Casualty Termination Notice”). In the event of a Casualty Termination Notice, this Lease shall terminate effective at the end of the calendar month in which the Casualty Termination Notice is given (the “Casualty Termination Date”). Prior to the Casualty Termination Date, Tenant shall pay to Landlord, an amount equal to (y) any unpaid Rent through the Casualty Termination Date and (z) the Property Insurance proceeds (together with any deductible or self insured amount) up to the amount reasonably estimated by a third−party general contractor as required to restore the Damaged Improvements (but not any of Tenant's Property).

ARTICLE IX.
EMINENT DOMAIN

Section 9.01 Total Taking. If substantially all of the Demised Premises or access thereto or therefrom

shall be taken for any public or quasi−public use under any statute or by right of eminent domain, or by private purchase in lieu thereof (a "Taking"), then Tenant may elect to terminate this Lease as of the date that title has been so taken (the "Vesting Date").

Section 9.02 Partial Taking. In the event of a Taking of less than substantially all of the Demised Premises, Tenant may elect to terminate this Lease and not restore the Improvements if (i) the Demised Premises is, as a result of the Taking (included any resulting or associated loss of or restrictions on access), no longer suitable for Tenant's use or no longer in compliance with the requirements of the Automobile Manufacturer; provided that a failure to meet all the requirements of the Automobile Manufacture shall not necessarily justify a termination hereunder if the unmet requirements were also not met before the Taking and there is no risk that any dealership franchise for the Demised Premises will be lost or limited as a result of the Taking; or (ii) the Taking occurs during the last two (2) years of the then existing Lease Term. In the event Tenant elects by reason of the foregoing events to terminate this Lease, Tenant shall give written notice of such election to Landlord (a “Taking Termination Notice”), and the Lease Term shall expire and come to an end as of the last day of the calendar month in which the Taking Termination Notice is given. Upon such termination, the Rent shall be adjusted to the date of termination and neither party shall have any further rights or liabilities hereunder, subject, however, to the implementation of the provisions below.

Section 9.03 Restoration. In case of a Taking that does not result in a termination of this Lease, Tenant, at its cost and expense, shall proceed with diligence (subject to reasonable time periods for obtaining the condemnation proceeds and required permits and approvals) to restore the remaining Improvements to as close to the pre−Taking condition as is reasonably practical given the area taken (all such restoration work being referred to in this Article as "Restoration Work"). To the extent needed to complete the Restoration Work, the award and other consideration paid, recovered or recoverable in connection with the Taking (the “Condemnation Award”) shall be paid to Tenant or to the Depository (as applicable and in the same manner as insurance proceeds under Section 8.02), for Tenant to use to complete the Restoration Work. If the Taking does result in a termination of this Lease, Landlord shall be responsible for the Restoration Work. The remainder of the Condemnation Award (and any excess from amounts set aside for the Restoration Work) shall be payable to the parties in accordance with the provisions of Section 9.04.

Section 9.04 Distribution of Awards. Any Condemnation Award shall be disbursed and allocated to Landlord and Tenant in accordance with their respective interest as of the date of the Taking, as provided for by the laws of the State of Florida. Landlord and Tenant agree to fully cooperate to cause the distribution of any Condemnation Award in accordance with this Section. The Condemnation Award shall not be deemed to include Business Damages (as defined in Section 9.05), but Business Damages shall not include any award for the taking of the Land, Improvements or leasehold estate created in favor of Tenant under this Lease.

Section 9.05 Business Damages. In addition to the recovery set out above in this Article, Tenant shall be entitled to claim, prove and receive in connection with any Taking such awards as may be allowed for moving and relocation expenses, loss of trade fixtures and other personal property, or for loss of or damage to its business (as compared to the Demised Premises) (collectively, “Business Damages”).

Section 9.06 Temporary Taking. A temporary taking shall not affect this Lease. Any compensation for a temporary Taking (to the extent within the Lease Term) shall be payable to Tenant without participation by Landlord.

Section 9.07 Consent Required for Settlement. Neither Landlord nor Tenant shall make any settlement with the condemning authority or convey any portion of the Demised Premises or Improvements to such authority in lieu of condemnation or consent to any Taking, without the consent of the other.

ARTICLE X.
REPRESENTATIONS AND WARRANTIES

Section 10.01 Authority. Tenant hereby represents and warrants to Landlord that (i) Tenant is a duly authorized and validly existing Delaware limited partnership; (ii) Tenant has the full right and authority to enter into this Lease; (iii) the person executing this Lease on behalf of Tenant is authorized to do so; and (iv) this Lease constitutes a valid and legally binding obligation of Tenant. Landlord represents and warrants to Tenant that (i) Landlord has the full right and authority to enter into this Lease; and (ii) this Lease constitutes a valid and legally binding obligation of Landlord.

Section 10.02 Ownership and Title Exceptions. Landlord represents, warrants and covenants that (i) Landlord is the fee owner of the Demised Premises, subject to no title exceptions other than the "Permitted Title Exceptions" listed on Exhibit B and (ii) Landlord will protect and defend Tenant's rights and leasehold estate created by this Lease against all claims and demands other than those arising out of the Permitted Title Exceptions. Landlord agrees not to (y) amend, consent to the amendment of, or grant any consent or approval under any document that constitutes a Permitted Title Exception or (z) encumber the Demised Premises with any new title exceptions (other than a Fee Mortgage or as requested or approved by Tenant).

Section 10.03 Title Insurance Policy. Landlord will provide such documents and documentation as the title insurance company issuing a title insurance policy in favor of Tenant (the "Title Policy") may reasonably require in order to insure Tenant's leasehold estate, subject to no exceptions other than the Permitted Title Exceptions. The premium and other costs (e.g., search fees) in connection with the Title Policy shall be paid one−half by Landlord and one−half by Tenant. Tenant shall be responsible for the cost of the Survey of the Demised Premises.

ARTICLE XI.
DEFAULT

Section 11.01 Tenant Default. The following shall constitute a "Default" under this Lease: (i) if Tenant shall fail to pay any Base Rent or any Additional Rent when due under this Lease and such failure is not cured within ten (10) days after written notice thereof by Landlord to Tenant of the failure, or (ii) if Tenant fails to perform or comply with any other term, covenant or condition of this Lease and such failure is not cured within thirty (30) days after written notice by Landlord to Tenant of the failure; provided that if the failure cannot reasonably be cured within thirty (30) days and Tenant commences the cure within the thirty (30) day period, the thirty (30) day period shall be extended for such additional time as is required to cure the failure using due diligence and commercially reasonable efforts.

Section 11.02 Landlord Remedies. In the event of a Default, Landlord may, at any time thereafter while the Default is outstanding:

(a) terminate this Lease and Landlord, its agents or representatives, may reenter and retake the Demised Premises and Landlord may recover from Tenant all Rent due (prorated to the date of termination) together with all costs and expenses incurred to place the Demised Premises in the condition that Tenant is required to deliver the Demised Premises to Landlord upon the expiration of the Lease Term; or

(b) retake possession of the Premises without terminating the Lease and use commercially reasonable efforts to relet the Demised Premises in whole or in part, altering, changing or subdividing same as in its reasonable judgment may accomplish the best rental results, at such rental reasonably approximating a fair market rental and upon such terms and for such length of time (whether less or

greater than the unexpired portion of the Lease Term), as Landlord may reasonably provide, and Tenant shall be liable to Landlord for the deficiency between the Rent provided for herein and the rental collected by Landlord for the period of such reletting, not exceeding, however, the balance of the Lease Term (after deducting therefrom the amortization over the period of the reletting of the reasonable cost of such reletting, including brokerage fees and legal fees in a reasonable amount); or

(c) exercise any other right or remedy in addition to and not inconsistent with the foregoing as is available to Landlord under Florida law.

Section 11.04 Bankruptcy. If (i) Tenant files a petition for bankruptcy, or (ii) any creditor files a petition for bankruptcy of Tenant or if a trustee shall be appointed for all or substantially all of the business or assets of Tenant, and if such filing or appointment has not been vacated or withdrawn within ninety (90) days thereafter, or (iii) if a general assignment is made by Tenant for the benefit of creditors, or (iv) a receiver is appointed to operate the Demised Premises; or (iv) this Lease and the Demised Premises is seized by creditors by authority of any attachment or execution proceedings, Landlord may, at its option in any of such events, on ten (10) days' notice to Tenant, if such action is not vacated or withdrawn within such ten (10) day period, immediately recapture and take possession of the Demised Premises and terminate this Lease pursuant to process of law and exercise all rights and remedies that Landlord has in the event of a Default hereunder.

Section 11.05 Attorneys' Fees. In the event of any litigation arising out of this Lease or the Landlord/Tenant relationship created by this Lease, the prevailing party in any such litigation shall be entitled to recover all reasonable costs, charges and expenses incurred in connection therewith, including reasonable attorneys' fees.

Section 11.06 Late Fee. If any sum due under this Lease is not paid within ten (10) days of its due date, an administrative late fee (the “Late Fee”) equal to four percent (4%) of the amount past due shall also be immediately due and payable.

Section 11.07 Default Interest. Interest, at the Default Rate (defined below), shall accrue on any amount due and owing from either Landlord or Tenant to the other under this Lease, that is not paid within ten (10) days after notice from the party entitled to payment to the other that the amount is past due (which notice may be a the notice otherwise provided for under this Lease). Following such ten (10) day period, interest, at the Default Rate, shall accrue, beginning retroactively as of the due date, on any amount remaining unpaid until paid. The “Default Rate” is an annual interest rate equal to the lesser of (a) the maximum rate permitted by law, or (b) the greater of (y) Prime Rate of interest (or the average thereof, if more than one) as published by the Wall Street Journal on the date such payment was due plus five percent (5%), and (z) twelve percent (12%).

Section 11.08 Waiver of Jury Trial. Landlord and Tenant waive and agree not to seek trial by jury in any action relating to or arising out of this Lease or the Landlord/Tenant relationship created under this Lease.

ARTICLE XII.
LANDLORD'S ACCESS

Section 12.01 Reserved Access Right. Landlord and its designees shall have the right, with reasonable prior notice to Tenant, to enter upon the Demised Premises during times reasonably agreed upon by Landlord and Tenant to (i) inspect the Demised Premises, (ii) investigate Tenant's compliance with the terms of this Lease, (iii) in connection with its obligations under the Consent Order or as otherwise required

to fulfill its obligations under Article XX (Environmental Matters), or (iv) during the period commencing one (1) year prior to the end of the Lease Term, to show the Demised Premises to prospective tenants. At Tenant's option Landlord or its designee shall be accompanied by an employee of Tenant while on the Demised Premises.

Section 12.02 Access Conditions. Any entry by Landlord onto the Demised Premises shall be subject to the following additional conditions: (i) Landlord's entry (and any work within the Demised Premises) shall be performed (except to the extent required by emergency circumstances) in a manner so as to minimize any adverse impact on Tenant's business operations; (ii) Landlord shall promptly (i.e., as quickly as possible using all commercially reasonable efforts) repair any damage to the Demised Premises or Tenant's Personal Property caused by its entry or work to Tenant's reasonable satisfaction; and (iii) Landlord shall otherwise use all commercially reasonable efforts to conduct any entry and perform any work in a manner to minimize any adverse impact to the Demised Premises or Tenant's use and enjoyment of the Demised Premises.

ARTICLE XIII.
IMPROVEMENTS, FIXTURES AND PERSONAL PROPERTY

Section 13.01 Ownership of Improvements. All Improvements constructed by Tenant upon the Land, and any Alterations to the Improvements shall be and remain the property of Tenant throughout the Lease Term, including any Renewal Periods. Upon the expiration of the Lease Term or earlier termination of this Lease, all such Improvements, exclusive of Tenant's Property (as defined below) shall, without the need for any further instrument, become the property of Landlord.

Section 13.02 Tenant's Property. All trade fixtures, equipment, inventory, furniture, signage (but not any monument structure on which the signage is located) and other personal property (“Tenant's Property”) shall be and remain the property of Tenant both throughout the Lease Term and upon the expiration or earlier termination of this Lease. As used in the definition of Tenant's Property, “trade fixtures” means fixtures used in connection with the conduct of business at the Demised Premises which are attached to the Improvements, but only in a manner such that they can be removed without damage to the Improvements, other than minor or cosmetic damage. Tenant shall be responsible to repair any damage to the Demised Premises caused by the removal of Tenant's Property, including, but not limited to Tenant's trade fixtures. Any of Tenant's Property remaining at the Demised Premises for more than thirty (30) days following the expiration or earlier termination of this Lease shall be deemed abandoned by Tenant and Landlord may dispose of such abandoned property as Landlord deems appropriate without any accounting to Tenant. Tenant's Property shall not, however, include (i) any equipment or fixtures which are part of the base building systems serving the Improvements, such as, but not limited to, roof top HVAC Units, plumbing fixtures and lighting fixtures (other than supplemental or specialty lighting fixtures and bulbs) or (ii) floor and wall covering affixed to the floor or walls, such as, but not limited to, carpeting, tile and paneling.

ARTICLE XIV.
ASSIGNMENT AND SUBLETTING

Section 14.01 Right to Assign and Sublease. Tenant may not assign this Lease or sublet the Demised Premises, without the consent of Landlord; except that Tenant may assign this Lease or sublet all or any part of the Demised Premises without the consent of Landlord (I) to any “Affiliate” (as defined below) or (II) in connection with a sale of the automobile dealership located at the Demised Premises. Any assignment or sublease (with or without Landlord's consent) shall be subject to the following conditions: (a) Tenant shall remain liable for the performance of the terms, covenants and conditions of this Lease; and (b)Tenant shall deliver a copy of the effective instrument (which may have the financial terms redacted) to Landlord either prior to or immediately subsequent to the date of the subject action (except that Tenant shall not be required

to provide Landlord with any sublease to any Affiliate); and (c) the use and possession of the Demised Premises by the assignee of this Lease or subtenant or other occupant of the Demised Premises or any part thereof shall be subject to all the terms, conditions and conditions of this Lease.

Section 14.02 Affiliate Definition. For purposes of this Section, an “Affiliate” of Tenant is an entity that controls, is controlled by or is under common control with Tenant and “control” means the power to (directly or indirectly) elect or appoint the officers, managers or other individuals who hold the authority to make the managerial decisions on behalf of the entity (or the majority of any board that will elect or appoint such individuals). Control of an entity shall be presumed in the case of the ownership (direct or indirect) of a majority of the equity interest in an entity.

ARTICLE XV.
MORTGAGES AND CERTIFICATES

Section 15.01 Fee Mortgage. Landlord shall have the right at any time during the Lease Term, without the consent of Tenant, to subject its fee interest in the Demised Premises, or any part thereof, but not any property of Tenant, to any one or more mortgages, deeds of trust, deeds to secure debt or similar security instrument (as it may be renewed, modified, consolidated, replaced, or extended a "Fee Mortgage"). The owner or holder of any Fee Mortgage as to which Tenant has received written notice shall be referred to as the "Fee Mortgagee". This Lease (including, without limitation, Tenant's leasehold estate and other rights hereunder) shall not be subject or subordinate to any Fee Mortgage except pursuant to the terms of a Subordination, Non−Disturbance and Attornment Agreement (an “SNDA”) to be entered into between Landlord, Tenant and the holder of the Fee Mortgage and in a form acceptable to all parties. The form of SNDA attached to this Lease as Exhibit D is acceptable to Landlord and Tenant.

Section 15.02 Existing Fee Mortgage. Landlord represents and warrants to Tenant that the Demised Premises is not subject to any Fee Mortgage.

Section 15.03 Leasehold Mortgages. Tenant shall have the right at any time during the Lease Term, without the consent of Landlord, to subject this Lease and the leasehold interest in the Demised Premises, or any part thereof, but not any property of Landlord, to a leasehold mortgage, deeds of trust, deeds to secure debt or similar security instrument (as it may be renewed, modified, consolidated, replaced, or extended a "Leasehold Mortgage"); provided that there may only be one Leasehold Mortgage at any one time. The owner or holder of any Leasehold Mortgage as to which Landlord has received written notice shall be referred to as the "Leasehold Mortgagee". In the event of a sale/lease−back transaction (a "Sale Leaseback Transaction") of which the Landlord has been provided notice (pursuant to which Tenant becomes a sub−tenant), the “sub−landlord” (also the Tenant hereunder) shall have the rights provided to a Leasehold Mortgagee under Section 15.04 below.

Section 15.04 Rights of Leasehold Mortgagee. Any Leasehold Mortgagee shall have the following rights, provided that (a) Landlord has received notice of the name and notice address of the Leasehold Mortgagee or its servicing agent, and (b) a copy of the Leasehold Mortgage has been delivered to Landlord:

a) Landlord will give the Leasehold Mortgagee a copy of any notice, demand or other communication from Landlord to Tenant alleging any default or failure on the part of Tenant or exercising any right or remedy under this Lease simultaneously with the giving of the notice to Tenant. No exercise by Landlord of any right or remedy with respect to any default or failure on the part of Tenant shall be permitted or effective until the notice provided for in the Paragraph (i) has been given and the cure period provided for in Paragraph (b) below has expired with the default or failure still uncured.

b) Following receipt of the notice required under Paragraph (i) above, the Leasehold Mortgagee shall have the following cure period to cure the default or failure: (i) twenty (20) days if the default or failure is a failure to pay Base Rent or Real Estate Taxes and (b) thirty (30) days for any other default or failure, provided that if the default or failure cannot reasonably be cured within thirty (30) days and the Leasehold Mortgagee commences the cure within said thirty (30) day period, the thirty (30) day period shall be extended for such additional time as is required to cure the failure using due diligence and commercially reasonable efforts, which shall include such time as it necessary for the Leasehold Mortgagee to take possession of the Demised Premises pursuant to the Leasehold Mortgage, so long as (x) Base Rent and Real Estate Taxes remain current, (y) no enforcement action is being pursued against Landlord as a result of any violation of Laws with respect to the Demised Premises (or the Leasehold Mortgagee agrees to indemnify Landlord with respect thereto), and (z) the Leasehold Mortgagee shall commence and pursue in good faith obtaining possession of the Demised Premises. The Leasehold Mortgagee shall have the right but in no event the obligation to cure any default or failure under this Lease. The Leasehold Mortgagee may also abandon any cure or action for possession once commenced without being deemed to have assumed any obligation in favor of Landlord.

c) Landlord and Tenant shall not agree to cancel, terminate or amend this Lease without the consent of the Leasehold Mortgagee. Any cancellation, termination or amendment of this Lease not consented to by the Leasehold Mortgagee as required by this Section may, at the option of the Leasehold Mortgagee, be voided by the Leasehold Mortgagee upon it or a Leasehold Mortgagee Successor becoming the Tenant hereunder. As used in this Paragraph a "Leasehold Mortgagee Successor" includes any other party who may become the Tenant hereunder pursuant to the exercise of any right or remedy under the Leasehold Mortgage or by assignment in lieu thereof.

(d) If this Lease is terminated in any bankruptcy or similar proceeding of Tenant, Landlord shall, upon request of the Leasehold Mortgagee, enter into a new lease with the Leasehold Mortgagee or its designee under all the same terms, covenants and conditions as this Lease (including any Renewal Options) for the remainder of the Lease Term, on the condition that such Leasehold Mortgagee agrees (upon the effective date of the replacement lease) to pay all Base Rent and any Tax Obligation past due and unpaid under the Lease.

(e) If the Leasehold Mortgagee becomes the Tenant under this Lease it liability hereunder shall be limited to only the period that it is the Tenant under this Lease and upon an assignment of this Lease it shall be released from all further liability or obligations hereunder for the period from and after the effective date of the assignment.

(f) Landlord agrees to provide to any Leasehold Mortgagee, within twenty (20) days after a request therefor, (i) any certificate reasonably requested by the Leasehold Mortgagee certifying the accuracy of any reasonably requested statements relative to the Lease and (ii) any agreement reasonably requested by the Leasehold Mortgagee to restate, confirm or reaffirm in favor of the Leasehold Mortgagee the terms of this Article that run to the benefit of the Leasehold Mortgagee.

(g) So long as any Leasehold Mortgage is in place, there shall be no merger of the leasehold estate created by this Lease and the fee interest in the Demised Premises, notwithstanding that the two interests may come into common ownership, without the prior written consent of the holder of the Leasehold Mortgagee.

(h) If Tenant shall fail to exercise any Renewal Option, Landlord shall notify the Leasehold Mortgagee of such failure, and from receipt of the notice, the Leasehold Mortgagee shall gave a period of thirty (30) days to cause the Tenant to exercise such Renewal Option.

(i) Tenant shall not be deemed to be acting unreasonably in not providing any consent or approval under this Lease, if the Leasehold Mortgagee objects to Tenant proving such consent or approval.

(j) Each Leasehold Mortgagee shall be deemed an intended third party beneficiary of this Article as it relates to Leasehold Mortgages.

Section 15.05 No Subordination of Fee. Nothing in this Article is intended to give Tenant any right, power or authority to encumber Landlord's fee interest in the Demised Premises and no Leasehold Mortgage shall encumber Landlord's fee interest in the Demised Premises.

Section 15.05 Certificates. Each of Tenant and Landlord shall, within twenty (20) days of the request of the other and without charge, at any time and from time to time, for reliance by the requesting party and any designated interested third party, deliver a duly executed and acknowledged instrument certifying: (i) this Lease is unmodified and in full force and effect, or if there has been any modification, that this Lease is in full force and effect as modified and stating any such modification; (ii) the date to which Base Rent, Real Estate Taxes and Additional Rent have been paid; (iii) whether or not there are then existing any known claim against the requesting party under the Lease or defenses to the enforcement of the Lease by the requesting party; and (iv) such other reasonably ascertaining factual matters relating to the Lease or the Demised Premises as the requesting party may reasonably request, but excluding information reasonably deemed confidential or proprietary by the responding party.

ARTICLE XVI.
BROKERS

Section 16.01 Brokers Recognized. Landlord and Tenant each represents that it has dealt with no broker (or other party who might claim a commission or similar fee) in connection with this Lease.

Section 16.02 Indemnification. Landlord shall defend, indemnify and hold harmless Tenant from and against any claims, liabilities, damages, costs or expenses (including attorneys' fees) arising out of any claims or demands for brokerage commissions or similar fee otherwise arising out of Landlord's actual or alleged commitments to or dealings with the claiming party. Tenant shall defend, indemnify and hold harmless Landlord from and against any claims, liabilities, damages, costs or expenses (including attorneys' fees) arising out of any claims or demands for brokerage commissions or similar fee arising out of Tenant's actual or alleged commitments to or dealings with the claiming party.

ARTICLE XVII.
NOTICES

Section 17.01 Method of Notice. Any notice, demand, request, consent, approval or other communication by and between Landlord and Tenant (each a "Notice") required or otherwise made under this Lease shall be in writing and given (i) by hand delivery, with a confirmation evidencing the place where and the person to whom delivered; (ii) by registered or certified mail, return receipt requested, or (iii) by a nationally recognized overnight courier service with the ability to confirm delivery, addressed as follows:

If to Landlord:	Jeffrey I. Wooley 3800 West Hillsborough Avenue Tampa, Florida 33614 Telephone:(813) 865−8000 Mobile:(813) 240−4064 Facsimile:(813) 874−2338
with a simultaneous copy to Landlord's Counsel:	Foley & Lardner LLP 100 North Tampa Street Suite 2700 Tampa, Florida 33602−5810 Attention:Walter C. Little Telephone:(813) 225−4161 E−Mail:wlittle@foley.com Facsimile:(813) 221−4210
If to Tenant:	Asbury Automotive Tampa, L.P. 2905 Premiere Parkway, NW, Suite 300 Duluth, GA 30097 Attention:George Karolis Vice President Corporate Development and Real Estate Telephone:(770) 418−8200 E−Mail:gkarolis@asburyauto.com Facsimile:(678) 550−9054
with simultaneous copy to	Asbury Automotive Group, Inc. Vice President & General Counsel 2905 Premiere Parkway, NW, Suite 300 Attention:Elizabeth B. Chandler Telephone:(770) 418−8200 E−Mail:echandler@asburyauto.com Facsimile:(678) 550−9054

Section 17.02 Notice Given. Notice given in accordance with this Section shall be deemed to be given and received on the earlier of (i) the day actually received, or (ii) the day receipt is refused by the addressee, or (iii) the date of attempted delivery, if delivery was not possible because the address is no longer valid and an updated address has not been provided (and is not otherwise readily available) to the party giving notice.

Section 17.03 Change of Address. A party's Notice address(es) set out above may be changed by Notice to the other party given in accordance with this Article; provided that a party may not have more than three (3) address to which each Notice must be sent and all such Notice addresses must be in the continental United States.

Section 17.04 Informal Communications. While Landlord and Tenant may communicate by methods other than as set out in Section 17.01 (e.g., by telephone, internet posting or e−mail), no such communication shall constitute proper Notice under this Lease.

ARTICLE XVIII.
INTERPRETATION AND RECORDATION

Section 18.01 Entire Agreement and Amendments. This Lease contains the entire agreement

between Landlord and Tenant concerning the Demised Premises, and all prior negotiations, understandings, and representations, either oral or written, between them are merged into and superseded by this Lease. This Lease supersedes and replaces the Existing Lease. No amendment to this Lease shall be binding upon Landlord or Tenant unless in writing and signed by both Landlord and Tenant, and no waiver, approval or consent under this Lease shall be binding upon Landlord or Tenant unless in writing and signed by the party against whom enforcement is sought.

Section 18.02 No Partnership or Agency. Nothing contained in this Lease shall be construed to create the relationship of principal and agent, partnership, joint venture or any other relationship between the Landlord and Tenant other than the relationship of landlord and tenant.

Section 18.03 No Personal Liability. Nothing contained in this Lease is intended to impose any personal liability upon the individuals who are partners, members, managers, agents, stockholders, officers or directors of the entities that are the Landlord and Tenant under this Lease.

Section 18.04 Captions. The captions appearing in this Lease are inserted for convenient reference only, they are not intended to limit or expand the scope or interpretation of the Articles or Sections to which they relate.

Section 18.05 Applicable Law. This Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida.

Section 18.06 Calculation of Time Periods. If the date for the performance of any obligation under this Lease, or the date on which any period provided for hereunder expires, is a Saturday, Sunday or legal holiday, the date or expiration of the period shall be extended to the next day that is not a Saturday, Sunday or legal holiday.

Section 18.07 Force Majeure. If either party shall be prevented or delayed from punctually performing any obligation (other than the payment of money) or satisfying any condition by the date required under this Lease (a “Performance Deadline”) by any strike, lockout, labor dispute, inability to obtain labor or materials or reasonable substitutes therefor, domestic or international terrorism, fire, earthquake, hurricane or other Casualty, unusual adverse weather, riot or civil unrest, a Taking or other governmental action, regulation or control, insurrection, sabotage, or any other similar condition not created by but beyond the reasonable control of the affected party (each, a “Force Majeure Event”), then the Performance Deadline shall be extended by the delay caused by the Force Majeure Event. Financial inability to perform shall in no event constitute a Force Majeure Event.

Section 18.08 No Waiver. The failure of Landlord or Tenant to insist upon strict performance of any term, covenant or condition of this Lease or any delay in the enforcement of any term, covenant or condition of this Lease by Landlord or Tenant following a failure of the other party to comply therewith, shall not be deemed a waiver of any continuing or future right to enforce such term, covenant or condition.

Section 18.09 Consents and Approvals. Except as may otherwise be expressly provided for by the terms of this Lease, whenever Landlord's consent or approval is required or requested under or in connection with this Lease, Landlord agrees (unless otherwise expressly provided for in this Lease): (i) that such consent or approval shall not be unreasonably withheld, delayed or conditioned, (ii) that any refusal to provide any consent or approval must include the specific reasons as to why the consent or approval is being withheld, (iii) that Landlord shall notify Tenant of its response to any request for any consent or approval within ten (10) days of a request therefor, and (iv) that a failure to respond within the required ten (10) day period shall be deemed Landlord granting the requested consent or approval, but only if the notice specifically references

the 10−day period provided for in this Section and that a failure to respond constitutes Landlord's consent or approval.

Section 18.10 Nature of Document. This Lease is a negotiated document between two sophisticated parties negotiating with the aid of legal counsel and should not be construed more strictly against either Landlord or Tenant.

Section 18.11 Covenant of Quite Enjoyment. Landlord warrants and covenants to Tenant that on and subject to the terms of this Lease, Tenant shall have and enjoy, during the entire Lease Term, the quiet and undisturbed possession and use of the Demised Premises, as contemplated in this Lease.

Section 18.12 Recordation of Memorandum of Lease. Concurrently with the execution of this Lease or thereafter, upon ten (10) days of a request by Landlord or Tenant, the parties will execute and deliver (witnessed and notarized, as applicable) for recordation by and at the cost and expense of the requesting party a Memorandum of Lease in the form attached as Exhibit C (the "Memorandum of Lease"). Upon the expiration of the Lease Term or earlier termination of this Lease, Tenant will, within ten (10) days of a request from Landlord, execute a release of the Memorandum of Lease sufficient to discharge the Memorandum of Lease as an encumbrance upon the Demised Premises.

Section 18.13 Termination of Existing Lease. Concurrently with the execution of this Lease, the parties will execute and deliver (witnessed and notarized, as applicable) for recordation by and at the shared cost and expense of the parties (one−half to be paid by each), a Termination of Lease and Release of Memorandum of Lease in the form attached as Exhibit E (the "Termination of Lease"), providing for the termination of the Existing Lease effective as of the Effective Date of this Lease. The full amount of the Security Deposit held by Landlord under the Existing Lease will be refunded to Tenant concurrently with the termination of the Existing Lease. Rent under the Existing Lease will be prorated as of the effective date of the Termination of Lease.

ARTICLE XIX.
PURCHASE OPTION

Section 19.01 Grant of Purchase Option. Landlord grants to Tenant the option (the "Purchase Option") to purchase the Demised Premises at any time during the Lease Term on and subject to the terms and conditions of this Article.

Section 19.02 Purchase Price. The purchase price for the Demised Premises (the "Purchase Price") shall be Sixteen Million Dollars ($16,000,000); provided that if the Base Rent is adjusted under Section 3.03, the Purchase Price shall be similarly adjusted by an equivalent percentage increase (e.g., if the Base Rent is increase by 2% the Purchase Price shall also be increased by 2%).

Section 19.03 Exercise of Right. Tenant may exercise the Purchase Option by written notice to Landlord (the "Exercise Notice") given any time during the Option Exercise Period (as defined below), specifying that Tenant has elected to exercise its Purchase Option and a proposed date for the closing of the purchase and sale (the "Closing"), which shall be at least thirty (30) days, but no more than sixty (60) days following the Exercise Notice. Landlord and Tenant will fully cooperate and use all commercially reasonable efforts to consummate the Closing on the date proposed by Tenant or as soon thereafter is reasonably possible. The "Option Exercise Period" is the sixty (60) days of the sixth (6th) Lease Year, but only if at the time the Demised Premises has been Adequately Remediated (as defined in Section 20.01), and (ii) anytime after the tenth (10th) Lease Year; it is the parties intent that for the Exercise Notice to be valid it must be given within the Option Exercise Period.

Section 19.04 Title and Survey. On the date of the Closing (the "Closing Date") Landlord will convey fee simple title to the Demised Premises to Tenant (or Tenant's designated Affiliate) by Special

Warranty Deed (the “Deed”) subject only to the Permitted Title Exceptions and matters arising by, though or under Tenant. Landlord shall be responsible for discharging any Fee Mortgage and any liens arising by, though or under Landlord as of the Closing. Tenant shall be responsible to obtain any survey it deems necessary or desirable. Landlord and Tenant will each deliver to the Title Insurance Company selected by Tenant to issue its Title Insurance Policy (the “Title Company”) such customary authority documents, title affidavits and other documents as the Title Company may reasonably request.

Section 19.05 Termination of Lease. As part of the Closing, Landlord and Tenant will execute a termination of this Lease (effective as of the date of Closing) and prorate Rent as of the date of Closing (the “Lease Termination Agreement”).

Section 19.06 Closing Documents. In connection with the Closing, the parties will execute and deliver the documents provided for in this Article and other customary conveyance documents, including: the Deed, the Lease Termination Agreement, a Seller's Title Affidavit, a FIRPTA Affidavit, a Quitclaim Bill of Sale (as to any personal property that may be owned by Landlord) and a Closing Statement. In the event that Landlord still has obligations under the Consent Order (which are not assumed by the grantee/transferee as part of Closing) then the parties will also enter into, to the extent required to fulfill the obligations under the Consent Order, (i) such documents as may be required to implement or effectuate any legal and engineering controls under Section 20.04 (with any applicable Restriction Agreement {as defined in Section 19.09 below} to be recorded before any purchase money mortgage) and (ii) an access agreement providing Landlord access to complete the obligations under the Consent Order (the access agreement shall contain the access rights and be subject to conditions and an indemnity similar to that provided for in this Lease). All documents shall be prepared by Tenant's counsel and subject to the review and approval of Landlord's counsel.

Section 19.07 Closing Costs. The standard closing costs, including recording fees, title search fees, title insurance premiums and documentary stamp and other conveyance taxes shall be split between Landlord and Tenant, with each paying one−half (½); except that (a) each party shall pay its own attorneys fees (except as provided for in Section 11.05), (b) Landlord shall be responsible for the cost to obtain any title curative documents to the extent the cure is the responsibility of Landlord under this Article, and (c) Tenant shall be responsible for the cost of any survey which it elects to obtain, as provided for in Section 19.04.

Section 19.08 Independent Right and Assignment. The Purchase Option is a right independent from the remainder of the Lease, and neither the exercise of the Purchase Option, nor any failure to exercise or the waiver of the Purchase Option, nor any failure to consummate any closing under this Article will result in a termination of or otherwise affect this Lease or any of Tenant's rights hereunder. The Purchase Right may not, however, be assigned separate from this Lease, except to an Affiliate of Tenant.

Section 19.09 Post−Closing Engineering Controls and Mortgage Subordination. In the event that Landlord still has obligations under the Consent Order (which are not assumed by the grantee/transferee as part of Closing), the parties will have a continuing obligation to enter into, to the extent required to fulfill the obligations under the Consent Order such documents as may be required to implement or effectuate any legal and engineering controls under Section 20.04. In furtherance of the foregoing, at Landlord's request, Tenant agrees to cause the holder of any mortgage (or other lien) on Demised Premises (which will at that time be owned in fee by Tenant) as well as any then tenants of Tenant (if required under the applicable lease), to join in any deed restriction, restrictive covenant or similar agreement placing restrictions on the Demised Premises arising out of the Landlord's Contamination which is required as part of the legal and engineering controls as provided for in Section 20.04 (a “Restriction Agreement”). The joinder of the mortgage or lien holder(s) and the tenant(s) shall be for the sole purpose of subordinating the lien of the mortgage, lien or leasehold estate (as applicable) to the Restriction Agreement.

ARTICLE XX.
ENVIRONMENTAL MATTERS

Section 20.01 Certain Definitions. When used in this Section the following terms have the corresponding meanings:

(a)"Adequately Remediated" means that (i) Landlord has been issued a final order or determination (including the expiration of any appeal or contest period) under the Consent Order confirming that all required active soil and groundwater remediation has been completed and the remaining obligations then existing under the Consent Order are limited to groundwater monitoring and reporting, and (ii) Landlord is otherwise in compliance with the Consent Order. The Landlord and Tenant acknowledge that, while all required active remediation to the soil and groundwater will have been performed at the time Adequate Remediation is achieved, achieving Adequate Remediation will not be a guaranty that an Applicable Government Authority will not require additional active remediation at some future date. As the assessment and evaluation of Landlord's Environmental Matters progress, Landlord and Tenant may (but are not required to), by written agreement, agree to a remediation standard as an alternative definition for "Adequately Remediated".

(b)"Applicable Governmental Authority" means the State of Florida Department of Environmental Protection and any other state, federal or local district, agency, bureau, department or other regulatory or enforcement authority having jurisdiction.

(c)"Claims" means all claims, demands, actions, causes of actions, proceedings, judgments and liabilities.

(d)"Consent Order" means the Consent Order (OGC File No. 89−1111) entered into between the State of Florida Department of Environmental Protection ("DEP"), as "Complainant" and JIW Enterprises, Inc. and Landlord, as "Respondents", with a filing date of September 28, 2009, as it may be supplemented, replaced, superseded, or amended, from time to time, with Tenant's consent. Landlord and Tenant agree to act reasonably and cooperate in connection with any efforts to amend, supplement, replace or supersede the current Consent Order, so long as neither the scope of the matters covered by the Consent Orders nor Landlord's remediation obligations thereunder are reduced and Tenant's Contemplated Redevelopment is not delayed, including, but not limited to, replacing the current Consent Order with a Brownfield Site Rehabilitation Agreement.

(e)"Creosote Contamination" means the creosote−type contamination affecting the Land and possibly surrounding lands, including soils, soil vapor, surface water and groundwater, resulting from past wood treating operations on the Land that were discontinued in or around October of 1967 (the "Wood Treating Operations").

(f)"Damages" means all costs, expenses, damages, losses, liabilities, fines and penalties. "Costs" include, but are not limited to, costs of investigation, clean−up and remediation, and consultants' and attorneys' fees.

(g)"Environmental Laws" means all federal, state and local civil and criminal laws (including both statutory and common law), ordinances, codes, rules, regulations and judicial and administrative decrees and orders currently in effect or which may hereafter be in effect regulating, providing standards or requirements or otherwise imposing obligations or liability in connection with any Hazardous Substance.

(h)“Extra Redevelopment Costs” means all reasonably documented costs and expenses reasonably incurred by Tenant in connection with the Contemplated Redevelopment as a result of the existence of any of the Landlord's Environmental Matters. Extra Redevelopment Costs include, but are not limited to, all costs and expenses to obtain or comply with all Environmental Redevelopment Permits (as defined in Section 5.08) and all other costs and expenses incurred for testing and assessment, monitoring wells, soil removal, disposal and replacement, liners and other containment measures and legal (e.g., a restrictive covenant) and engineering controls, as well as any increase in the cost of any elements of the Contemplated Redevelopment, such as foundations, curbing, landscaping, paving or the stormwater management system. Extra Redevelopment Costs do not include costs incurred by Tenant's for consultants (i.e., engineering and legal) either in connection with the Redevelopment Work or to monitor or review the work being performed by Landlord's consultants under or in connection with the Consent Order; provided that Landlord shall make its consultants readily available to Tenant, at Landlord's cost, to provided to Tenant such information and services as Tenant may reasonably request in connection with the Redevelopment Work and Landlord's Environmental Matters. . Extra Redevelopment Costs will, however, include increased architectural or engineering costs in connection with the design or construction of the Improvements with respect to the Contemplated Redevelopment to the extent directly related to Landlord's Environmental Matters.

(i)“GE Contamination” means the polychlorinated biphenyl contamination that may impact the Land resulting from the operation of the former General Electric facility located to the west of the Land at 115 Wayne Place. It is anticipated that the GE Contamination will be remediated by GE Energy.

(j)“Hazardous Substance” means any substance designated as a “hazardous material”, “hazardous waste”, “toxic substance”, “toxic pollutant”, “pollutant” or “contaminate” , or which is otherwise regulated under any federal, state or local law or regulation as a result of it being hazardous or potentially hazardous to persons or the environment. Without intending to limit to general nature of the foregoing, but for clarification only, Hazardous Substances include petroleum and petroleum−derived fuel products such as gasoline.

(k)“Landlord's Environmental Matters” means the Creosote Contamination and any other Hazardous Substance referenced in or covered by the Consent Order resulting from the Wood Treating Operations.

(l)“Tenant's Environmental Matters” means any Hazardous Substance released or utilized by Tenant in connection with the operation of its automobile dealership during the term of the Existing Lease or this Lease.

Section 20.02 Compliance with Consent Order. Landlord will proceed with due diligence, consistent with its own business judgment and the advice of Landlord's environment consultants to satisfy the requirements of the Consent Order and to Adequately Remediate the Demised Premises.

Section 20.03 Ongoing Operations. Tenant shall operate its business at the Demised Premises in compliance with all applicable Environmental Laws.

Section 20.04 Legal and Engineering Controls. Landlord and Tenant agree to fully cooperate with each other to agree upon and implement such legal and engineering controls as may be required under the

Consent Order or for the Contemplated Redevelopment. Legal and engineering controls may include, for example, deed restrictions, restrictive covenants, caps or covers, liners, impervious areas, slurry walls and physical barriers and fences.

Section 20.05 Information Sharing. Landlord and Tenant agree to provide to the other (i) copies of all environmental reports and audits which they obtain relative to the Demised Premises within ten (10) days of receipt; (ii) copies of all correspondence (including electronic communications) to any Applicable Governmental Authority, simultaneously with its transmittal to the Applicable Governmental Authority, (iii) copies of all correspondence (including electronic communications) from any Applicable Governmental Authority, within five (5) days of its receipt. All correspondence shall be accompanied by all documentation that accompanied the correspondence. Landlord will also promptly respond (or direct its environmental consultants to promptly respond) to requests for information from Tenant or its environmental consultants.

Section 20.06 Indemnity by Landlord. Landlord agrees to indemnify, defend (in a diligent manner with counsel reasonably acceptable to Tenant) and hold Tenant harmless from and against all Claims and Damages which Tenant may incur to the extent resulting from the Landlord's Environmental Matters. As used in this Section, Tenant includes Tenant's subtenants and affiliates and all their respective partners, officers, directors, employees and interest holders.

Section 20.07 Indemnity by Tenant. Tenant agrees to indemnify, defend (in a diligent manner with counsel reasonably acceptable to Tenant) and hold Landlord harmless from and against all Claims and Damages which Landlord may incur to the extent resulting from the Tenant's Environmental Matters. As used in this Section, Landlord includes Landlord's affiliates and all their respective partners, officers, directors, employees and interest holders.

Section 20.08 GE Contamination. The GE Contamination is not included in either Landlord's Environmental Matters or Tenant's Environmental Matters, but Landlord and its environmental consultants will, at Landlord's cost, continue to monitor the related remediation activities and keep Tenant informed of the status of the remediation as provided for in Section 20.04.

Section 20.09 Reimbursement of Extra Redevelopment Costs.

(a)Tenant will use commercially reasonable efforts, to the extent not inconsistent with Tenant's valid business considerations and the requirements of the Automobile Manufacturer, to layout (i.e., building placement), design and construct the Contemplated Redevelopment in a manner to minimize the Extra Redevelopment Costs.

(b)As to work which will result in Extra Redevelopment Costs and which is not an integral part of Tenant's construction (i.e., soil removal as compared to building foundation work), Tenant will provide Landlord the opportunity to itself perform the work in lieu of reimbursing Tenant the cost of performing the work; provided that the performance of the work by Landlord would not have the effect of delaying the completion of the Contemplated Redevelopment.

(c)Without intending to limit the scope of Section 20.06, Landlord agrees, within twenty (20) days of a demand from Tenant (from time to time) to reimburse Tenant for all Extra Redevelopment Costs. Each demand for reimbursement shall be accompanied by reasonable documentation of the Extra Redevelopment Costs incurred by Tenant. If Landlord fails to reimburse Tenant for any Extra Redevelopment Costs during the required 20−day period Tenant may offset the Extra Redevelopment Costs, together with applicable interest, against the Base Rent due under this Lease, in accordance

with the procedure set out in Paragraph (d) below.

(d)Prior to offsetting any amount against the Base Rent due under this Lease under Paragraph (c) above, Tenant shall give written notice to Landlord (the "Offset Notice"), which shall include the amount of the offset claimed and the basis for the offset claimed (including, to the extent not previously provided, reasonable documentation of the Extra Redevelopment Costs incurred) and Landlord shall have the right to dispute the offset as provided for in this Paragraph. To contest an offset Landlord must, within ten (10) days of the Offset Notice, provide notice to Tenant that Landlord disputes all or a portion of the offset (the "Offset Dispute Notice"). Landlord may only give the Offset Dispute Notice if Landlord, in good faith, believes that Tenant is not entitled to all or any part of the offset claimed in the Offset Notice. Any Offset Dispute Notice shall outline the specific items of the offset objected to by Landlord (the "Disputed Charges") and the specific reasons for the objection. To be effective, the Offset Dispute Notice must be accompanied by Landlord's payment of the portion of the offset not disputed or include an authorization for Tenant to offset against Base Rent the portion of the offset not disputed. The failure of Landlord to provide a timely Offset Dispute Notice and the continuation of such failure for ten (10) additional days following an additional notice from Tenant stating that Landlord's Offset Dispute Notice was not given when required under this Lease, shall be deemed Landlord's consent to the offset set out in the Offset Notice. As to any Disputed Charges, the parties shall, within the thirty (30) day period following the Offset Dispute Notice, meet in person and attempt to reach agreement upon the amount owed. During the dispute resolution period, including any arbitration, Tenant shall, subject to the other terms of this Lease, continue to pay the Base Rent otherwise due under this Lease. If the parties are unable to reach an agreement within the thirty (30) day period, the matter shall be settled by binding arbitration by an arbitrator agreed upon by the parties or, if the parties are unable to agree, by a neutral (i.e. having no prior association with either party) arbitrator appointed by the American Arbitration Association or local arbitration association. Except as otherwise approved by Landlord and Tenant, any arbitrator shall be a licensed attorney with substantial relevant experience with environmental and commercial matters. Landlord and Tenant agree to use diligent good faith efforts to have the arbitrator appointed within sixty (60) days following the Offset Dispute Notice and to complete the arbitration within one hundred twenty (120) days following the Offset Dispute Notice. All costs of the arbitration (including the fees of the arbitrator, but not attorneys' fees) shall be paid by the non−prevailing party (as determined by the arbitrator). If the arbitrator does not make a determination that one party, or the other, is a "non−prevailing party", then the costs of the arbitration shall be paid half by Tenant and half by Landlord. The amount finally agreed upon or found to be due Tenant by arbitration shall be paid within ten (10) business days of such agreement or finding, failing which Tenant may thereafter begin to offset the Base Rent due under this Lease until the entire amount due has been recovered.

Section 20.10 Survival. This Article XX shall survive the expiration or earlier termination of this Lease, including, but not limited to, any termination as a result of the acquisition of the Demised Premises by Tenant under Article XIX.

ARTICLE XXI.
GUARANTY OF LEASE

Section 21.01 Guaranty of Lease. The obligation of Tenant to pay Base Rent and Real Estate Taxes shall be guaranteed by Asbury Automotive Group, Inc., a Delaware corporation (the “Guarantor”) by Guaranty of Lease in the form of Exhibit F (the “Guaranty”). The Guaranty shall be delivered to Landlord by Guarantor concurrently with the delivery to Landlord of this Lease by Tenant.

ARTICLE XXII.
EXHIBITS

Section 22.01 Exhibits. The following Exhibits have been agreed upon by Landlord and Tenant,

and are attached to and a part of this Lease:

Exhibit A − Legal Description of the Land
Exhibit B − Permitted Title Exceptions
Exhibit C − Memorandum of Lease
Exhibit D − Approved form of SNDA
Exhibit E − Termination of Lease
Exhibit F − Guaranty of Lease

The remainder of this Page has been intentionally left blank.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date first above written.

LANDLORD:

Witnesses:

/s/ John Diamandis
Name: John Diamandis
As Landlord

/s/ Walter C. Little
Name: Walter C. Little
As Landlord

/s/Jeffrey I. Wooley
JEFFREY I. WOOLEY, an individual

TENANT:

Witnesses:

ASBURY AUTOMOTIVE TAMPA, L.P.,
a Delaware limited partnership

By: Asbury Automotive Tampa GP L.L.C.,
a Delaware limited liability company,
as its genral partner

/s/George Karolis
Name: George Karolis
As to Tenant

/s/ Darlene Quashie Henry
Name: Darlene Quashie Henry
As to Tenant

By: /s/ Craig T. Monaghan
Name: Craig T. Monaghan
Title: Vice President

EXHIBIT A

Legal Description of the Land

PARCEL I:
Those portions of the Southeast 1/4 of the Southeast 1/4 of Section 13, and the Northeast 1/4 of the Northeast 1/4 of Section 24, all in Township 29 South, Range 19 East, Hillsborough County, Florida being further described as follows:
Begin at the Northeast corner of said Section 24; thence South 00°08'00" East, 880.75 feet along the East line of said Section 24 to the North right−of−way line of State Road 60; (D.O.T. Section No. 1011−601) thence along said North right−of−way line the following: South 84°32'00" West, 434.69 feet; thence North 50°35'00" West, 71.48 feet to the East right−of−way line of U.S. Highway No. 301 (State Road 43) (D.O.T. Section No. 10010−2502); thence along said East right−of−way line the following: North 05°26'00" West, 99.47 feet to a curve concave Westerly and having a radius of 6985.50 feet; thence Northerly along said curve, 203.34 feet through a central angle of 01°40'04" (chord North 06°16'02" West, 203.33 feet); thence radial from said curve, North 82°53'56" East, 15.00 feet radial to a curve concave Westerly and having a radius of 7000.50 feet; thence Northerly along said curve, 217.89 feet through a central angle of 01°47'00" (chord North 07°59'34.5" West, 217.88 feet) to a non−tangent compound curve concave Westerly and having a radius of 68.00 feet; thence Northerly along said curve, 22.99 feet through a central angle of 19°22'14" (North 08°58'41" West, 22.88 feet) to a non−tangent curve concave Westerly and having a radius of 7000.50 feet; thence Northerly along said curve, 229.50 feet through a central angle of 01°52'42" (chord North 10°00'38.5" West, 229.49 feet); thence non−tangent from said curve, North 04°57'25" West, 239.45 feet; thence North 10°57'00" West, 54.91 feet to the South right−of−way line of the Seaboard Coast Line Railroad; thence South 84°31'04" East, 608.35 feet along said South right−of−way line to the East line of said Section 13; thence South 00°53'00" East, 124.94 feet along said East line to the Point of Beginning.
PARCEL II:
A tract in the Northwest 1/4 of Section 19, Township 29 South, Range 20 East, Hillsborough County, Florida, described as follows:
From the point of intersection of the West boundary of said Northwest 1/4 of Section 19, and the Northerly right−of−way line of State Road No. 60 (Adamo Drive), run North 84°32'00" East along said Northerly right−of−way line of State Road No. 60 a distance of 367.30 feet; run thence North 0°01'10" East a distance of 570.00 feet; run thence North 89°58'50" West a distance of 366.88 feet to a point on the West boundary of said Northwest 1/4 of Section 19; run thence South 00°08'00" East along said West boundary of Northwest 1/4 of Section 19, a distance of 605.12 feet to the Point of Beginning.

ALSO BEING DESCRIBED AS FOLLOWS:

Composite Description:
Those portions of the Southeast 1/4 of the Southeast 1/4 of Section 13, the Northwest 1/4 of Section 19, and the Northeast 1/4 of the Northeast 1/4 of Section 24, all in Township 29 South, Range 19 East, Hillsborough County, Florida being more particularly described as follows:
BEGIN at the Southeast corner of said Section 13, said point also being the Northwest corner of said Section 19 and the Northeast corner of said Section 24; thence S.00°08'00"E., 275.63 feet along Westerly boundary line of said Section 19 and the Easterly boundary line of said Section 24; thence S.89°58'50"E., 366.88 feet; thence S.00°01'10"W., 570.00 feet to the northerly right−of−way line of STATE ROAD 60 (ADAMO DRIVE) thence S.84°32'00"W., 801.99 feet along said Northerly right−of−way line to the Easterly right−of−way line of U.S. Highway 301; thence along said Easterly right−of−way line the following five courses and four curves: N.50°35'00"W., 71.48 feet; thence N.05°26'00"W., 99.47 feet to the beginning of a curve concave Westerly, having

a radius of 6985.50 feet; thence Northerly 203.34 feet along said curve, through a central angle of 01°40'04" (chord bears N.06°16'02"W., 203.33 feet); thence radial from said curve, N.82°53'56"E., 15.00 feet to the beginning of a curve concave Westerly, having a radius of 7000.50 feet; thence Northerly 217.89 feet along said curve, through a central angle of 01°47'00" (chord bears N.07°59'34.5"W., 217.88 feet) to a non−tangent compound curve concave Westerly, having a radius of 68.00 feet; thence Northerly, 22.99 feet along said curve, through a central angle of 19°22'14" (chord bears N.08°58'41 "W., 22.88 feet) to a non−tangent curve concave Westerly and having a radius of 7000.50 feet; thence Northerly, 229.50 feet along said curve, through a central angle of 01°52'42" (chord bears N.10°00'38.5"W., 229.49 feet); thence non−tangent from said curve, N.04°57'25"W., 239.45 feet; thence N.10°57'00"W., 54.91 feet to the South right−of−way line of the Seaboard Coast Line Railroad; thence S.84°31'04"E., 608.35 feet along said South right−of−way line to the Easterly boundary line of said Section 13; thence S.00°53'00"E., 124.94 feet along said Easterly boundary line to the Point of Beginning.

EXHIBIT B

Permitted Title Exceptions

1. General or special taxes and assessments required to be paid in the year 2011 and subsequent years.
2. Terms, covenants and conditions contained in the Right Of Way Deed to the State of Florida, recorded in Deed Book 1088, Page 448. (As to Parcel II)
3. Easement granted to Tampa Electric Company recorded in Official Records Book 4512, Page 100. (As to Parcel I)
4. Terms, covenants and conditions contained in that certain Deed to J. I. Wooley recorded in Official Records Book 5002, Page 1114. (As to Parcel II)
5. Easement granted to Tampa Electric Company recorded in Official Records Book 5365, Page 1056. (As to Parcel II)
6. Easement granted to Tampa Electric Company recorded in Official Records Book 6488, Page 1749. (As to Parcel I)
7. Easement granted to Tampa Electric Company recorded in Official Records Book 11223, Page 77. (As to Parcel II)
8. Terms and conditions of that certain Lease dated the 1st day of January 2011, by and between Jeffrey I. Wooley, as Landlord, and Asbury Automotive Tampa, L.P., as Tenant, to which these Permitted Title Exceptions are attached as Exhibit B.

NOTE: All recording references are to the Public Records of Hillsborough County, Florida.

EXHIBIT C

Prepared by and, upon
recording, please return to:
John T. Diamandis, Esq.
D2 Law Group P.L.
3239 Henderson Blvd.
2nd Floor
Tampa, FL 33609

MEMORANDUM OF LEASE
(Including Notice of Lien Prohibition)

THIS MEMORANDUM OF LEASE (this "Memorandum") is dated the _____ day of _____, 20____ (the “Effective Date”), and is made and entered into by and between JEFFREY I. WOOLEY (a/k/a Jeff I. Wooley, a/k/a J.I. Wooley), an individual ("Landlord") and ASBURY AUTOMOTIVE TAMPA, L.P., a Delaware limited partnership ("Tenant").

BACKGROUND:

Landlord is owner of certain property consisting of approximately 17.99 acres located in Hillsborough County, Florida and legally described on Exhibit "A" to this Memorandum (together with certain improvements and appurtenances, the “Demised Premises”). The Demised Premises has a street address of 9201 Adamo Drive, Brandon, Florida. Landlord has leased to Tenant and Tenant has leased from Landlord the Demised Premises. Landlord and Tenant desire to confirm the Lease of record and by this Memorandum intend to provide record notice of the Lease and its terms.

In connection with the Lease, Landlord and Tenant acknowledge, agree and confirm as follows:

1.Lease of Demised Premises. Landlord has leased and demised (and does hereby confirm the lease and demise of) the Demised Premises, together with the easements and other rights appurtenant thereto to the Tenant upon and pursuant to the terms of the Lease.

2.Commencement Date. The Commencement Date of the Term of the Lease is January 1, 2011.

3.Term. The initial term of the Lease (the “Term”) expires at the end of the twentieth (20th) Lease Year following the Commencement Date (i.e., December 31, 2030).

4.Renewal Options. The Lease grants to Tenant two (2) options to renew the Lease and extend the Term, each for a period of five (5) year.

5.Purchase Option. The Lease grants to the Tenant an option to Purchase the Demised Premises.

6.Lien Prohibition. The Lease provides that the interest of the Landlord in the Demised Premises is not subject to liens for improvements made by or on behalf of the Tenant.

7.Notice of Lien Prohibition. In accordance with Florida Construction Lien Law, Florida Statutes, Section 713.10, notice is hereby given that the interest of the Landlord in the Demised

Premises is not subject to liens for improvements made by or on behalf of the Tenant.

8. Successors and Assigns. This Memorandum shall be binding upon and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum, effective as of the Effective Date.

LANDLORD:

Witnesses:

_____

Name: _____
As Landlord

_____

Name: _____
As Landlord

_____

JEFFREY I. WOOLEY, an individual

TENANT:

Witnesses:

ASBURY AUTOMOTIVE TAMPA, L.P.,
a Delaware limited partnership

By: Asbury Automotive Tampa GP L.L.C.,
a Delaware limited liability company,
as its genral partner

_____

Name: _____
As to Tenant

By: _____
Name: _____
Title: _____

_____

Name: _____
As to Tenant

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2010, by JEFFREY I. WOOLEY, an individual.

_____
{Signature of Notary Public}

Printed Name: _____
{Name to be printed or stamped}

(Notary Seal)

☐ personally known to me or ☐ produced identification. {applicable box to be checked}

Identification produced: _____.
{if identification was produced, type of identification provided to be inserted}

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2010, by _____, as _____ of Asbury Automotive Tampa GP L.L.C., a Delaware limited liability company, as general partner of ASBURY AUTOMOTIVE TAMPA, L.P., a Delaware limited partnership, for and on behalf of the limited liability company acting on behalf of the limited partnership.

_____
{Signature of Notary Public}

Printed Name: _____
{Name to be printed or stamped}

(Notary Seal)

☐ personally known to me or ☐ produced identification. {applicable box to be checked}

Identification produced: _____.
{if identification was produced, type of identification provided to be inserted}

EXHIBIT D

Prepared by and upon
recording please return to:

SUBORDINATION, NON−DISTURBANCE
AND
ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON−DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into by and among _____ ("Lender"), _____ ("Tenant"), and _____ ("Landlord") and is effective as of the date (the “Effective Date”) executed by the last of Lender, Tenant and Landlord.

RECITALS:

A. Landlord and Tenant entered into that certain Lease with an effective date of _____, 20___ (as amended, from time to time, the "Lease"), pursuant to which Landlord leased to Tenant certain premises (the "Premises") located at _____, in Hillsborough County, Florida. The Premises are legally described on Exhibit A (the “Property”).

B. Lender is making a loan (the "Loan") to Landlord, which is to be evidenced by a promissory note in the amount of $_____ and secured by, among other things, that certain [**Mortgage and Security Agreement**] (the "Security Document") encumbering the Property and to be recorded in the official records of Hillsborough County, Florida. The Security Document and other documents executed in connection with, or otherwise securing, the Loan shall be referred to in this Agreement as the "Loan Documents".

C. Lender, Tenant and Landlord desire to enter into this Agreement to provide for the subordination of the Lease to the lien of the Security Document and to provide for the protection of the Lease and Tenant's rights under the Lease in the event of any exercise by Lender of any rights or remedies under the Loan Documents, on and subject to the terms of this Agreement.

STATEMENT OF THE AGREEMENT:

In consideration of the premises, the mutual agreements set out below and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Lender, Tenant and Landlord agree as follows:

1.Subordination of the Lease. The Lease is subject and subordinate to the lien of the Security Document, as to the Property encumbered by the lien of the Security Document. The Security Document includes any renewals, modifications, extensions and amendments thereof and thereto. The advancement of additional monies by Lender, the repayment of which is secured by the Security Document, shall not affect the subordination provided for in this Agreement.

2.Non−Disturbance. So long as there is no then existing Lease Default (as defined below), Lender shall not, in the exercise of any right, remedy, or privilege granted by the Security Document, or the other Loan Documents, or otherwise available to Lender at law or in equity, disturb or otherwise interfere with Tenant's quiet enjoyment or possession of the Premises or any of Tenant's other rights under the Lease (including, but not limited to, Tenant's purchase option). As used in this Agreement a “Lease Default” means a default by Tenant under the Lease which was not cured during the applicable grace and cure periods provided for in the Lease, such that Landlord would have the right to terminate the Lease as a result of such default. Without limitation of the foregoing, and so long as no Lease Default then exists, Lender agrees that (i) Tenant will not be named as a party to or otherwise joined in any foreclosure or other enforcement proceeding instituted by Lender under the Loan Documents, unless such joinder is required by law as a condition to realize upon Lender's security interest in the property encumbered by the Security Document, and then only to the limited extent so required, but in no event shall any action be taken in such proceeding that seeks affirmative relief against Tenant or would violate or is inconsistent with the terms of this Agreement or Tenant's rights under the Lease; (ii) any sale or other transfer of the Premises, pursuant to foreclosure or any voluntary conveyance or other proceeding in lieu of foreclosure, will be subject to the Lease and all of Tenant's rights thereunder; and (iii) upon any sale or other transfer of the Premises the Lease will continue in full force and effect as a direct lease between Tenant and the Successor Landlord pursuant to Section 3 below.

3.Attornment. Tenant shall attorn to any person or entity that acquires the Premises pursuant to the foreclosure of the Security Document, or by any proceeding or voluntary conveyance in lieu of foreclosure (a "Successor Landlord"). Upon any attornment under this Section 3, the Lease shall continue in full force and effect as a direct lease between Tenant and the Successor Landlord, except that the Successor Landlord shall not be:

(a)liable for any breach of the Lease by any prior landlord; provided that this is not intended to release any Successor Landlord from the obligation to cure any default or other condition that exists as of the date the Successor Landlord becomes the Landlord under the Lease, if the condition violates the obligations of the landlord under the Lease, subject, however, to the Successor Landlord being provided the notice and opportunity to cure provided for in the Lease; or

(b)bound by any rent or additional rent applicable to the period following the date that Successor Landlord becomes the landlord under the Lease, which Tenant might have paid to any prior landlord more than thirty (30) days in advance of its due date under the Lease, unless such payment was received by or consented to by Lender or Successor Landlord; or

(c)bound by any amendment to the Lease made without Lender's or the Successor Landlord's

consent; provided that for purposes of this item, an amendment does not include (i) any assignment or subletting permitted under the Lease, or (ii) the exercise of any option to renew or extend the term of the Lease, or (iii) Landlord's and Tenant's agreement to extend any of the time periods provided for in the Lease (for example, Tenant's contingency periods or the time to complete any work to be performed by Tenant or Landlord), other than time periods related to the payment of rent or additional rent by Tenant; or

(d) bound by any notice given by Tenant to any prior Landlord, whether or not such notice is given pursuant to the terms of the Lease, unless notice is also given to Lender or the Successor Landlord; or

(e) subject to any accrued off−set right, unless expressly provided for by the Lease or by court order; or

(f) personally liable for any monetary judgment beyond its interest in the Property (including proceeds); provided that this shall not be constructed to otherwise limit the remedies available to Tenant under the Lease or applicable law, or to limit Tenant's right to equitable relief; or

(g) liable for the violation of any covenant of Landlord that relates to property outside of the Property which is not owned or controlled (directly or indirectly) by Successor Landlord; or

(h) liable for any security deposit held by any prior Landlord, unless actually received (or a credit therefor received) by Lender or the Successor Landlord.

4. Payment of Rent. Landlord and Tenant acknowledge that the Loan Documents provide for the direct payment to Lender of all rental and other monies due and to become due to Landlord under the Lease ("Rent") upon the occurrence of certain conditions as set forth in the Loan Documents. Upon receipt from Lender of written notice (a "Rent Demand Notice") to pay all Rent to or at the direction of Lender, Landlord authorizes and directs Tenant to pay all Rent as provided for in the Rent Demand Notice. Upon receipt of the Rent Demand Notice and until otherwise directed by Lender or court order, Tenant agrees to pay the Rent due and payable by Tenant under the Lease to or at the direction of Lender, as provided for in the Rent Demand Notice. Landlord (i) consents to such payment in accordance with the Rent Demand Notice, notwithstanding any dispute between Landlord and Lender or contrary instructions from Landlord; (ii) releases and agrees to hold Tenant harmless from and against any claims or liability as a result of making payments to or as directed by Lender; and (iii) agrees that Tenant shall be fully credited with such payments under the Lease. Notwithstanding the foregoing, in the event conflicting demands are made upon Tenant or Tenant is unsure as to its obligations under this Agreement, the Lease or applicable law as to the payment of Rent, Tenant shall not be required to comply with the Rent Demand Notice but may petition the court for a determination of who is the proper party to receive the Rent or for leave to pay the Rent into the registry of the court and Landlord and Lender consent to the payment of the Rent as ordered or approved by the court.

5. Lender's Notice of Default. Tenant shall send to Lender a copy of any default notice given to Landlord under the Lease (a "Duplicate Default Notice"). Tenant agrees to accept a cure of the default by Lender with the same effect as if by Landlord. In addition, Tenant agrees not to terminate this Lease as a result of any default by Landlord under the Lease, until Tenant has provided a Duplicate Default Notice to Lender and the default has still not been cured by the date thirty (30) days following the date the Duplicate Default Notice is given to Lender (the "Lender Cure Period"); provided that if the default is of a non−monetary nature (i.e. it cannot be cured by the payment of money) and Lender

promptly commences and is diligently and continually pursuing the cure, the Lender Cure Period shall be extended for such additional time as is reasonably required to cure such default using diligence and all commercially reasonable efforts, but not beyond an additional sixty (60) days. Nothing in this Section 5 is intended to suspend or otherwise limit Tenant's ability to exercise any other rights and remedies (other than the termination of the Lease) Tenant may have against Landlord as a result of such default.

6.Limitation on Subordination. Nothing in this Agreement or in the Security Document or in any other Loan Documents shall be construed to (i) grant to Lender any lien on any of Tenant's property (including proceeds therefrom) on, in or adjacent to the Premises, except to the extent of Lender's lien on Landlord's reversionary interest (if any) in such property, subject, however to the terms of the Lease; or (ii) alter or affect any obligation of Landlord to Tenant or any rights or remedies of Tenant against Landlord under the Lease, except as expressly provided for in Section 5, as it relates to a termination of the Lease and Section 3, as it relates to a Successor Landlord becoming the landlord under the Lease.

7.Approval of Lease by Lender. To the extent that Lender's consent to or approval of the Lease is required under the Loan Documents, Lender confirms that it has granted all required consents and approvals.

8.Conflict with Lease. As between Lender and Tenant, in the event of any express conflict between the terms of the Lease and the terms of this Agreement, the terms of this Agreement will govern to the extent required to resolve the conflict.

9.Notices. All requests, notices and demands that are given or made in connection with this Agreement shall be in writing and shall be given (i) by certified mail, return receipt requested, or (ii) by nationally recognized overnight courier service, with the ability to confirm delivery, or (iii) by hand delivery, evidence by a signed receipt for delivery and shall be addressed as follows:

If to Lender: _____

If to Landlord: _____

If to Tenant: _____

If Lender fails to respond to any request for its consent or approval under this Agreement within ten (10) days, such consent or approval shall be deemed given, but only if the request for the consent or approval contains, in conspicuous type, language substantially as follows: “Your failure to respond to this request within ten (10) days constitutes your approval of this request as provided for in that certain Subordination, Non−Disturbance and Attornment Agreement with an Effective Date of {to be inserted}.”.

The addresses set out above may be changed by notice sent pursuant to this Section.

10.Successors and Assigns. This Agreement shall bind and inure to the benefit of Landlord, Tenant and Lender, and their respective successors and assigns.

11.Attorneys Fees. In any proceeding arising under this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys fees and costs incurred.

12. Counterparts. This Agreement may be executed in multiple counterparts, all of which together shall constitute one document and this Agreement. The parties authorize signature pages from separate identical counterparts to be detached and attached to one counterpart to form one document.

13. Entire Agreement; Amendment; Waiver. This Agreement includes and incorporates the entire agreement between Lender, Tenant and Landlord relative to the relationship between the Lease and the Loan Documents. This Agreement may only be amended by a written document signed by Lender, Tenant and Landlord. Provisions of this Agreement may only be waived in a writing signed by the waiving party.

14. Severability. A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and a determination that the application of any provision of this Agreement in any particular circumstances is unenforceable or invalid shall not affect the enforceability or validity of such provision as it may apply to other circumstances.

15. Governing Law. This Agreement shall be governed by and enforced and construed in accordance with the laws of the State of Florida, without regard to conflict of laws principles.

16. Waiver of Jury Trial. Landlord, Tenant and Lender waive trial by jury in any proceeding arising out of or in connection with this Agreement.

{The remainder of this Page has been intentionally left blank.}

In Witness Whereof, Lender, Tenant and Landlord have executed this Subordination, Non−Disturbance and Attornment Agreement.

Witnesses:

"LENDER"

_____

_____
Name: _____

By: _____
Name: _____
Title: _____

_____
Name: _____

"TENANT"

_____

_____
Name: _____

By: _____
Name: _____
Title: _____

_____
Name: _____

Date executed: _____

By: _____
Name: _____
Title: _____

"LANDLORD"

_____

_____
Name: _____

By: _____
Name: _____
Title: _____

_____
Name: _____

Date executed: _____

[Acknowledgement of Lender]

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, as _____ of _____, a _____ on behalf of said _____. He/She is personally known to me or produced _____ as identification.

_____
NOTARY PUBLIC
Printed Name: _____
Commission No.: _____
My Commision Expires:

(Notary Seal)

[Acknowledgement of Tenant]

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, as _____ of _____, a _____ on behalf of said _____. He/She is personally known to me or produced _____ as identification.

_____
NOTARY PUBLIC
Printed Name: _____
Commission No.: _____
My Commision Expires:
(Notary Seal)

[Acknowledgement of Landlord]

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, as _____ of _____, a _____, on behalf of said _____. He/She is personally known to me or produced _____ as identification.

NOTARY PUBLIC
Printed Name: _____
Commission No.: _____
My Commision Expires:
(Notary Seal)

EXHIBIT E

Prepared by and upon
recording please return to:

John T. Diamandis
D2 Law Group P.L.
3239 Henderson Boulevard
Second Floor
Tampa, FL 33609

TERMINATION OF LEASE
AND
RELEASE OF MEMORANDUM OF LEASE

This Termination of Lease and Release of Memorandum of Lease (this “Termination”) is made and entered into by JEFFREY I. WOOLEY, an individual ("Landlord") and ASBURY AUTOMOTIVE TAMPA, L.P., a Delaware limited partnership ("Tenant") and is effective as of the 31st day of December 2010 (the “Effective Date”).

Background: Landlord and Tenant entered into a First Amended and Restated Lease Agreement (the “Existing Lease”) dated as of the 17th day of September 1998, a Short−Form Lease relating to which was recorded on September 18, 1998, in Official Records Book 09244, at Page 0789 of the Public Records of Hillsborough County, Florida (the “Memorandum of Lease”). The Existing Lease demised to Tenant certain leased premises (described in the Lease as the Demised Premises and in the Memorandum of Lease as the Property, and referred to in this Termination as the “Premises”). Landlord and Tenant have entered into a new Lease for the Premises (the “New Lease”), (a memorandum of which is to be recorded concurrently with this Termination) and desire to confirm the termination of the Existing Lease and the release the Premises from the Memorandum of Lease. The Landlord and Tenant intend that the Existing Lease expire at the end of the day on December 31, 2010 and the New Lease commence at the beginning of the day on January 1, 2011, such that there is no time gap between the Existing Lease and the New Lease.

Termination and Release: Landlord and Tenant hereby confirm, acknowledge and agree: (i) the Existing Lease is hereby terminated, and no party has any further rights, obligations, or liabilities under the Exiting Lease (except as preserved by the New Lease); and (ii) the Memorandum of Lease is terminated and the Premises are released from the Memorandum of Lease. Nothing in this Termination is, however, intended to release Tenant from the obligation to pay the rental due under the Existing Lease though the Effective Date of this Termination.

[Signatures are on the following Page]

[Signature Page to Termination of Lease and Release of Memorandum of Lease]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Termination, effective as of the Effective Date.

LANDLORD:

Witnesses:

_____

Name: _____
As Landlord

_____

JEFFREY I. WOOLEY, an individual

_____

Name: _____
As Landlord

TENANT:

Witnesses:

ASBURY AUTOMOTIVE TAMPA, L.P.,
a Delaware limited partnership

By: Asbury Automotive Tampa GP L.L.C.,
a Delaware limited liability company,
as its genral partner

_____

Name: _____
As to Tenant

By: _____
Name: _____
Title: _____

_____

Name: _____
As to Tenant

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2010, by JEFFREY I. WOOLEY, an individual.

_____
{Signature of Notary Public}

Printed Name: _____
{Name to be printed or stamped}

(Notary Seal)

☐ personally known to me or ☐ produced identification. {applicable box to be checked}

Identification produced: _____.
{if identification was produced, type of identification provided to be inserted}

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2010, by _____, as _____ of Asbury Automotive Tampa GP L.L.C., a Delaware limited liability company, as general partner of ASBURY AUTOMOTIVE TAMPA, L.P., a Delaware limited partnership, for and on behalf of the limited liability company acting on behalf of the limited partnership.

_____
{Signature of Notary Public}

Printed Name: _____
{Name to be printed or stamped}

(Notary Seal)

☐ personally known to me or ☐ produced identification. {applicable box to be checked}

Identification produced: _____.
{if identification was produced, type of identification provided to be inserted}

EXHIBIT F

GUARANTY OF LEASE

This Guaranty of Lease (this "Guaranty") is made and entered into effective as of January 1, 2011, by ASBURY AUTOMOTIVE GROUP, INC., a Delaware corporation ("Guarantor") to and for the benefit of JEFFREY I. WOOLEY, an individual ("Landlord").

1.Background. Landlord and Asbury Automotive Tampa, L.P., a Delaware limited partnership ("Tenant") are entering into a Lease of even date with this Guaranty, pursuant to which Landlord is leasing to Tenant certain leased premises (the "Premises") with a street address of 9210 Adamo Drive, Brandon, Florida 33619 (the "Lease"). Landlord is requiring this Guaranty as a condition of the Lease and Guarantor is willing to provide this Guaranty in order to induce Landlord to enter into the Lease.

2.Definitions. Terms used in this Guaranty without definition, which are defined in the Lease, have the same meaning in this Guaranty as in the Lease.

3.Guaranty of Payment / Guaranty Unconditional. On and subject to the terms of this Guaranty, Guarantor guarantees to Landlord the full and prompt payment of the Base Rent, Real Estate Taxes and any Additional Rent, which become due and payable by Tenant under the Lease (collectively, the "Guaranteed Rent"). This Guaranty has been unconditionally delivered to Landlord, and there is no condition precedent to the effectiveness of this Guaranty.

4.Nature of Guaranty. This Guaranty is intended as a guaranty of payment and not merely of collection. Guarantor acknowledges that Landlord shall not be required to exhaust its remedies against Tenant before pursuing its rights under this Guaranty.

5.Consideration Acknowledged. Guarantor acknowledges that this Guaranty is supported by good, valuable and sufficient consideration.

6.Bankruptcy of Tenant. The liability of Guarantor under this Guaranty shall not be released or impaired by any bankruptcy, receivership, liquidation or similar proceeding affecting Tenant or its assets (a "Tenant Bankruptcy"), including, but not limited to, by the rejection of the Lease during a Tenant Bankruptcy. If any Guaranteed Rent is paid by Tenant, but such payment is rescinded or must otherwise be returned by Landlord in connection with a Tenant Bankruptcy ("Returned Rent"), this Guaranty shall continue to apply to the Returned Rent, even if all other Guaranteed Rent had been paid.

7.Notices Waived. Landlord has no obligation to provide Guarantor with a copy of any default or other notices under the Lease, unless expressly required by the notice provisions of the Lease. Guarantor waives notice of the acceptance of this Guaranty by Landlord. Guarantor assumes the obligation to monitor Tenant's performance of its obligations under the Lease.

8.Events Not Impairing Guaranty. Except as otherwise specifically provided herein, the liability of Guarantor under this Guaranty shall not be released or impaired by any of the following: (i) the addition of a new guarantor or guarantors; (ii) any delay by Landlord in bringing any action against Tenant; (iii) the application (except to the extent of such application) by Landlord of any security held or received by Landlord in connection with the Lease; (iv) the release by Landlord of any other guarantor; (v) the extension, amendment or modification of the Lease, but no such extension, amendment or modification shall increase the liability of Guarantor under this Guaranty; (vi) the granting by Landlord of any waiver, consent, extension of time or other accommodation to Tenant under the Lease; (vii) the lack of promptness in the enforcement of this Guaranty; or (viii) any sale of the Premises or assignment of the Lease or this Guaranty

by Landlord.

9.Attorneys Fees. In any action under this Guaranty, the prevailing party shall be entitled to recover (from the non−prevailing party) reasonable attorneys' fees and costs incurred.

10.Successors and Assigns. The obligations of Guarantor under this Guaranty shall automatically inure to the benefit of any successors or assigns of Landlord, including, but not limited to, any purchaser (whether by sale, foreclosure or conveyance in lieu of foreclosure) of the Premises.

11.Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of Florida.

12.Entire Agreement / Amendments. This Guaranty represents the entire agreement between Guarantor and Landlord with respect to Guarantor's guarantee of the obligations of Tenant under the Lease. This Guaranty may not be changed, modified, discharged or terminated, except in a written agreement signed the party to be bound thereby.

13.Waiver of Jury Trial. Guarantor and Landlord (by acceptance of this Guaranty) waive trial by jury in any proceedings arising out of or in connection with this Guaranty.

ASBURY AUTOMOTIVE GROUP, INC.,
a Delaware corporation

By: _____

Name: _____
As its: _____

Exhibit 10.36

AMENDMENT NO. 2 TO CREDIT AGREEMENT

This AMENDMENT NO. 2 TO CREDIT AGREEMENT (this "Agreement") dated as of November 10, 2010 is made by and among ASBURY AUTOMOTIVE GROUP, INC., a Delaware corporation (the "Borrower"), BANK OF AMERICA, N.A., in its capacity as administrative agent for the Lenders (as defined in the Credit Agreement referred to below) (in such capacity, the "Administrative Agent"), and as Swing Line Lender and L/C Issuer, each of the Lenders under such Credit Agreement signatory hereto, and each of the Subsidiary Guarantors (as defined in the Credit Agreement) signatory hereto.

W I T N E S S E T H:

WHEREAS, the Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, and the Lenders have entered into that certain Credit Agreement dated as of September 26, 2008, as amended by that certain Amendment No. 1 to Credit Agreement dated as of July 22, 2009 (as hereby amended and as from time to time further amended, modified, supplemented, restated, or amended and restated, the "Credit Agreement"; capitalized terms used in this Agreement not otherwise defined herein shall have the respective meanings given thereto in the Credit Agreement), pursuant to which the Lenders have made available to the Borrower a revolving credit facility, including a letter of credit facility and a swing line facility; and

WHEREAS, each of the Subsidiary Guarantors has entered into a Subsidiary Guaranty pursuant to which it has guaranteed the payment and performance of certain or all of the obligations of the Borrower under the Credit Agreement and the other Loan Documents, and the Borrower and the Subsidiary Guarantors have entered into various Security Instruments to secure their respective obligations and liabilities in respect the Loan Documents; and

WHEREAS, the Borrower has advised the Administrative Agent and the Lenders that the Borrower desires to amend certain provisions of the Credit Agreement, as set forth below, and the Administrative Agent and the Lenders signatory hereto are willing to agree to such amendments on the terms and conditions contained in this Agreement;

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to Credit Agreement. Subject to the terms and conditions set forth herein, the Credit Agreement is hereby amended as follows:

(a) The following definitions are hereby added to Section 1.01 of the Credit Agreement, each in the appropriate alphabetical order therein:

> "Adjusted Consolidated Net Income" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the Consolidated Net Income for that period but excluding the effect of (and net of any tax impact of) the following: (i) extraordinary gains or losses, (ii) non−cash impairment charges or asset write−offs or write−downs, (iii) write−downs recorded subsequent to October 1, 2010 related to deferred tax assets that were established prior to October 1, 2010, (iv) non−cash interest expense for such period resulting from the effect of Accounting Principles Bulletin 14−1/Accounting Standards

That May Be Settled in Cash Upon Conversion) on convertible Indebtedness, and (v) gains or losses directly associated with the repurchase or early extinguishment of long−term Indebtedness, in each case of clauses (i) through (v) as recorded in accordance with GAAP.

"Amendment No. 2" means that certain Amendment No. 2 to Credit Agreement dated as of the Amendment No. 2 Effectiveness Date among the Borrower, the Subsidiary Guarantors party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer and the Lenders party thereto.

"Amendment No. 2 Effectiveness Date" means November 10, 2010.

"Excess 2014 Refinancing Amount" means the lesser of (x) $20,000,000 and (y) the amount by which any unsecured, unamortizing Subordinated Indebtedness used to Refinance the Indebtedness under the 2014 Indenture exceeds the outstanding principal amount of such Indebtedness under the 2014 Indenture as of the date of issuance of such unsecured, unamortizing Subordinated Indebtedness.

"4Q 2010 Acquisition" has the meaning specified in the definition of "4Q 2010 Seller Real Estate Note".

"4Q 2010 Seller Real Estate Debt" means the Indebtedness evidenced by the 4Q 2010 Seller Real Estate Note.

"4Q 2010 Seller Real Estate Note" means a purchase money promissory note in an original aggregate principal amount not to exceed $20,000,000 evidencing Indebtedness incurred in connection with the purchase by Asbury Automotive Atlanta L.L.C. of certain dealership real property to be operated by Asbury Automotive Atlanta L.L.C. or another Subsidiary (the "4Q 2010 Acquisition"). The parties hereto acknowledge that "Permitted Real Estate Debt", "Indebtedness", "Consolidated Funded Indebtedness" and "borrowed money" shall be deemed to include the 4Q 2010 Seller Real Estate Debt for all purposes hereunder, including without limitation for purposes of financial covenant calculations.

"2012 Indenture" has the meaning specified in the definition of "Indentures".

"2014 Indenture" has the meaning specified in the definition of "Indentures".

(a)The definition of "Change of Control" in Section 1.01 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

"Change of Control" means (a) the direct or indirect sale, transfer, conveyance or other disposition, in one or a series of related transactions, of the voting stock in the Borrower, the result of which is that a Person other than a Permitted Holder becomes the beneficial owner, directly or indirectly of more than 35% of the voting stock of the Borrower, measured by voting power rather than number of shares, (b) a Change of Control as defined in any of the Indentures or (c) a change of control under any indenture or any similar instrument evidencing any refinancing, refunding, renewal or extension of any Subordinated Indebtedness. As used herein, "Permitted Holder" means those direct and indirect beneficial owners of the voting stock of the Borrower as of the Closing Date. As used herein, voting stock of any Person as of any date means the capital stock of such Person that at such date is entitled to vote in the election of the Board of Directors of such Person

(b)The definition of "Permitted Acquisition" in Section 1.01 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

> "Permitted Acquisition" means any acquisition of a Subsidiary or assets of an Auto Dealer that is permitted by Section 6.13.

(c)The definition of "Indentures" in Section 1.01 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

> "Indentures" means, collectively, (a) that certain Indenture, dated as of December 23, 2003 (as amended, supplemented and otherwise modified by that certain First Supplemental Indenture, dated as of January 21, 2004, that certain Second Supplemental Indenture, dated December 7, 2004, that certain Third Supplemental Indenture, dated as of September 30, 2005, that certain Fourth Supplemental Indenture, dated as of March 15, 2007, that certain Fifth Supplemental Indenture, dated as of June 29, 2007, and that certain Sixth Supplemental Indenture, dated as of June 30, 2010, and as further amended, supplemented or modified from time to time to the extent permitted hereunder), governing those certain 8% Senior Subordinated Notes due 2014 in the original principal amount of $200,000,000, issued by the Borrower (the "2014 Indenture"), (b) that certain Indenture, dated as of March 16, 2007 (as amended, supplemented and otherwise modified by that certain First Supplemental Indenture, dated as of June 29, 2007, and that certain Second Supplemental Indenture dated as of August 17, 2010, and as further amended, supplemented or otherwise modified from time to time to the extent permitted hereunder) governing those certain 3% Senior Subordinated Convertible Notes due 2012 in the original principal amount of $115,000,000, issued by the Borrower (the "2012 Indenture"), and (c) that certain Indenture, dated as of March 26, 2007 (as amended, supplemented and otherwise modified by that certain First Supplemental Indenture, dated as of June 29, 2007 and that certain Second Supplemental Indenture, dated as of June 30, 2010, and as further amended, supplemented or otherwise modified from time to time to the extent permitted hereunder), governing those certain 7.625% Senior Subordinated Notes due 2017 in the original principal amount of $150,000,000, issued by the Borrower".

(d)The definition of "Permitted Real Estate Debt" in Section 1.01 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

> "Permitted Real Estate Debt" means that certain Indebtedness described on Schedule 7.01(f), and any other Indebtedness (other than Swap Contracts) of a Loan Party (i) secured solely by real property, fixtures, related real property rights, related contracts and proceeds of the foregoing, owned by such Loan Party, and (ii) for which no Person other than the obligor of such Indebtedness, the Borrower or any Subsidiary which is a Loan Party has any liability with respect to such Indebtedness, in each case of clauses (i) and (ii), so long as (x) the aggregate amount of all Permitted Real Estate Debt outstanding at any time shall not exceed eighty−five percent (85%) of the value of the real property securing such Indebtedness, as evidenced by the respective appraisals of the real property ordered in connection with obtaining such Indebtedness, (y) the amount of any Permitted Real Estate Debt relating to a particular parcel of real property shall not exceed one hundred percent (100%) of the value of such parcel securing such Indebtedness, as evidenced by the respective appraisal of such parcel ordered in connection with obtaining such Indebtedness, and (z) upon the request of the Administrative Agent, the Borrower shall promptly deliver to the Administrative Agent a copy of any appraisal described in clause (x) or (y) above; provided that, the 4Q 2010 Seller Real Estate Debt and

the real property securing such Indebtedness shall not be included in the calculation in determining whether the aggregate eighty−five percent (85%) loan to value requirement set forth in clause (x) above has been satisfied.

(e) The definition of "Refinancing Indebtedness" in Section 1.01 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

> "Refinancing Indebtedness" means, with respect to any permitted Indebtedness of any Loan Party (the "Existing Indebtedness"), Indebtedness (whether incurred prior to, during or after the Modified Covenant Period) which refinances, refunds or renews, or extends the maturity of, such Existing Indebtedness (any such refinancing, refunding, renewal or extension, a "Refinancing") including Refinancing using a different type of Indebtedness, so long as (A)(i) the principal amount of such Existing Indebtedness is not increased by such Refinancing except by an amount not in excess of any accrued but then unpaid interest, contractually agreed upon premium (or other similar reasonable amount paid under the circumstances), and discounts, commissions, fees and expenses reasonably incurred, in connection with such Refinancing plus an amount not in excess of any existing commitments unutilized under the Existing Indebtedness, (ii) the Administrative Agent has received a certificate from the Borrower addressed to the Administrative Agent and the Lenders certifying that the terms relating to amortization, maturity, collateral (if any) and subordination (if any), and other material terms of any such Refinancing and of any agreement entered into and of any instrument issued in connection therewith taken as a whole, are not materially less favorable to the Loan Parties than the terms of any agreement or instrument governing the Existing Indebtedness, and that the interest rate and fees applicable to any such Refinancing do not exceed the then applicable market interest rate, or market fee rate, respectively, for the applicable type of Indebtedness, (iii) if such Existing Indebtedness is Subordinated Indebtedness, then such Refinancing Indebtedness must also be Subordinated Indebtedness, (iv) such Refinancing does not in any material respect expand the property subject to any Lien (unless otherwise permitted under this Agreement), (v) such refinancing does not have a stated maturity prior to the Maturity Date and (vi) without limitation of any other provision herein (including Section 7.16), such refinancing does not contain any provision (1) requiring the Borrower or any Subsidiary to repurchase, redeem, prepay or defease such Indebtedness prior to the Maturity Date (other than reasonable and customary prepayment, redemption, repurchase or defeasance obligations in connection with (x) sales of assets (so long as the terms relating thereto are not materially less favorable to the Loan Parties than the comparable terms governing the Existing Indebtedness), (y) a change in control and (z) the exercise of remedies in connection with the occurrence of an event of default), (2) granting the holders thereof the right to require the Borrower or any Subsidiary to repurchase, redeem, prepay or defease such Indebtedness prior to the Maturity Date (other than reasonable and customary prepayment, redemption, repurchase or defeasance obligations in connection with (x) sales of assets (so long as the terms relating thereto are not materially less favorable to the Loan Parties than the comparable terms governing the Existing Indebtedness), (y) a change in control and (z) the exercise of remedies in connection with the occurrence of an event of default) or (3) requiring the conversion of such Indebtedness into Equity Interests of the Borrower or any Subsidiary prior to the Maturity Date, or (B) Indebtedness which Refinances such Existing Indebtedness has been consented to by the Required Lenders in accordance with Section 10.1 hereof."

(f) The definition of "Subordinated Indebtedness" in Section 1.01 of the Credit Agreement is

amended, so that, as amended, such definition shall read as follows:

> "Subordinated Indebtedness" means all Subordinated Indenture Indebtedness and all other Indebtedness of the Borrower or its Subsidiaries which (a) is subordinated to the Obligations contained herein in a manner reasonably acceptable to the Administrative Agent or has subordination terms substantially similar to those in the Indentures, (b) without limitation of any other provision herein (including Section 7.16), does not require any payment of principal (or give the holder thereof any rights to require repurchase of such Indebtedness through put rights or otherwise) prior to the date that is 30 days after the Maturity Date (other than reasonable and customary prepayment, redemption, repurchase or defeasance obligations in connection with (i) sales of assets (so long as the terms relating thereto are not materially less favorable to the Loan Parties than the comparable terms governing the Subordinated Indenture Indebtedness), (ii) a change in control and (iii) the exercise of remedies in connection with the occurrence of an event of default), (c) the Administrative Agent has received a certificate from the Borrower addressed to the Administrative Agent and the Lenders certifying that such other Indebtedness has interest rates and fees that are not in excess of the rates and fees standard in the market at the time such Indebtedness is incurred, (d) has standstill and blockage provisions with regard to payments and enforcement actions that are no more adverse to the Lenders than those in the Indentures (as such standstill and blockage provisions relate to the Existing Credit Agreement lenders and lenders that provide Motor Vehicle floorplan financing to the Borrower or any of its Subsidiaries), and (e) otherwise contains terms and conditions reasonably acceptable to the Administrative Agent or substantially similar to those in the Indentures.

(g) Sections 6.05(h) of the Credit Agreement is amended by deleting the word "and" at the end of such section, Section 6.05(i) of the Credit Agreement is re−numbered as Section 6.05(j) and a new Section 6.05(i) is added, so that, as amended, such Section 6.05(i) shall read as follows:

> (i) 4Q 2010 Seller Real Estate Note Information. Without limitation of any other delivery requirement herein, on or prior to the consummation of the 4Q 2010 Acquisition, (i) a compliance certificate in the form of Exhibit D executed by the chief financial officer, treasurer or controller of the Borrower demonstrating that the Borrower will be in compliance with all covenants contained in this Agreement (including Section 7.11) on a pro forma basis (after giving effect to the 4Q 2010 Acquisition and the 4Q 2010 Seller Real Estate Debt) for the four fiscal quarter period immediately preceding the date of consummation of the 4Q 2010 Acquisition and (ii) an acknowledgement that no Default or Event of Default then exists or will exist after giving effect to the 4Q 2010 Acquisition or the 4Q 2010 Seller Real Estate Debt; and

(h) The following Section 6.16 is hereby added to Article VI of the Credit Agreement in the appropriate order therein:

> 6.16 Amendment No. 2 Lender Fee. Pay a fee (which such fee shall be fully earned as of the Amendment No. 2 Effectiveness Date) to the Administrative Agent, for distribution to each Lender (each a "Consenting Lender") executing Amendment No. 2 and delivering such executed signature page to the Administrative Agent no later than 8:00 p.m. (New York time) on November 10, 2010, with each such Consenting Lender's portion of such fee (i) equal to 0.125% times such Consenting Lender's Commitment as of the Amendment No. 2 Effectiveness Date and (ii) due and payable on the earlier of (x) January 6, 2011 and (y) such

earlier date any such Consenting Lender requests in a written notice to the Administrative Agent and the Borrower. Such fee may be automatically debited from a deposit account maintained by the Borrower with Bank of America

(i) Sections 7.01(f) of the Credit Agreement is hereby amended so that, as amended, such section shall read as follows:

(f) Permitted Real Estate Debt and Guarantees by the Borrower or any Subsidiary that is a Loan Party; provided that, the principal amount of such Indebtedness incurred during the Modified Covenant Period shall not exceed $30,000,000 (excluding the 4Q 2010 Seller Real Estate Debt which shall not count towards the $30,000,000 limitation);

(j) Sections 7.01(l) of the Credit Agreement is hereby amended so that, as amended, such section shall read as follows:

(l) (i) at any time during a Non−Modified Covenant Period, Indebtedness that renews, refinances, refunds or extends any existing Indebtedness of any Loan Party, so long as (A) such renewal, refinancing, refunding or extension does not in any material respect increase the principal amount thereof or expand the property subject to any Lien (unless otherwise permitted under this Agreement), (B) if the Indebtedness being refinanced is Subordinated Indebtedness, then such refinancing Indebtedness must also be Subordinated Indebtedness, (C) such refinancing does not have a maturity prior to the Maturity Date and (D) without limitation of any other provision herein (including Section 7.16), such refinancing does not contain any provision (1) requiring the Borrower or any Subsidiary to repurchase, redeem, prepay or defease such Indebtedness prior to the Maturity Date, (2) granting the holders thereof the right to require the Borrower or any Subsidiary to repurchase, redeem, prepay or defease such Indebtedness prior to the Maturity Date (other than, in the case of clauses (D)(1) and (2), reasonable and customary prepayment, redemption, repurchase or defeasance obligations in connection with (x) sales of assets (so long as the terms relating thereto are not materially less favorable to the Loan Parties than the comparable terms governing the Indebtedness being refinanced, refunded or extended), (y) a change in control and (z) the exercise of remedies in connection with the occurrence of an event of default) or (3) requiring the conversion of such Indebtedness into Equity Interests of the Borrower or any Subsidiary prior to the Maturity Date, and (ii) at any time during the Modified Covenant Period, Refinancing Indebtedness;

(k) Section 7.10(a)(i) of the Credit Agreement is hereby amended so that, as amended, such section shall read as follows:

(i) the Borrower may declare and pay cash dividends on its capital stock and may purchase shares of its capital stock; provided that, at the time of any such cash dividend payment or share purchase (and after giving effect to such cash dividend payment or share purchase), the aggregate amount payable or paid in respect of all cash dividends by the Borrower or shares purchased by the Borrower (other than shares purchased pursuant to clause (iii) below) on and after the Second Amendment Effective Date shall not exceed the sum of (x) $50,000,000 plus (or minus if negative) (y) one−half (1/2) of the aggregate Adjusted Consolidated Net Income of the Borrower for the period beginning on October 1, 2010 and ending on such date of determination;

(l) Sections 7.16 of the Credit Agreement is hereby amended so that, as amended, such section shall read as follows:

7.16 Prepayments, etc. of Certain Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, the Subordinated Indenture Indebtedness (or any Refinancing Indebtedness thereof) or any Indebtedness permitted by Section 7.01(d); except that:

(a) the Borrower or any Subsidiary may (i) refinance any amount of Subordinated Indebtedness at any time (including prior to its scheduled maturity) using only the proceeds of new Subordinated Indebtedness and (ii) prepay, redeem, purchase, defease or otherwise satisfy Indebtedness under the 2012 Indenture in an aggregate amount not to exceed the Excess 2014 Refinancing Amount; and

(b) in addition to any refinancings permitted by clause (a), so long as no Default exists or will result from such prepayment, redemption, purchase, defeasance or other satisfaction, the Borrower or any of its Subsidiaries may prepay, redeem, purchase, defease or otherwise satisfy Subordinated Indenture Indebtedness (including, with respect to the 2012 Indenture, repayments in addition to the Excess 2014 Refinancing Amount referenced in clause (a) above so long as the Annual Allowance Amount hereunder and the remaining provisions of this Section 7.16(b) are met), Refinancing Indebtedness with respect to the Subordinated Indenture Indebtedness and other Indebtedness permitted by Section 7.01(d) in an aggregate amount not in excess of the following (each such allowance amount for any given year being referred to as an "Annual Allowance Amount"): for each calendar year, $30,000,000 plus 50% of the cumulative Net Cash Proceeds received from all permitted Dispositions of property (excluding any gain that results in income) during such year; provided that, the unused portion of the Annual Allowance Amount in any year may not be carried over into subsequent calendar years; and provided, further, that upon request, the Borrower shall provide to the Administrative Agent or any Lender a year−to−date calculation of (y) any prepayments, redemptions, purchases, defeasances, satisfactions or payments made under this Section 7.16(b) in such year and (z) the Annual Allowance Amount for such year, including any supporting documentation validating any Dispositions of property and determination of Net Cash Proceeds.

(m) Section 7.17 of the Credit Agreement is hereby amended by replacing each usage of "Excluded Collateral" therein with "Excluded Property".

(n) Schedule 1 of Exhibit D (Compliance Certificate) is hereby amended to add Paragraph VI (Restricted Payments) thereto, so that, as amended, such Schedule shall read as set forth on Schedule 1 attached hereto.

1. Conditions Precedent. The effectiveness of this Agreement and the effectiveness of the amendments and waivers to the Credit Agreement provided herein are subject to the satisfaction of the following conditions precedent:

(a) the Administrative Agent shall have received counterparts of this Agreement, duly executed by the Borrower, each Subsidiary Guarantor, and such Lenders as are necessary to constitute the Required Lenders; and

(b) the Administrative Agent shall have received (x) a true, complete and certified copy of resolutions of the board of directors, members or other applicable governing body of each Loan Party

authorizing the amendments contemplated hereby and (y) a certification that none of the Organization Documents of any Loan Party has been amended or otherwise modified since July 22, 2009 or, in the alternative, attaching true and complete copies of all amendments and modifications thereto; and

(c) all fees and expenses payable to the Administrative Agent and the Lenders (including the fees and expenses of counsel to the Administrative Agent) accrued to date shall have been paid in full to the extent invoiced prior to the date hereof, but without prejudice to the later payment of accrued fees and expenses not so invoiced.

2. Consent of the Subsidiary Guarantors. Each Subsidiary Guarantor hereby consents, acknowledges and agrees to the amendments and waivers set forth herein and hereby confirms and ratifies in all respects the Subsidiary Guaranty to which such Subsidiary Guarantor is a party (including without limitation the continuation of such Subsidiary Guarantor's payment and performance obligations thereunder upon and after the effectiveness of this Agreement and the amendments and waivers contemplated hereby) and the enforceability of such Subsidiary Guaranty against such Subsidiary Guarantor in accordance with its terms.

3. Representations and Warranties. In order to induce the Lenders party hereto to enter into this Agreement, each Loan Party represents and warrants to the Administrative Agent and the Lenders as follows:

(a) The representations and warranties made by or with respect to each Loan Party in Article V of the Credit Agreement and in each of the other Loan Documents to which such Loan Party is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date in which case they are true and correct as of such earlier date;

(b) The Persons appearing as Subsidiary Guarantors on the signature pages to this Agreement constitute all Persons who are required to be Subsidiary Guarantors pursuant to the terms of the Credit Agreement and the other Loan Documents, including without limitation all Persons who became Subsidiaries or were otherwise required to become Subsidiary Guarantors after the Closing Date, and each such Person has executed and delivered a Subsidiary Guaranty;

(c) This Agreement has been duly authorized, executed and delivered by the Borrowers and Subsidiary Guarantors party hereto and constitutes a legal, valid and binding obligation of each such party, except as may be limited by general principles of equity or by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally; and

(d) No Default or Event of Default has occurred and is continuing either immediately prior to or immediately after the effectiveness of this Agreement.

4. Entire Agreement. This Agreement, together with all the Loan Documents (collectively, the “Relevant Documents”), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relative to such subject matter. No promise, condition, representation or warranty, express or implied, not set forth in the Relevant Documents shall bind any party hereto, and not one of them has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to the other in relation to the subject matter hereof or thereof. None of the terms or conditions of this Agreement may be changed, modified, waived or canceled orally or otherwise, except as permitted pursuant to Section 10.01 of the Credit Agreement.

5.Full Force and Effect of Agreement. After giving effect to this Agreement and the amendments and waivers contained herein, the Credit Agreement and all other Loan Documents are hereby confirmed and ratified in all respects by each party hereto and shall be and remain in full force and effect according to their respective terms.

6.Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic delivery (including by .pdf) shall be effective as delivery of a manually executed counterpart of this Agreement.

7.Governing Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed and to be performed entirely within such State, and shall be further subject to the provisions of Section 10.14 of the Credit Agreement.

8.Enforceability. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

9.References. All references in any of the Loan Documents to the "Credit Agreement" shall mean the Credit Agreement, as amended and modified hereby and as further amended, supplemented or otherwise modified from time to time in accordance with the terms of the Credit Agreement.

10.Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each of the Subsidiary Guarantors and Lenders, and their respective successors, legal representatives and assignees to the extent such assignees are permitted assignees as provided in Section 10.06 of the Credit Agreement.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWER:
ASBURY AUTOMOTIVE GROUP, INC.

By: /s/Craig T. Monaghan
Name: Craig T. Monaghan
Title: Senior Vice President

GUARANTORS:
ASBURY AUTOMOTIVE GROUP, L.L.C.

By: /s/Craig T. Monaghan
Name: Craig T. Monaghan
Title: Senior Vice President

ASBURY AUTOMOTIVE MANAGEMENT L.L.C.

By: /s/Craig T. Monaghan
Name: Craig T. Monaghan
Title: Senior Vice President

ASBURY AUTOMOTIVE JACKSONVILLE, L.P.
By: ASBURY AUTOMOTIVE JACKSONVILLE GP L.L.C., its General Partner

ASBURY AUTOMOTIVE TAMPA, L.P.
By: ASBURY AUTOMOTIVE TAMPA GP L.L.C., its General Partner

By: /s/ Craig T. Monaghan
Name: Craig T. Monaghan
Title: Vice President

ANL, L.P.
ASBURY JAX HOLDINGS, L.P.
AVENUES MOTORS, LTD.
BAYWAY FINANCIAL SERVICES, L.P.
C&O PROPERTIES, LTD.
CFP MOTORS, LTD.
CH MOTORS, LTD.
CHO PARTNERSHIP, LTD.
CN MOTORS, LTD.
COGGIN MANAGEMENT, L.P.
CP−GMC MOTORS, LTD.
By: ASBURY JAX MANAGEMENT L.L.C., its General Partner
ASBURY AUTOMOTIVE BRANDON, L.P.
TAMPA HUND, L.P.
TAMPA KIA, L.P.
TAMPA LM, L.P.
TAMPA MIT, L.P.
WMZ MOTORS, L.P.
WTY MOTORS, L.P.
By: ASBURY TAMPA MANAGEMENT L.L.C., its General Partner
AF MOTORS, L.L.C.
ALM MOTORS, L.L.C.
ASBURY AR NISS L.L.C.
ASBURY ATLANTA AC L.L.C.
ASBURY ATLANTA AU L.L.C.
ASBURY ATLANTA BM L.L.C.
ASBURY ATLANTA CHEVROLET L.L.C.
ASBURY ATLANTA HON L.L.C.
ASBURY ATLANTA INF L.L.C.
ASBURY ATLANTA INFINITI L.L.C.
ASBURY ATLANTA JAGUAR L.L.C.
ASBURY ATLANTA LEX L.L.C.
ASBURY ATLANTA NIS L.L.C.
ASBURY ATLANTA TOY L.L.C.

By: /s/Craig T. Monaghan
Name: Craig T. Monaghan
Title: Vice President

ASBURY ATLANTA VL L.L.C.
ASBURY AUTOMOTIVE ARKANSAS DEALERSHIP HOLDINGS L.L.C.
ASBURY AUTOMOTIVE ARKANSAS L.L.C.
ASBURY AUTOMOTIVE ATLANTA L.L.C.
ASBURY AUTOMOTIVE ATLANTA II L.L.C.
ASBURY AUTOMOTIVE CENTRAL FLORIDA, L.L.C.
ASBURY AUTOMOTIVE DELAND, L.L.C.
FLORIDA AUTOMOTIVE SERVICES L.L.C. (f/k/a ASBURY AUTOMOTIVE FLORIDA LLC)
ASBURY AUTOMOTIVE FRESNO L.L.C.
ASBURY AUTOMOTIVE JACKSONVILLE GP L.L.C.
ASBURY AUTOMOTIVE MISSISSIPPI L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA DEALERSHIP HOLDINGS L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA MANAGEMENT L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA REAL ESTATE HOLDINGS L.L.C.
ASBURY AUTOMOTIVE OREGON L.L.C.
SOUTHERN ATLANTIC AUTOMOTIVE SERVICES, L.L.C. (f/k/a GEORGIA AUTOMOTIVE SERVICES L.L.C.)
ASBURY AUTOMOTIVE SOUTHERN CALIFORNIA L.L.C.
ASBURY AUTOMOTIVE ST. LOUIS L.L.C.
ASBURY AUTOMOTIVE ST. LOUIS II L.L.C.
ASBURY AUTOMOTIVE TAMPA GP L.L.C.
ASBURY AUTOMOTIVE TEXAS L.L.C.
ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C.
ASBURY DELAND IMPORTS 2, L.L.C.
ASBURY FRESNO IMPORTS L.L.C.
ASBURY JAX AC, L.L.C.
ASBURY JAX HON L.L.C.
ASBURY JAX K L.L.C.
ASBURY JAX MANAGEMENT L.L.C.
ASBURY JAX VW L.L.C.
ASBURY MS CHEV L.L.C.
ASBURY MS GRAY−DANIELS L.L.C.

By: /s/Craig T. Monaghan
Name: Craig T. Monaghan
Title: Vice President

ASBURY NO CAL NISS L.L.C.
ASBURY SACRAMENTO IMPORTS L.L.C.
ASBURY SC LEX L.L.C.
ASBURY SC TOY L.L.C.
ASBURY SC JPV L.L.C.
ASBURY SO CAL DC L.L.C.
ASBURY SO CAL HON L.L.C.
ASBURY SO CAL NISS L.L.C.
ASBURY ST. LOUIS CADILLAC L.L.C.
ASBURY ST. LOUIS LEX L.L.C.
ASBURY ST. LOUIS LR L.L.C.
ASBURY ST. LOUIS M L.L.C.
ASBURY TAMPA MANAGEMENT L.L.C.
ASBURY−DELAND IMPORTS, L.L.C.
ATLANTA REAL ESTATE HOLDINGS L.L.C.
BFP MOTORS L.L.C.
CAMCO FINANCE II L.L.C.
CK CHEVROLET L.L.C.
CK MOTORS LLC
COGGIN AUTOMOTIVE CORP.
COGGIN CARS L.L.C.
COGGIN CHEVROLET L.L.C.
CROWN ACURA/NISSAN, LLC
CROWN CHH L.L.C.
CROWN CHO L.L.C.
CROWN CHV L.L.C.
CROWN FDO L.L.C.
CROWN FFO HOLDINGS L.L.C.
CROWN FFO L.L.C.
CROWN GAC L.L.C.
CROWN GBM L.L.C.
CROWN GCA L.L.C.
CROWN GDO L.L.C.
CROWN GHO L.L.C.
CROWN GNI L.L.C.
CROWN GPG L.L.C.
CROWN GVO L.L.C.
CROWN HONDA, L.L.C.
CROWN MOTORCAR COMPANY L.L.C.
CROWN PBM L.L.C.
CROWN RIA L.L.C.

By: /s/ Craig T. Monaghan
Name: Craig T. Monaghan
Title: Vice President

CROWN RIB L.L.C.
CROWN SJC L.L.C.
CROWN SNI L.L.C.
CSA IMPORTS L.L.C.
ESCUDE−NN L.L.C.
ESCUDE−NS L.L.C.
ESCUDE−T L.L.C.
HFP MOTORS L.L.C.
JC DEALER SYSTEMS, LLC
KP MOTORS L.L.C.
MCDAVID AUSTIN−ACRA, L.L.C.
MCDAVID FRISCO−HON, L.L.C.
MCDAVID GRANDE, L.L.C.
MCDAVID HOUSTON−HON, L.L.C.
MCDAVID HOUSTON−NISS, L.L.C.
MCDAVID IRVING−HON, L.L.C.
MCDAVID OUTFITTERS, L.L.C.
MCDAVID PLANO−ACRA, L.L.C.
NP FLM L.L.C.
NP MZD L.L.C.
NP VKW L.L.C.
PLANO LINCOLN−MERCURY, INC.
PRECISION COMPUTER SERVICES, INC.
PRECISION ENTERPRISES TAMPA, INC.
PRECISION INFINITI, INC.
PRECISION MOTORCARS, INC.
PRECISION NISSAN, INC.
PREMIER NSN L.L.C.
PREMIER PON L.L.C.
PRESTIGE BAY L.L.C.
PRESTIGE TOY L.L.C.
THOMASON AUTO CREDIT NORTHWEST, INC.
THOMASON DAM L.L.C.
THOMASON FRD L.L.C.
THOMASON HUND L.L.C.
THOMASON PONTIAC−GMC L.L.C.

By: /s/ Craig T. Monaghan
Name: Craig T. Monaghan
Title: Vice President

ARKANSAS AUTOMOTIVE SERVICES, L.L.C.
ASBURY ST. LOUIS FSKR, L.L.C.
ASBURY TEXAS D FSKR, L.L.C.
ASBURY TEXAS H FSKR, L.L.C.
MID−ATLANTIC AUTOMOTIVE SERVICES, L.L.C.
MISSISSIPPI AUTOMOTIVE SERVICES, L.L.C.
MISSOURI AUTOMOTIVE SERVICES, L.L.C.
TEXAS AUTOMOTIVE SERVICES, L.L.C.

By: /s/ Craig T. Monaghan
Name: Craig T. Monaghan
Title: Vice President

ADMINISTRATIVE AGENT:
BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Anne M. Zeschke
Name: Anne M. Zeschke
Title: Vice President

LENDER:
BANK OF AMERICA, N.A., as a Lender, L/C Issuer and Swing Line Lender

By: /s/ M. Patricia Kay

Name: M. Patricia Kay

Title: Senior Vice President

DCFS USA LLC, as a Lender

By: /s/ Michele Nowak

Name: Michele Nowak

Title: National Accounts

AMERICAN HONDA FINANCE CORP., as a Lender

By: /s/ Warren Bradley
Name: Warren Bradley
Title: Senior Manager

BMW FINANCIAL SERVICES NA, LLC, as a Lender

By: /s/ Scott Bargar
Name: Scott Bargar
Title: Commercial Finance, Credit Manager

By: /s/Patrick Sullivan
Name: Patrick Sullivan
Title: GM, Commercial Finance, BMW Group Financial Services

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/Jeffrey G. Calder
Name: Jeffrey G. Calder
Title: Vice President

NISSAN MOTOR ACCEPTANCE CORPORATION,as a Lender

By: /s/Brian Fallon

Name: Brian Fallon

Title: Sr. Manager, Commercial Credit

TOYOTA MOTOR CREDIT CORPORATION, as a Lender

By: /s/ Mark Doi

Name: Mark Doi

Title: National Dealer Credit Manager

DEUTSCHE BANK TRUST COMPANY AMERICAS,as a Lender

By: /s/Scottye Lindsey
Name: Scottye Lindsey
Title: Director

By: /s/Carin Keegan
Name: Carin Keegan
Title: Director

WELLS FARGO BANK, N.A., as successor by merger to WACHOVIA BANK, NATIONAL ASSOCIATION,as a Lender

By: /s/ Michael Burkitt

Name: Michael Burkitt

Title: Senior Vice President

WORLD OMNI FINANCIAL CORP., as a Lender

By: /s/William Shope
Name: William Shope
Title: VP, Portfolio Management

SCHEDULE 1
TO AMENDMENT NO. 2 TO CREDIT AGREEMENT

For the Quarter/Year ended _____("Statement Date")

SCHEDULE 1
to the Compliance Certificate
($ in 000's)

I. Section 7.11(a) − Consolidated Current Ratio.

Numerator:

A. Consolidated Current Assets at the Statement Date: $_____

B. Available Unused Commitments:

1. Aggregate Commitments at the Statement Date: $_____

2. Borrowing Base at the Statement Date $_____

3. The lesser of Lines I.B.1. and 2.: $_____

4. Total Outstandings at the Statement $_____

5. Available Unused Commitments (Lines I.B.3.−4.): $_____

C. Numerator (Lines I.A. + I.B.5.): $_____

Denominator:

D. Consolidated current liabilities at Statement of Date: $_____

E. Permitted Floorplan Silo Indebtedness at Statement Date, to the extent not reflected as a current liability (Line I.D.): $_____

F. To the extent included in current liabilities (Line I.D.), any balloon payment due under the Agreement, or under any Permitted Real Estate Debt or Subordinated Indebtedness, other than, in each case, any such balloon payment due within two (2) fiscal quarters following the Statement Date: $_____

G. Denominator (Consolidated Adjusted Current Liabilities) (Lines I.D. + E. − F.): $_____

H. Consolidated Current Ratio (Line I.C. / G.): _____ to 1.00

Minimum Required: 1.20 to 1.00

II. Section 7.11 (b) − Consolidated Fixed Charge Coverage Ratio.

Numerator:

A. Consolidated EBITDA for four consecutive fiscal quarters ending on the Statement Date ("Subject Period"):

1. Consolidated Net Income for Subject Period: $_____

2. To the extent deducted in calculating Consolidated Net Income (Line II.A.1.):

   a. The lesser of Lines I.B.1. and 2.: $_____

   b. Provision for income taxes for Subject Period: $_____

   c. Depreciation and amortization expense for Subject Period: $_____

   d. Other non−cash expenses reducing Consolidated Net Income which do not represent a cash item in Subject Period or any future period: $_____

   e. Beginning with the four fiscal quarter period ending March 31, 2010, all losses on and other expenses related to repurchases of long−term Indebtedness: $_____

3. To the extent included in calculating Consolidated Net Income (Line II.A.1.):

   a. All non−cash items increasing Consolidated Net Income for Subject Period: $_____

   b. Beginning with the four fiscal quarter period ending March 31, 2010, all gains on repurchases of long−term Indebtedness: $_____

4. Consolidated EBITDA for the Subject Period (Lines II.A.1.+2.a.+2.b.+2.c.+2.d.+2.e.+−3.a.−3.b.): $_____

B. Consolidated Rental Expense for the Subject Period: $_____

C. Deemed capital expenditures in an amount equal to $150,000 for each Dealer Location in existence on the Statement Date: $_____

D. Numerator (Lines II.A.4.+B.−C.): $_____

Denominator:

E. Consolidated Interest Expense for the Subject Period (but excluding interest expense with respect to Permitted Floorplan Silo Indebtedness)(Line II.A.2.a.): $ _____

F. Scheduled amortization during the Subject Period of the principal portion of all Indebtedness for money borrowed (other than any balloon, bullet or similar principal payment which repays or refinances such Indebtedness in full): $ _____

G. Consolidated Rental Expense for Subject Period (Line II.B.): $ _____

H. Consolidated Pro Forma Rent Savings for Subject Period: $ _____

I. Taxes paid in cash during Subject Period:

J. Beginning with the four fiscal quarter period ending March 31, 2010, Taxes included in Line I. above paid as a result of any gains on repurchases of long−term Indebtedness: $ _____

K. Denominator (Lines II.E.+F.+G.−I−J.):

L. Consolidated Fixed Charge Coverage Ratio (Line II.D./K.): _____ to 1.00

Minimum Required: (i) For each Subject Period ending on or prior to September 30, 2010, 1.10 to 1.00 and (ii) for each Subject Period ending after September 30, 2010, 1.20 to 1.00

III. Section 7.11 (c) − Consolidated Total Leverage Ratio.

Numerator:

A. Consolidated Adjusted Funded Indebtedness at the Statement Date:

1. Consolidated Funded Indebtedness at the Statement Date: $_____

2. Permitted Floorplan Silo Indebtedness at the Statement Date: $_____

3. Numerator (Lines III.A.1.−2.): $_____

4. Total Outstandings at the Statement $_____

5. Available Unused Commitments (Lines I.B.3.−4.) $_____

Denominator:

B. Consolidated Pro Forma EBITDA for Subject Period:

1. Consolidated EBITDA for Subject Period (Line II.A.4.): $_____

2. Consolidated EBITDA attributable to Permitted Acquisitions for Subject Period (or exclusion of Consolidated EBITDA attributable to Permitted Dispositions for Subject Period) on a pro forma basis in accordance with the Agreement* $(+/−)_____

3. Consolidated Pro Forma Rent Savings for Subject Period: $_____

4. Consolidated Pro Forma EBITDA for Subject Period (Line III.B.1. +/−2.+3.): $_____

C. Consolidated Total Leverage Ratio (Line III.A.3./B.4.): _____ to 1.00

Maximum Permitted: At any time before the Admendment No. 1 Effectiveness Date or at any time on or after the Modified Covenant Triggering Event Date, 5.00 to 1.00.

* Historical financial statements (audited or unaudited, as permitted by the Administrative Agent in its reasonable discretion) must support such adjustment to the satisfaction of the Administrative Agent and such pro forma adjustment shall not increase Consolidated EBITDA by more than 20%.

IV. Section 7.11 (d) − Consolidated Total Senior Leverage Ratio.

Numerator:

A. Consolidated Adjusted Funded Indebtedness at Statement Date (Line III.A.3.): $_____

B. Subordinated Indebtedness at Statement Date: $_____

C. Numberator (Lines IV.A.−B.): $_____

Denominator

D. Consolidated Pro Forma EBITDA for Subject Period (Line III.B.4.): $_____

E. Consolidated Total Senior Leverage Ratio (Line IV.C./Line IV.D.): _____to 1.00

Maximum Permitted: 3.00 to 1.00

V. The Number of Dealer Locations as of the Statement Date is: _____ .

VI. Section 7.10 (a) − Restricted Payments.

Numerator:

A. Quarterly Adjusted Consolidated Net Income:

1. Consolidated Net Income for fiscal quarter ending on the Statement Date ("Subject Quarter") (+/−)$_____

2. Extraordinary gains for Subject Quarter recorded in accordance with GAAP: $_____

3. Extraordinary losses for Subject Quarter recorded in accordance with GAAP: $_____

4. Non−cash impairment charges or asset write−offs or write−downs for Subject Quarter recorded in accordance with GAAP: $_____

5. Write−downs during Subject Quarter recorded subsequent to October 1, 2010 related to deffered tax assets that were established prior to October 1, 2010, recorded in accordance with GAAP: $_____

6. Non−cash interest expense for Subject Quarter resulting from the effect of Accounting Principles Bulletin 14−1/Accounting Standards Codification of the Financial Accounting Standards Board Number 470−20 (Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion) on convertible indebtedness recorded in accordance with GAAP: (+/−)$_____

7. Gains or losses directly associated with the repurchase or early extinguishment of long−term Indebtedness: (+/−)$_____

8. Tax Impact:

   a. Tax impact of Line A.VI.2: $_____

   b. Tax impact of Line A.VI.3: $_____

   c. Tax impact of Line A.VI.4: $_____

   d. Tax impact of Line A.VI.5: $_____

   e. Tax impact of Line A.VI.6: (+/−)$_____

   f. Tax impact of Line A.VI.7: (+/−)$_____

   g. Total impact (Line VI.8: −a.+b.+c.+d.(+/−) e.(+/−) 8.g.): $_____

9. Adjusted Consolidated Net Income for the Subject Quarter (Lines VI.A.1.−2.+3.+4.+5.(+/−) 6.(+/−) 7.(+/−) 8.g.): (+/−)$_____

B. Restricted Payments Calculation:

1. $50,000,000 $50,000,000

2. Adjusted Consolidated Net Income for the Subject Quarter (Line VI.A.9.): (+/−)$_____

3. Adjusted Consolidated Net Income for all fiscal quarters starting with the fiscal quarter beginning October 1, 2010 but excluding Subject Quarter: (+/−)$_____

4. 50% of Adjusted Consolidated Net Income (.50 multiplied by (sum of Lines VI.B.2. and B.3.)): (+/−)$_____

5. Restricted Payments Threshold: (Line VI.B.1. plus (or minus if negative) Line VI.B.4.): $_____

C. Restricted Payments

1. Restricted Payments for all fiscal quarters starting with the fiscal quarter beginning October 1, 2010 but excluding Subject Quarter: $_____

2. Restricted Payment made in Subject Quarter: $_____

3. Total Restricted Payments through Subject Quarter (Line VI.C.1.+C.2.): $_____

Exhibit 10.38

AMENDMENT NO. 2 TO CREDIT AGREEMENT

This Amendment No. 2 to Credit Agreement (this "Agreement") dated as of November 10, 2010 is made by and among ASBURY AUTOMOTIVE GROUP, INC., a Delaware corporation (the "Borrower"), JPMORGAN CHASE BANK, N.A., in its capacity as administrative agent for the Lenders (as defined in the Credit Agreement referred to below) (in such capacity, the "Agent"), each of the Lenders under such Credit Agreement signatory hereto, and each of the Guarantors (as defined in the Credit Agreement) signatory hereto.

W I T N E S S E T H:

WHEREAS, the Borrower, the Agent and the Lenders have entered into that certain Revolving Credit Agreement dated as of October 29, 2008, as amended by that certain Amendment No. 1 to Credit Agreement dated as of July 21, 2009 (as hereby amended and as from time to time further amended, modified, supplemented, restated, or amended and restated, the "Credit Agreement"; capitalized terms used in this Agreement not otherwise defined herein shall have the respective meanings given thereto in the Credit Agreement), pursuant to which the Lenders have made available to the Borrower a revolving credit facility; and

WHEREAS, each of the Guarantors has entered into a Guaranty Agreement pursuant to which it has guaranteed the payment and performance of certain or all of the obligations of the Borrower under the Credit Agreement and the other Loan Documents, and the Borrower and the Guarantors have entered into various Security Instruments to secure their respective obligations and liabilities in respect the Loan Documents; and

WHEREAS, the Borrower has advised the Agent and the Lenders that the Borrower desires to amend certain provisions of the Credit Agreement as set forth below, and the Agent and the Lenders signatory hereto are willing to agree to such amendments on the terms and conditions contained in this Agreement;

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to Credit Agreement. Subject to the terms and conditions set forth herein, the Credit Agreement is hereby amended as follows, effective as of the date hereof:

(a) The following definitions are hereby added to Section 1.1 of the Credit Agreement, each in the appropriate alphabetical order therein:

> "Adjusted Consolidated Net Income" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the Consolidated Net Income for that period but excluding the effect of (and net of any tax impact of) the following: (i) extraordinary gains or losses, (ii) non−cash impairment charges or asset write−offs or write−downs, (iii) write−downs recorded subsequent to October 1, 2010 related to deferred tax assets that were established prior to October 1, 2010, (iv) non−cash interest expense for such period resulting from the effect of Accounting Principles Bulletin 14−1/Accounting Standards Codification of the Financial Accounting Standards Board Number 470−20 (Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion) on convertible Indebtedness, and (v) gains or losses directly associated with the repurchase or early extinguishment of long−term Indebtedness, in each case of clauses (i) through (v) as recorded in accordance with GAAP.

"Amendment No. 2" means that certain Amendment No. 2 to Credit Agreement dated as of the Amendment No. 2 Effectiveness Date among the Borrower, the Guarantors party thereto, JPMorgan Chase Bank, N.A., as Agent and the Lenders party thereto.

"Amendment No. 2 Effectiveness Date" means November 10, 2010.

"Excess 2014 Refinancing Amount" means, the lesser of (x) $20,000,000 and (y) the amount by which any unsecured, unamortizing Subordinated Indebtedness used to Refinance the Indebtedness under the 2014 Indenture exceeds the outstanding principal amount of such Indebtedness under the 2014 Indenture as of the date of issuance of such unsecured, unamortizing Subordinated Indebtedness.

"4Q 2010 Acquisition" has the meaning specified in the definition of "4Q 2010 Seller Real Estate Note".

"4Q 2010 Seller Real Estate Debt" means the Indebtedness evidenced by the 4Q 2010 Seller Real Estate Note.

"4Q 2010 Seller Real Estate Note" means a purchase money promissory note in an original aggregate principal amount not to exceed $20,000,000 evidencing Indebtedness incurred in connection with the purchase by Asbury Automotive Atlanta L.L.C. of certain dealership real property to be operated by Asbury Automotive Atlanta L.L.C. or another Subsidiary (the "4Q 2010 Acquisition"). The parties hereto acknowledge that "Permitted Real Estate Debt", "Indebtedness", "Consolidated Funded Indebtedness" and "borrowed money" shall be deemed to include the 4Q 2010 Seller Real Estate Debt for all purposes hereunder, including without limitation for purposes of financial covenant calculations.

"2012 Indenture" has the meaning specified in the definition of "Indentures".

"2014 Indenture" has the meaning specified in the definition of "Indentures".

(b)The definition of "Change of Control" in Section 1.1 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

"Change of Control" means (a) the direct or indirect sale, transfer, conveyance or other disposition, in one or a series of related transactions, of the voting stock in the Borrower, the result of which is that a Person other than a Permitted Holder becomes the beneficial owner, directly or indirectly of more than 35% of the voting stock of the Borrower, measured by voting power rather than number of shares, (b) a Change of Control as defined in any of the Indentures or (c) a change of control under any indenture or any similar instrument evidencing any refinancing, refunding, renewal or extension of any Subordinated Indebtedness. As used herein, "Permitted Holder" means those direct and indirect beneficial owners of the voting stock of the Borrower as of the Effective Date. As used herein, voting stock of any Person as of any date means the capital stock of such Person that at such date is entitled to vote in the election of the Board of Directors of such Person.

(c)The definition of "Permitted Acquisition" in Section 1.01 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

"Permitted Acquisition" means any acquisition of a Subsidiary or assets of an Auto Dealer that is permitted by Section 5.13.

(d)The definition of "Permitted Acquisition" in Section 1.1 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

"Indentures" means, collectively, (a) that certain Indenture, dated as of December 23, 2003 (as amended, supplemented and otherwise modified by that certain First Supplemental Indenture, dated as of January 21, 2004, that certain Second Supplemental Indenture, dated December 7, 2004, that certain Third Supplemental Indenture, dated as of September 30, 2005, that certain Fourth Supplemental Indenture, dated as of March 15, 2007, and that certain Fifth Supplemental Indenture, dated as of June 29, 2007, and that certain Sixth Supplemental Indenture, dated as of June 30, 2010, and as further amended, supplemented or modified from time to time to the extent permitted hereunder), governing those certain 8% Senior Subordinated Notes due 2014 in the original principal amount of $200,000,000, issued by the Borrower (the "2014 Indenture"), (b) that certain Indenture, dated as of March 16, 2007 (as amended, supplemented and otherwise modified by that certain First Supplemental Indenture, dated as of June 29, 2007, and that certain Second Supplemental Indenture dated as of August 17, 2010, and as further amended, supplemented or otherwise modified from time to time to the extent permitted hereunder) governing those certain 3% Senior Subordinated Convertible Notes due 2012 in the original principal amount of $115,000,000, issued by the Borrower (the "2012 Indenture"), and (c) that certain Indenture, dated as of March 26, 2007 (as amended, supplemented and otherwise modified by that certain First Supplemental Indenture, dated as of June 29, 2007, and that certain Second Supplemental Indenture, dated as of June 30, 2010, and as further amended, supplemented or otherwise modified from time to time to the extent permitted hereunder), governing those certain 7.625% Senior Subordinated Notes due 2017 in the original principal amount of $150,000,000, issued by the Borrower".

(e)The definition of "Permitted Real Estate Debt" in Section 1.1 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

"Permitted Real Estate Debt" means that certain Indebtedness described on Schedule 6.1(h), and any other Indebtedness (other than Swap Contracts) of a Loan Party (i) secured solely by real property, fixtures, related real property rights, related contracts and proceeds of the foregoing, owned by such Loan Party, and (ii) for which no Person other than the obligor of such Indebtedness, the Borrower or any Subsidiary which is a Loan Party has any liability with respect to such Indebtedness, in each case of clauses (i) and (ii), so long as (x) the aggregate amount of all Permitted Real Estate Debt outstanding at any time shall not exceed eighty−five percent (85%) of the value of the real property securing such Indebtedness, as evidenced by the respective appraisals of the real property ordered in connection with obtaining such Indebtedness, (y) the amount of any Permitted Real Estate Debt relating to a particular parcel of real property shall not exceed one hundred percent (100%) of the value of such parcel securing such Indebtedness, as evidenced by the respective appraisal of such parcel ordered in connection with obtaining such Indebtedness, and (z) upon the request of the Agent, the Borrower shall promptly deliver to the Agent a copy of any appraisal described in clause (x) or (y) above; provided that, the 4Q 2010 Seller Real Estate Debt and the real property securing such Indebtedness shall not be included in the calculation in determining whether the aggregate eighty−five percent (85%) loan to value requirement set forth in clause (x) above has been satisfied.

(f)The definition of "Refinancing Indebtedness" in Section 1.1 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

> "Refinancing Indebtedness" means, with respect to any permitted Indebtedness of any Loan Party (the "Existing Indebtedness") Indebtedness (whether incurred prior to, during or after the Modified Covenant Period) which refinances, refunds or renews, or extends the maturity of, such Existing Indebtedness (any such refinancing, refunding, renewal or extension, a "Refinancing") including Refinancing using a different type of Indebtedness, so long as (A) (i) the principal amount of such Existing Indebtedness is not increased by such Refinancing except by an amount not in excess of any accrued but then unpaid interest, contractually agreed upon premium (or other similar reasonable amount paid under the circumstances), and discounts, commissions, fees and expenses reasonably incurred, in connection with such Refinancing plus an amount not in excess of any existing commitments unutilized under the Existing Indebtedness, (ii) the Agent has received a certificate from the Borrower addressed to the Agent and the Lenders certifying that the terms relating to amortization, maturity, collateral (if any) and subordination (if any), and other material terms of any such Refinancing and of any agreement entered into and of any instrument issued in connection therewith, taken as a whole, are not materially less favorable to the Loan Parties than the terms of any agreement or instrument governing the Existing Indebtedness, and that the interest rate and fees applicable to any such Refinancing do not exceed the then applicable market interest rate, or market fee rate, respectively, for the applicable type of Indebtedness, (iii) if such Existing Indebtedness is Subordinated Indebtedness, then such Refinancing Indebtedness must also be Subordinated Indebtedness, (iv) such Refinancing does not in any material respect expand the property subject to any Lien (unless otherwise permitted under this Agreement), (v) such refinancing does not have a stated maturity prior to the Maturity Date and (vi) without limitation of any other provision herein (including Section 6.16), such refinancing does not contain any provision (1) requiring the Borrower or any Subsidiary to repurchase, redeem, prepay or defease such Indebtedness prior to the Maturity Date (other than reasonable and customary prepayment, redemption, repurchase or defeasance obligations in connection with (x) sales of assets (so long as the terms relating thereto are not materially less favorable to the Loan Parties than the comparable terms governing the Existing Indebtedness), (y) a change in control and (z) the exercise of remedies in connection with the occurrence of an event of default), (2) granting the holders thereof the right to require the Borrower or any Subsidiary to repurchase, redeem, prepay or defease such Indebtedness prior to the Maturity Date (other than reasonable and customary prepayment, redemption, repurchase or defeasance obligations in connection with (x) sales of assets (so long as the terms relating thereto are not materially less favorable to the Loan Parties than the comparable terms governing the Existing Indebtedness), (y) a change in control and (z) the exercise of remedies in connection with the occurrence of an event of default) or (3) requiring the conversion of such Indebtedness into Equity Interests of the Borrower or any Subsidiary prior to the Maturity Date, or (B) Indebtedness which Refinances such Existing Indebtedness has been consented to by the Required Lenders in accordance with Section 9.7(b) hereof.

(g)The definition of "Subordinated Indebtedness" in Section 1.1 of the Credit Agreement is amended, so that, as amended, such definition shall read as follows:

> "Subordinated Indebtedness" means all Subordinated Indenture Indebtedness and all other Indebtedness of the Borrower or its Subsidiaries which (a) is subordinated to the Obligations contained herein in a manner reasonably acceptable to the Agent or has subordination terms

substantially similar to those in the Indentures, (b) without limitation of any other provision herein (including Section 6.16), does not require any payment of principal (or give the holder thereof any rights to require repurchase of such Indebtedness through put rights or otherwise) prior to the date that is 30 days after the Maturity Date (other than reasonable and customary prepayment, redemption, repurchase or defeasance obligations in connection with (i) sales of assets (so long as the terms relating thereto are not materially less favorable to the Loan Parties than the comparable terms governing the Subordinated Indenture Indebtedness), (ii) a change in control and (iii) the exercise of remedies in connection with the occurrence of an event of default), (c) the Agent has received a certificate from the Borrower addressed to the Agent and the Lenders certifying that such other Indebtedness has interest rates and fees that are not in excess of the rates and fees standard in the market at the time such Indebtedness is incurred, (d) has standstill and blockage provisions with regard to payments and enforcement actions that are no more adverse to the Lenders than those in the Indentures, and (e) otherwise contains terms and conditions reasonably acceptable to the Agent or substantially similar to those in the Indentures.

(h) Section 5.5(h) of the Credit Agreement is amended by deleting the word "and" at the end of such section, Section 5.5(i) of the Credit Agreement is re−numbered as Section 5.5(j) and a new Section 5.5(i) is added, so that, as amended, such Section 5.5(i) shall read as follows:

(i) 4Q 2010 Seller Real Estate Note Information. Without limitation of any other delivery requirement herein, on or prior to the consummation of the 4Q 2010 Acquisition, (i) a compliance certificate in the form of Exhibit 5.5(c) executed by the chief financial officer, treasurer or controller of the Borrower demonstrating that the Borrower will be in compliance with all covenants contained in this Agreement (including Section 6.11) on a pro forma basis (after giving effect to the 4Q 2010 Acquisition and the 4Q 2010 Seller Real Estate Debt) for the four fiscal quarter period immediately preceding the date of consummation of the 4Q 2010 Acquisition and (ii) an acknowledgement that no Default or Event of Default then exists or will exist after giving effect to the 4Q 2010 Acquisition or the 4Q 2010 Seller Real Estate Debt; and

(i) The following Section 5.17 is hereby added to Article V of the Credit Agreement in the appropriate order therein:

5.17 Amendment No. 2 Lender Fee. Pay a fee (which such fee shall be fully earned as of the Amendment No. 2 Effectiveness Date) to the Agent, for distribution to each Lender (each a "Consenting Lender") executing Amendment No. 2 and delivering such executed signature page to the Agent no later than 8:00 p.m. (New York time) on November 10, 2010, with each such Consenting Lender's portion of such fee (i) equal to 0.125% times such Consenting Lender's Commitment as of the Amendment No. 2 Effectiveness Date and (ii) due and payable on the earlier of (x) January 6, 2011 and (y) such earlier date any such Consenting Lender requests in a written notice to the Agent and the Borrower.

(j) Section 6.1(h) of the Credit Agreement is hereby amended so that, as amended, such section shall read as follows:

(h) Permitted Real Estate Debt and Guarantees by the Borrower or any Subsidiary that is a Loan Party; provided that, the principal amount of such Indebtedness incurred during the Modified Covenant Period shall not exceed $30,000,000 (excluding the 4Q 2010 Seller

Real Estate Debt which shall not count towards the $30,000,000 limitation);

(k) Section 6.1(n) of the Credit Agreement is hereby amended so that, as amended, such section shall read as follows:

(n) (i) at any time during a Non−Modified Covenant Period, Indebtedness that renews, refinances, refunds or extends any existing Indebtedness of any Loan Party, so long as (A) such renewal, refinancing, refunding or extension does not in any material respect increase the principal amount thereof or expand the property subject to any Lien (unless otherwise permitted under this Agreement), (B) if the Indebtedness being refinanced is Subordinated Indebtedness, then such refinancing Indebtedness must also be Subordinated Indebtedness, (C) such refinancing does not have a maturity prior to the Maturity Date and (D) without limitation of any other provision herein (including Section 6.16), such refinancing does not contain any provision (1) requiring the Borrower or any Subsidiary to repurchase, redeem, prepay or defease such Indebtedness prior to the Maturity Date, (2) granting the holders thereof the right to require the Borrower or any Subsidiary to repurchase, redeem, prepay or defease such Indebtedness prior to the Maturity Date (other than, in the case of clauses (D)(1) and (2), reasonable and customary prepayment, redemption, repurchase or defeasance obligations in connection with (x) sales of assets (so long as the terms relating thereto are not materially less favorable to the Loan Parties than the comparable terms governing the Indebtedness being refinanced, refunded or extended), (y) a change in control and (z) the exercise of remedies in connection with the occurrence of an event of default) or (3) requiring the conversion of such Indebtedness into Equity Interests of the Borrower or any Subsidiary prior to the Maturity Date, and (ii) at any time during the Modified Covenant Period, Refinancing Indebtedness;

(l) Section 6.10(a)(i) of the Credit Agreement is hereby amended so that, as amended, such section shall read as follows:

(i) the Borrower may declare and pay cash dividends on its capital stock and may purchase shares of its capital stock; provided that, at the time of any such cash dividend payment or share purchase (and after giving effect to such cash dividend payment or share purchase), the aggregate amount payable or paid in respect of all cash dividends by the Borrower or shares purchased by the Borrower (other than shares purchased pursuant to clause (iii) below) on and after the Second Amendment Effective Date shall not exceed the sum of (x) $50,000,000 plus (or minus if negative) (y) one−half (1/2) of the aggregate Adjusted Consolidated Net Income of the Borrower for the period beginning on October 1, 2010 and ending on such date of determination;

(m) Section 6.16 of the Credit Agreement is hereby amended so that, as amended, such section shall read as follows:

Section 6.16 Prepayments, etc. of Certain Indebtedness. Neither the Borrower nor any of its Subsidiaries shall prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, the Subordinated Indenture Indebtedness (or any Refinancing Indebtedness thereof) or any Indebtedness permitted by Section 6.1(f); except that:

(a) the Borrower or any Subsidiary may (i) refinance any amount of Subordinated Indebtedness at any time (including prior to its scheduled maturity) using only the proceeds

of new Subordinated Indebtedness and (ii) prepay, redeem, purchase, defease or otherwise satisfy Indebtedness under the 2012 Indenture in an aggregate amount not to exceed the Excess 2014 Refinancing Amount; and

(b) in addition to any refinancings permitted by clause (a), so long as no Default exists or will result from such prepayment, redemption, purchase, defeasance or other satisfaction, the Borrower or any of its Subsidiaries may prepay, redeem, purchase, defease or otherwise satisfy Subordinated Indenture Indebtedness (including, with respect to the 2012 Indenture, repayments in addition to the Excess 2014 Refinancing Amount referenced in clause (a) above so long as the Annual Allowance Amount hereunder and the remaining provisions of this Section 6.16(b) are met), Refinancing Indebtedness with respect to the Subordinated Indenture Indebtedness and other Indebtedness permitted by Section 6.1(f) in an aggregate amount not in excess of the following (each such allowance amount for any given year being referred to as an "Annual Allowance Amount"): for each calendar year, $30,000,000 plus 50% of the cumulative Net Cash Proceeds received from all permitted Dispositions of property (excluding any gain that results in income) during such year; provided that, the unused portion of the Annual Allowance Amount in any year may not be carried over into subsequent calendar years; and provided, further, that upon request, the Borrower shall provide to the Agent or any Lender a year−to−date calculation of (y) any prepayments, redemptions, purchases, defeasances, satisfactions or payments made under this Section 6.16(b) in such year and (z) the Annual Allowance Amount for such year, including any supporting documentation validating any Dispositions of property and determination of Net Cash Proceeds.

(n) Schedule 1 of Exhibit 5.5(c) (Compliance Certificate) is hereby amended to add Paragraph VI (Restricted Payments) thereto, so that, as amended, such Schedule shall read as set forth on Schedule 1 attached hereto.

2. Conditions Precedent. The effectiveness of this Agreement and the effectiveness of the amendments and waivers to the Credit Agreement provided herein are subject to the satisfaction of the following conditions precedent:

(a) the Agent shall have received counterparts of this Agreement, duly executed by the Borrower, each Guarantor and each Lender;

(b) the Agent shall have received (x) a true, complete and certified copy of resolutions of the board of directors, members or other applicable governing body of each Loan Party authorizing the amendments contemplated hereby and (y) a certification that none of the Organization Documents (as hereinafter defined) of any Loan Party has been amended or otherwise modified since the Amendment No. 1 Effectiveness Date or, in the alternative, attaching true and complete copies of all amendments and modifications thereto; and

(c) all fees and expenses payable to the Agent and the Lenders (including the fees and expenses of counsel to the Agent) accrued to date shall have been paid in full to the extent invoiced prior to the date hereof, but without prejudice to the later payment of accrued fees and expenses not so invoiced.

As used herein, the term "Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent constitutive documents with respect to any non−U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture,

trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

3. Consent of the Guarantors. Each Guarantor hereby consents, acknowledges and agrees to the amendments and waivers set forth herein and hereby confirms and ratifies in all respects the Guaranty Agreement to which such Guarantor is a party (including without limitation the continuation of such Guarantor's payment and performance obligations thereunder upon and after the effectiveness of this Agreement and the amendments and waivers contemplated hereby) and the enforceability of such Guaranty Agreement against such Guarantor in accordance with its terms.

4. Representations and Warranties. In order to induce the Lenders to enter into this Agreement, each Loan Party represents and warrants to the Agent and the Lenders as follows:

(a) The representations and warranties made by or with respect to each Loan Party in Article III of the Credit Agreement and in each of the other Loan Documents to which such Loan Party is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date in which case they are true and correct as of such earlier date;

(b) The Persons appearing as Guarantors on the signature pages to this Agreement constitute all Persons who are required to be Guarantors pursuant to the terms of the Credit Agreement and the other Loan Documents, including without limitation all Persons who became Subsidiaries or were otherwise required to become Guarantors after the Effective Date, and each such Person has executed and delivered a Guaranty Agreement;

(c) This Agreement has been duly authorized, executed and delivered by the Borrowers and Guarantors party hereto and constitutes a legal, valid and binding obligation of each such party, except as may be limited by general principles of equity or by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally; and

(d) No Default or Event of Default has occurred and is continuing either immediately prior to or immediately after the effectiveness of this Agreement.

5. Entire Agreement. This Agreement, together with all the Loan Documents (collectively, the “Relevant Documents”), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relative to such subject matter. No promise, condition, representation or warranty, express or implied, not set forth in the Relevant Documents shall bind any party hereto, and not one of them has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to the other in relation to the subject matter hereof or thereof. None of the terms or conditions of this Agreement may be changed, modified, waived or canceled orally or otherwise, except as permitted pursuant to Section 9.7(b) of the Credit Agreement.

6. Full Force and Effect of Agreement. After giving effect to this Agreement and the amendments and waivers contained herein, the Credit Agreement and all other Loan Documents are hereby confirmed and ratified in all respects by each party hereto and shall be and remain in full force and effect according to their respective terms.

7.Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic delivery (including by .pdf) shall be effective as delivery of a manually executed counterpart of this Agreement.

8.Governing Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed and to be performed entirely within such State, and shall be further subject to the provisions of Section 9.6 of the Credit Agreement.

9.Enforceability. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

10.References. All references in any of the Loan Documents to the "Credit Agreement" shall mean the Credit Agreement, as amended and modified hereby and as further amended, supplemented or otherwise modified from time to time in accordance with the terms of the Credit Agreement.

11.Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Agent and each of the Guarantors and Lenders, and their respective successors, legal representatives and assignees to the extent such assignees are permitted assignees as provided in Section 9.3 of the Credit Agreement.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWER:
ASBURY AUTOMOTIVE GROUP, INC.

By: /s/ Craig T. Monaghan
Craig T. Monaghan
Senior Vice President

GUARANTORS:
ASBURY AUTOMOTIVE GROUP, L.L.C.

By: /s/Craig T. Monaghan
Craig T. Monaghan
Senior Vice President

ASBURY AUTOMOTIVE MANAGEMENT L.L.C.

By: /s/Craig T. Monaghan
Craig T. Monaghan
Senior Vice President

ASBURY AUTOMOTIVE JACKSONVILLE, L.P.
By: ASBURY AUTOMOTIVE JACKSONVILLE GP L.L.C., its General Partner

ASBURY AUTOMOTIVE TAMPA, L.P.
By: ASBURY AUTOMOTIVE TAMPA GP L.L.C., itsGeneral Partner

By: /s/Craig T. Monaghan
Craig T. Monaghan
Vice President

ANL, L.P.
ASBURY JAX HOLDINGS, L.P.
AVENUES MOTORS, LTD.
BAYWAY FINANCIAL SERVICES, L.P.
C&O PROPERTIES, LTD.
CFP MOTORS, LTD.
CH MOTORS, LTD.
CHO PARTNERSHIP, LTD.
CN MOTORS, LTD.
COGGIN MANAGEMENT, L.P.
CP−GMC MOTORS, LTD.

By: ASBURY JAX MANAGEMENT L.L.C.,
its General Partner

ASBURY AUTOMOTIVE BRANDON, L.P.
TAMPA HUND, L.P.
TAMPA KIA, L.P.
TAMPA LM, L.P.
TAMPA MIT, L.P.
WMZ MOTORS, L.P.
WTY MOTORS, L.P.

By: ASBURY TAMPA MANAGEMENT
L.L.C.,
its General Partner

AF MOTORS, L.L.C.
ALM MOTORS, L.L.C.
ARKANSAS AUTOMOTIVE SERVICES,
L.L.C.
ASBURY AR NISS L.L.C.
ASBURY ATLANTA AC L.L.C.
ASBURY ATLANTA AU L.L.C.
ASBURY ATLANTA BM L.L.C.
ASBURY ATLANTA CHEVROLET L.L.C.
ASBURY ATLANTA HON L.L.C.
ASBURY ATLANTA INF L.L.C.
ASBURY ATLANTA INFINITI L.L.C.
ASBURY ATLANTA JAGUAR L.L.C.
ASBURY ATLANTA LEX L.L.C.
ASBURY ATLANTA NIS L.L.C.

By: /s/Craig T. Monaghan
Craig T. Monaghan
Vice President

ASBURY ATLANTA TOY L.L.C.
ASBURY ATLANTA VL L.L.C.
ASBURY AUTOMOTIVE ARKANSAS
DEALERSHIP HOLDINGS L.L.C.
ASBURY AUTOMOTIVE ARKANSAS L.L.C.
ASBURY AUTOMOTIVE ATLANTA L.L.C.
ASBURY AUTOMOTIVE ATLANTA II L.L.C.
ASBURY AUTOMOTIVE CENTRAL
FLORIDA, L.L.C.
ASBURY AUTOMOTIVE DELAND, L.L.C.
ASBURY AUTOMOTIVE FRESNO L.L.C.
ASBURY AUTOMOTIVE JACKSONVILLE
GP L.L.C.
ASBURY AUTOMOTIVE MISSISSIPPI L.L.C.
ASBURY AUTOMOTIVE NORTH
CAROLINA DEALERSHIP HOLDINGS
L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA MANAGEMENT L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA
REAL ESTATE HOLDINGS
L.L.C.
ASBURY AUTOMOTIVE OREGON L.L.C.
ASBURY AUTOMOTIVE SOUTHERN
CALIFORNIA L.L.C.
ASBURY AUTOMOTIVE ST. LOUIS L.L.C. ASBURY AUTOMOTIVE ST. LOUIS II
L.L.C.
ASBURY AUTOMOTIVE TAMPA GP L.L.C.
ASBURY AUTOMOTIVE TEXAS L.L.C. ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C.
ASBURY DELAND IMPORTS 2, L.L.C.
ASBURY FRESNO IMPORTS L.L.C.
ASBURY JAX AC, L.L.C.
ASBURY JAX HON L.L.C.
ASBURY JAX K L.L.C.
ASBURY JAX MANAGEMENT L.L.C.
ASBURY JAX VW L.L.C.

By: /s/Craig T. Monaghan
Craig T. Monaghan
Vice President

ASBURY MS CHEV L.L.C.
ASBURY MS GRAY−DANIELS L.L.C.
ASBURY NO CAL NISS L.L.C.
ASBURY SACRAMENTO IMPORTS L.L.C.
ASBURY SC JPV L.L.C.
ASBURY SC LEX L.L.C.
ASBURY SC TOY L.L.C.
ASBURY SO CAL DC L.L.C.
ASBURY SO CAL HON L.L.C.
ASBURY SO CAL NISS L.L.C.
ASBURY ST. LOUIS CADILLAC L.L.C.
ASBURY ST. LOUIS FSKR, L.L.C.
ASBURY ST. LOUIS LEX L.L.C.
ASBURY ST. LOUIS LR L.L.C.
ASBURY ST. LOUIS M L.L.C.
ASBURY TAMPA MANAGEMENT L.L.C.
ASBURY TEXAS D FSKR, L.L.C.
ASBURY TEXAS H FSKR, L.L.C.
ASBURY−DELAND IMPORTS, L.L.C.
ATLANTA REAL ESTATE HOLDINGS L.L.C.
BFP MOTORS L.L.C.
CAMCO FINANCE II L.L.C.
CK CHEVROLET L.L.C.
CK MOTORS LLC
COGGIN AUTOMOTIVE CORP.
COGGIN CARS L.L.C.
COGGIN CHEVROLET L.L.C.
CROWN ACURA/NISSAN, LLC
CROWN CHH L.L.C.
CROWN CHO L.L.C.
CROWN CHV L.L.C.
CROWN FDO L.L.C.
CROWN FFO HOLDINGS L.L.C.
CROWN FFO L.L.C.
CROWN GAC L.L.C.
CROWN GBM L.L.C.
CROWN GCA L.L.C.
CROWN GDO L.L.C.
CROWN GHO L.L.C.
CROWN GNI L.L.C.
CROWN GPG L.L.C.

By: /s/Craig T. Monaghan
Craig T. Monaghan
Vice President

CROWN GVO L.L.C.
CROWN HONDA, L.L.C.
CROWN MOTORCAR COMPANY L.L.C.
CROWN PBM L.L.C.
CROWN RIA L.L.C.
CROWN RIB L.L.C.
CROWN SJC L.L.C.
CROWN SNI L.L.C.
CSA IMPORTS L.L.C.
ESCUDE−NN L.L.C.
ESCUDE−NS L.L.C.
ESCUDE−T L.L.C.
FLORIDA AUTOMOTIVE SERVICES L.L.C.
(f/k/a ASBURY AUTOMOTIVE FLORIDA LLC)
HFP MOTORS L.L.C.
JC DEALER SYSTEMS, LLC
KP MOTORS L.L.C.
MCDAVID AUSTIN−ACRA, L.L.C.
MCDAVID FRISCO−HON, L.L.C.
MCDAVID GRANDE, L.L.C.
MCDAVID HOUSTON−HON, L.L.C.
MCDAVID HOUSTON−NISS, L.L.C.
MCDAVID IRVING−HON, L.L.C.
MCDAVID OUTFITTERS, L.L.C.
MCDAVID PLANO−ACRA, L.L.C.
MID−ATLANTIC AUTOMOTIVE SERVICES, L.L.C.
MISSISSIPPI AUTOMOTIVE SERVICES, L.L.C.
MISSOURI AUTOMOTIVE SERVICES, L.L.C.
NP FLM L.L.C.
NP MZD L.L.C.
NP VKW L.L.C.
PLANO LINCOLN−MERCURY, INC.
PRECISION COMPUTER SERVICES, INC.
PRECISION ENTERPRISES TAMPA, INC.
PRECISION INFINITI, INC.
PRECISION MOTORCARS, INC.
PRECISION NISSAN, INC.
PREMIER NSN L.L.C.
PREMIER PON L.L.C.

By: /s/Craig T. Monaghan
Craig T. Monaghan
Vice President

PRESTIGE BAY L.L.C.
PRESTIGE TOY L.L.C.
SOUTHERN ATLANTIC AUTOMOTIVE SERVICES, L.L.C. (f/k/a GEORGIA AUTOMOTIVE SERVICES L.L.C.)
TEXAS AUTOMOTIVE SERVICES, L.L.C.
THOMASON AUTO CREDIT NORTHWEST, INC.
THOMASON DAM L.L.C.
THOMASON FRD L.L.C.
THOMASON HUND L.L.C.
THOMASON PONTIAC−GMC L.L.C.

By: /s/Craig T. Monaghan
Craig T. Monaghan
Vice President

AGENT AND LENDER:
JPMORGAN CHASE BANK, N.A., as Agent and Lender

By: /s/ Jeffrey G. Calder
Jeffrey G. Calder
Vice President

LENDER:
BANK OF AMERICA, N.A., as Lender

By: /s/ Kenneth W. Winston, III
Kenneth W. Winston, III
Senior Vice President

SCHEDULE 1
TO AMENDMENT NO. 2 TO CREDIT AGREEMENT

For the Quarter/Year ended _____("Statement Date")

SCHEDULE 1
to the Compliance Certificate
($ in 000's)

I. Section 6.11(a) − Consolidated Current Ratio.

Numerator:

A. Consolidated Current Assets at the Statement Date: $_____

B. Available Unused Commitments under the Bank of America Agreement:

1. Aggregate Commitments at the Statement Date: $_____

2. Borrowing Base at the Statement Date $_____

3. The lesser of Lines I.B.1. and 2.: $_____

4. Total Outstandings at the Statement $_____

5. Available Unused Commitments (Lines I.B.3.− 4. $_____

C. Numerator (Lines I.A. + I.B.5.): $_____

Denominator:

D. Consolidated current liabilities at Statement of Date: $_____

E. Permitted Floorplan Silo Indebtedness at Statement Date, to the extent not reflected as a current liability (Line I.D.): $_____

F. To the extent included in current liabilities (Line I.D.), any balloon payment due under the Bank of America Agreement, or under any Permitted Real Estate Debt or Subordinated Indebtedness, other than, in each case, any such balloon payment due within two (2) fiscal quarters following the Statement Date: $_____

G. Denominator (Consolidated Adjusted Current Liabilities) (Lines I.D. + E. − F.): $_____

H. Consolidated Current Ratio (Line I.C. / G.): _____ to 1.00

Minimum Required: 1.20 to 1.00

II. Section 6.11(b) − Consolidated Fixed Charge Coverage Ratio.

Numerator:

A. Consolidated EBITDA for four consecutive fiscal quarters ending on the Statement Date ("Subject Period"):

1. Consolidated Net Income for Subject Period: $_____

2. To the extent deducted in calculating Consolidated Net Income (Line II.A.1.):

   a. The lesser of Lines I.B.1. and 2.: $_____

   b. Provision for income taxes for Subject Period: $_____

   c. Depreciation and amortization expense for Subject Period: $_____

   d. Other non−cash expenses reducing Consolidated Net Income which do not represent a cash item in Subject Period or any future period: $_____

   e. Beginning with the four fiscal quarter period ending March 31, 2010, all losses on and other expenses related to repurchases of long−term Indebtedness: $_____

3. To the extent included in calculating Consolidated Net Income (Line II.A.1.):

   a. All non−cash items increasing Consolidated Net Income for Subject Period: $_____

   b. Beginning with the four fiscal quarter period ending March 31, 2010, all gains on repurchases of long−term Indebtedness: $_____

4. Consolidated EBITDA for the Subject Period (Lines II.A.1.+2.a.+2.b.+2.c.+2.d.+2.e.+−3.a.−3.b.): $_____

B. Consolidated Rental Expense for the Subject Period: $_____

C. Deemed capital expenditures in an amount equal to $150,000 for each Dealer Location in existence on the Statement Date: $_____

D. Numerator (Lines II.A.4.+B.−C.): $_____

Denominator:

E. Consolidated Interest Expense for the Subject Period (but excluding interest expense with respect to Permitted Floorplan Silo Indebtedness)(Line II.A.2.a.): $ _____

F. Scheduled amortization during the Subject Period of the principal portion of all Indebtedness for money borrowed (other than any balloon, bullet or similar principal payment which repays or refinances such Indebtedness in full): $ _____

G. Consolidated Rental Expense for Subject Period (Line II.B.): $ _____

H. Consolidated Pro Forma Rent Savings for Subject Period: $ _____

I. Taxes [1] paid in cash during Subject Period:

J. Beginning with the four fiscal quarter period ending March 31, 2010, Taxes included in Line I. above paid as a result of any gains on repurchases of long−term Indebtedness: $ _____

K. Denominator (Lines II.E.+F.+G.−I−J.):

L. Consolidated Fixed Charge Coverage Ratio (Line II.D./K.): _____ to 1.00

Minimum Required: (i) For each Subject Period ending on or prior to September 30, 2010, 1.10 to 1.00 and (ii) for each Subject Period ending after September 30, 2010, 1.20 to 1.00

III. Section 6.11(c) − Consolidated Total Leverage Ratio.

Numerator:

A. Consolidated Adjusted Funded Indebtedness at the Statement Date:

1. Consolidated Funded Indebtedness at the Statement Date: $_____

2. Permitted Floorplan Silo Indebtedness at the Statement Date: $_____

3. Numerator (Lines III.A.1.−2.): $_____

Denominator:

B. Consolidated Pro Forma EBITDA for Subject Period:

1. Consolidated EBITDA for Subject Period (Line II.A.4.): $_____

2. Consolidated EBITDA attributable to Permitted Acquisitions for Subject Period (or exclusion of Consolidated EBITDA attributable to Permitted Dispositions for Subject Period) on a pro forma basis in accordance with the Agreement[2] $(+/−)____

3. Consolidated Pro Forma Rent Savings for Subject Period: $_____

4. Consolidated Pro Forma EBITDA for Subject Period (Line III.B.1. +/−2.+3.): $_____

C. Consolidated Total Leverage Ratio (Line III.A.3./B.4.): _____ to 1.00

Maximum Permitted: At any time before the Admendment No. 1 Effectiveness Date or at any time on or after the Modified Covenant Triggering Event Date, 5.00 to 1.00.

[1] As used in this Compliance Certificate, "Taxes" shall means all taxes, levies, imposts, duties, deductions, withholdings (including backup withholdings), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

IV. Section 7.11 (d) − Consolidated Total Senior Leverage Ratio.

Numerator:

A. Consolidated Adjusted Funded Indebtedness at Statement Date (Line III.A.3.): $_____

B. Subordinated Indebtedness at Statement Date: $_____

C. Numberator (Lines IV.A.−B.): $_____

Denominator

D. Consolidated Pro Forma EBITDA for Subject Period (Line III.B.4.): $_____

E. Consolidated Total Senior Leverage Ratio (Line IV.C./Line IV.D.): _____to 1.00

Maximum Permitted: 3.00 to 1.00

V. The Number of Dealer Locations as of the Statement Date is: _____ .

VI. Section 7.10 (a) − Restricted Payments.

Numerator:

A. Quarterly Adjusted Consolidated Net Income:

1. Consolidated Net Income for fiscal quarter ending on the Statement Date ("Subject Quarter") (+/−)$_____

2. Extraordinary gains for the Subject Quarter recorded in accordance with GAAP: $_____

3. Extraordinary losses for the Subject Quarter recorded in accordance with GAAP: $_____

4. Non−cash impairment charges or asset write−offs or write−downs for the Subject Quarter recorded in accordance with GAAP: $_____

5. Write−downs during the Subject Quarter recorded subsequent to October 1, 2010 related to deffered tax assets that were established prior to October 1, 2010, recorded in accordance with GAAP: $_____

6. Non−cash interest expense for the Subject Quarter resulting from the effect of Accounting Principles Bulletin 14−1/Accounting Standards Codification of the Financial Accounting Standards Board Number 470−20 (Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion) on convertible indebtedness recorded in accordance with GAAP: (+/−)$_____

7. Gains or losses directly associated with the repurchase or early extinguishment of long−term Indebtedness: (+/−)$_____

8. Tax Impact:

   a. Tax impact of Line VI.A.2: $_____

   b. Tax impact of Line VI.A.3: $_____

   c. Tax impact of Line VI.A.4: $_____

   d. Tax impact of Line VI.A.5: $_____

   e. Tax impact of Line VI.A.6: (+/−)$_____

   f. Tax impact of Line VI.A.7: (+/−)$_____

   g. Total impact (Line VI.A.8: −a.+b.+c.+d.(+/−) e.(+/−) 8.g.): $_____

9. Adjusted Consolidated Net Income for the Subject Quarter (Lines VI.A.1.−2.+3.+4.+5.(+/−) 6.(+/−) 7.(+/−) 8.g.): (+/−)$_____

B. Restricted Payments Calculation:

1. $50,000,000 $50,000,000

2. Adjusted Consolidated Net Income for the Subject Quarter (Line VI.A.9.): (+/−)$_____

3. Adjusted Consolidated Net Income for all fiscal quarters starting with the fiscal quarter beginning October 1, 2010 but excluding Subject Quarter: (+/−)$_____

4. 50% of Adjusted Consolidated Net Income (.50 multiplied by (sum of Lines VI.B.2. and B.3.)): (+/−)$_____

5. Restricted Payments Threshold: (Line VI.B.1. plus (or minus if negative) Line VI.B.4.): $_____

C. Restricted Payments

1.	Restricted Payments for all fiscal quarters starting with the fiscal quarter beginning October 1, 2010 but excluding Subject Quarter:	$_____
2.	Restricted Payment made in Subject Quarter:	$_____
3.	Total Restricted Payments through Subject Quarter (Line VI.C.1.+C.2.):	$_____

[2] Historical financial statements (audited or unaudited, as permitted by the Agent in its reasonable discretion) must support such adjustment to the satisfaction of the Agent and such pro forma adjustment shall not increase Consolidated EBITDA by more than 20%.

Exhibit 10.47

MODIFICATION NUMBER THREE
TO MASTER LOAN AGREEMENT

THIS MODIFICATION NUMBER THREE TO MASTER LOAN AGREEMENT (the "Agreement"), dated July 2, 2009, effective as of June 30, 2009 (the "Effective Date") between NP FLM L.L.C., a Delaware limited liability company, Premier NSN L.L.C., a Delaware limited liability company, Asbury Atlanta Jaguar L.L.C., a Delaware limited liability company, Asbury Atlanta LEX L.L.C., a Delaware limited liability company, CN Motors, LTD., a Florida limited partnership, C&O PROPERTIES, LTD., a Florida limited partnership, CFP Motors, LTD., a Florida limited partnership, Avenues Motors, Ltd., a Florida limited partnership, AF Motors, L.L.C., a Delaware limited liability company, ALM Motors, L.L.C., a Delaware limited liability company, Asbury−Deland Imports, L.L.C., a Delaware limited liability company, Coggin Chevrolet L.L.C., a Delaware limited liability company, Coggin Cars L.L.C., a Delaware limited liability company, CH Motors, Ltd., a Florida limited partnership, HFP Motors L.L.C., a Delaware limited liability company, Crown GPG L.L.C., a Delaware limited liability company, CROWN CHV L.L.C., a Delaware limited liability company, Crown GHO L.L.C., a Delaware limited liability company, Crown GDO L.L.C., a Delaware limited liability company, Crown RIB L.L.C., a Delaware limited liability company, Crown Motorcar Company L.L.C., a Delaware limited liability company, Asbury Automotive Atlanta L.L.C., a Delaware limited liability company, McDavid Irving−Hon, L.L.C., a Delaware limited liability company, McDavid Plano−Acra, L.L.C., a Delaware limited liability company, McDavid Austin−Acra, L.L.C., a Delaware limited liability company, McDavid Houston−Hon, L.L.C., a Delaware limited liability company, McDavid Houston−Niss, L.L.C., a Delaware limited liability company and ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company (each referred to herein individually and collectively as "Borrower"), and WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, "WBNA") and WACHOVIA FINANCIAL SERVICES, INC., a North Carolina corporation (together with its successors and assigns, "WFSI") (WBNA and WFSI referred to herein individually and collectively as "Lender").

RECITALS

A. Lender is the holder of certain Notes, as modified from time to time, executed and delivered by Borrower and certain other loan documents, including without limitation, a Master Loan Agreement, dated as of June 4, 2008, as modified from time to time (the "Loan Agreement").

B. Borrower and Lender have agreed to modify the terms of the Loan Agreement as set forth herein.

In consideration of Lender's continued extension of credit and the agreements contained herein, the parties agree as follows:

AGREEMENT

ACKNOWLEDGEMENT OF BALANCE. Borrower acknowledges that the most recent Commercial Loan Invoices sent to Borrower with respect to the Obligations under each Note is correct.

DEFINITIONS. Terms used in this Agreement which are capitalized and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

MODIFICATIONS.

1.Section 1.1 “Defined Terms” of the Loan Agreement is hereby amended as follows:

(a)The definition of “Bridge Loan Maturity Date” is hereby deleted in its entirety and the following new definition of “Bridge Loan Maturity Date” is hereby substituted in lieu thereof:

“'Bridge Loan Maturity Date' means September 4, 2009.”

(b)The definition of “Collateral” is hereby deleted in its entirety and the following new definition of “Collateral” is hereby substituted in lieu thereof:

“'Collateral' means the Property, all Fixtures of the Property and all Personal Property Collateral pledged by a Borrower to Lender as security for Borrower's Loan.”

(c)The definition of “Loan Documents” is hereby deleted in its entirety and the following new definition of “Loan Documents” is hereby substituted in lieu thereof:

“'Loan Documents' means this Agreement, each Mortgage, Security Agreement, Note, Guaranty Agreement, UCC−1 financing statements and all other documents and instruments now or hereafter evidencing, describing, guaranteeing or securing the Obligations contemplated hereby or delivered in connection herewith, as they may be modified, amended, extended, renewed or substituted from time to time, but does not include Swap Agreements.”

(d)The following new definition of “Personal Property Collateral” is hereby added:

“'Personal Property Collateral' means the personal property pledged by a Borrower to Lender as security for Borrower's Loan pursuant to a Security Agreement.”

(e)The following new definition of “Security Agreement” is hereby added:

“'Security Agreement' means each security agreement or similar instrument now or hereafter executed by Borrower or other Person granting Lender a security interest in any Personal Property Collateral to secure the Obligations.”

2.Section 2.1.3 of the Loan Agreement is hereby deleted in its entirety and the following new Section 2.1.3 is hereby substituted in lieu thereof:

“2.1.3 Bridge Loan Collateral. On the Closing Date, each Bridge Loan Borrower shall execute and deliver to WBNA a Mortgage as to each Bridge Loan Borrower's Property set forth on Exhibit A−3 attached hereto and made a part hereof (each, a 'Bridge Loan Property'). On July 2, 2009, each Bridge Loan Borrower shall execute and deliver to WBNA a Security Agreement, effective as of June 30, 2009, as to each Bridge Loan Borrower's Personal Property Collateral.”

3.Section 4.8 of the Loan Agreement is hereby deleted in its entirety and the following new Section 4.8 is hereby substituted in lieu thereof:

“4.8 Collateral. The security interests granted to Lender pursuant to any Mortgage or any Security Agreement (a) constitute and, as to subsequently acquired property included in the Collateral covered by the Mortgage or Security Agreement, will constitute, security interests entitled to all of the rights, benefits and priorities provided by the Code and applicable State law and (b) are, and as to such subsequently acquired Collateral will be, fully perfected, superior and prior to the rights of all third persons, now existing or hereafter arising. The Collateral is intended for use solely in Borrower's business.”

4.Section 6.5 of the Loan Agreement is hereby amended by adding the phrase “or permit the change

of location of any Personal Property Collateral" at the end thereof.

5.The following new Section 7.3 is hereby added to the Loan Agreement:

7.3 Deposit Accounts. Commencing as of June 30, 2009 and at all times thereafter that its respective Bridge Loan is outstanding, each of Crown CHV L.L.C. and Asbury Automotive Texas Real Estate Holdings L.L.C. shall maintain a Deposit Account with WBNA with a balance equal to 100% of the principal amount outstanding of such Bridge Loan Borrower's Bridge Loan."

PAYMENT OF FEES. In connection with the modification of the Loans, Borrower shall pay contemporaneously with the execution hereof all of Lender's fees and costs in connection with this modification, including, without limitation, the Lender's reasonable attorneys' fees and expenses.

ACKNOWLEDGMENTS AND REPRESENTATIONS. Borrower acknowledges and represents that the Note, the Loan Agreement and other Loan Documents, as amended hereby, are in full force and effect without any defense, counterclaim, right or claim of set−off; that, after giving effect to this Agreement, no Event of Default under the Loan Documents has occurred, all representations and warranties contained in the Loan Documents are true and correct as of the Effective Date, all necessary action to authorize the execution and delivery of this Agreement has been taken; and this Agreement is a modification of an existing obligation and is not a novation.

COLLATERAL. Borrower acknowledges and confirms that there have been no changes in the ownership of any Collateral since the Collateral was originally pledged; Borrower acknowledges and confirms that the Lender has existing, valid first priority security interests and liens in the Collateral; and that such security interests and liens shall secure Borrower's Obligations, including any modification of the Note or Loan Agreement, if any, and all future modifications, extensions, renewals and/or replacements of the Loan Documents.

MISCELLANEOUS. This Agreement shall be construed in accordance with and governed by the laws of the Jurisdiction as originally provided in the Loan Documents, without reference to the Jurisdiction's conflicts of law principles. This Agreement and the other Loan Documents constitute the sole agreement of the parties with respect to the subject matter thereof and supersede all oral negotiations and prior writings with respect to the subject matter thereof. No amendment of this Agreement, and no waiver of any one or more of the provisions hereof shall be effective unless set forth in writing and signed by the parties hereto. The illegality, unenforceability or inconsistency of any provision of this Agreement shall not in any way affect or impair the legality, enforceability or consistency of the remaining provisions of this Agreement or the other Loan Documents. This Agreement and the other Loan Documents are intended to be consistent. However, in the event of any inconsistencies among this Agreement and any of the Loan Documents, the terms of this Agreement, and then the Loan Agreement, shall control. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute but one and the same instrument. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto. LIMITATION ON LIABILITY; WAIVER OF PUNITIVE DAMAGES. EACH OF THE PARTIES HERETO, INCLUDING LENDER BY ACCEPTANCE HEREOF, AGREES THAT IN ANY JUDICIAL, MEDIATION OR ARBITRATION PROCEEDING OR ANY CLAIM OR CONTROVERSY BETWEEN OR AMONG THEM (A "DISPUTE") THAT MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN OR AMONG THEM OR THE OBLIGATIONS EVIDENCED HEREBY OR RELATED HERETO, IN NO EVENT SHALL ANY PARTY HAVE A REMEDY OF, OR BE LIABLE TO THE OTHER FOR, (A) INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR (B) PUNITIVE OR EXEMPLARY DAMAGES. EACH OF THE PARTIES HEREBY

EXPRESSLY WAIVES ANY RIGHT OR CLAIM TO PUNITIVE OR EXEMPLARY DAMAGES THEY MAY HAVE OR WHICH MAY ARISE IN THE FUTURE IN CONNECTION WITH ANY SUCH PROCEEDING, CLAIM OR CONTROVERSY, WHETHER THE DISPUTE IS RESOLVED BY ARBITRATION, MEDIATION, JUDICIALLY OR OTHERWISE. Final Agreement. This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

ARBITRATION. Upon demand of any party hereto, whether made before or after institution of any judicial proceeding, any claim or controversy arising out of or relating to the Loan Documents between parties hereto shall be resolved by binding arbitration conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAA") and the Federal Arbitration Act. Disputes may include, without limitation, tort claims, counterclaims, a dispute as to whether a matter is subject to arbitration, or claims arising from documents executed in the future, but shall specifically exclude claims brought as or converted to class actions. A judgment upon the award may be entered in any court having jurisdiction. Notwithstanding the foregoing, this arbitration provision does not apply to disputes under or related to swap agreements. Special Rules. All arbitration hearings shall be conducted in Charlotte, North Carolina. A hearing shall begin within 90 days of demand for arbitration and all hearings shall conclude within 120 days of demand for arbitration. These time limitations may not be extended unless a party shows cause for extension and then for no more than a total of 60 days. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than $1,000,000.00. Arbitrators shall be licensed attorneys selected from the Commercial Financial Dispute Arbitration Panel of the AAA. The parties do not waive applicable Federal or state substantive law except as provided herein. Preservation and Limitation of Remedies. Notwithstanding the preceding binding arbitration provisions, the parties agree to preserve, without diminution, certain remedies that any party may exercise before or after an arbitration proceeding is brought. The parties shall have the right to proceed in any court of proper jurisdiction or by self−help to exercise or prosecute the following remedies, as applicable: (a) all rights to foreclose against any real or personal property or other security by exercising a power of sale or under applicable law by judicial foreclosure including a proceeding to confirm the sale; (b) all rights of self−help including peaceful occupation of real property and collection of rents, set−off, and peaceful possession of personal property; (c) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing an involuntary bankruptcy proceeding; and (d) when applicable, a judgment by confession of judgment. Any claim or controversy with regard to any party's entitlement to such remedies is a Dispute. Waiver of Jury Trial. THE PARTIES ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO JURY TRIAL WITH REGARD TO A DISPUTE.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Modification Number Three to Master Loan Agreement to be duly executed under seal as of the day and year first above written.

Property 1 — CH MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 2 — CN MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 3 — C&O PROPERTIES, LTD., a Florida limited partnership
BRIDGE

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 4 — COGGIN CARS L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 5 — COGGIN CHEVROLET L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 6 — AVENUES MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 7

AF MOTORS, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

And

ALM MOTORS, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 8

ASBURY−DELAND IMPORTS, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 9

HFP MOTORS L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 10

CFP MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 11

CROWN GHO L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 12

CROWN GDO L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

[Signatures on following page]

Property 13 CROWN GPG L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 13 CROWN CHV L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 14 CROWN CHV L.L.C., a Delaware limited liability company
BRIDGE

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 15 CROWN RIB L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 16 CROWN MOTORCAR COMPANY L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 17 ASBURY ATLANTA LEX L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 18 ASBURY ATLANTA JAGUAR L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

[Signatures on following page]

Property 19		PREMIER NSN L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 20		NP FLM L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 21		ASBURY AUTOMOTIVE ATLANTA L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 22 and 23		MCDAVID IRVING−HON, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 24		ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 25		MCDAVID PLANO−ACRA, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 26, 30 and 32		MCDAVID HOUSTON−HON, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President

[Signatures on following page]

Property 27 and 29

MCDAVID HOUSTON−NISS, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 28

MCDAVID AUSTIN−ACRA, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Accepted in Winston−Salem, North Carolina:

WACHOVIA BANK, NATIONAL ASSOCIATION

By: /s/Kevin Nunley
Kevin Nunley, Vice President

WACHOVIA FINANCIAL SERVICES, INC.

By: /s/Kevin Nunley
Kevin Nunley, Vice President

[Signatures on following page]

MODIFICATION NUMBER FOUR
TO MASTER LOAN AGREEMENT

THIS MODIFICATION NUMBER FOUR TO MASTER LOAN AGREEMENT (the "Agreement"), dated as of October 21, 2010 between NP FLM L.L.C., a Delaware limited liability company, Premier NSN L.L.C., a Delaware limited liability company, Asbury Atlanta Jaguar L.L.C., a Delaware limited liability company, Asbury Atlanta LEX L.L.C., a Delaware limited liability company, CN Motors, LTD., a Florida limited partnership, C&O PROPERTIES, LTD., a Florida limited partnership, CFP Motors, LTD., a Florida limited partnership, Avenues Motors, Ltd., a Florida limited partnership, AF Motors, L.L.C., a Delaware limited liability company, ALM Motors, L.L.C., a Delaware limited liability company, Asbury−Deland Imports, L.L.C., a Delaware limited liability company, Coggin Chevrolet L.L.C., a Delaware limited liability company, Coggin Cars L.L.C., a Delaware limited liability company, CH Motors, Ltd., a Florida limited partnership, HFP Motors L.L.C., a Delaware limited liability company, Crown GPG L.L.C., a Delaware limited liability company, CROWN CHV L.L.C., a Delaware limited liability company, Crown GHO L.L.C., a Delaware limited liability company, Crown GDO L.L.C., a Delaware limited liability company, Crown RIB L.L.C., a Delaware limited liability company, Crown Motorcar Company L.L.C., a Delaware limited liability company, Asbury Automotive Atlanta L.L.C., a Delaware limited liability company, McDavid Irving−Hon, L.L.C., a Delaware limited liability company, McDavid Plano−Acra, L.L.C., a Delaware limited liability company, McDavid Austin−Acra, L.L.C., a Delaware limited liability company, McDavid Houston−Hon, L.L.C., a Delaware limited liability company, McDavid Houston−Niss, L.L.C., a Delaware limited liability company, ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company and ASBURY AUTOMOTIVE ST. LOUIS, L.L.C., a Delaware limited liability company (each referred to herein individually and collectively as "Borrower"), and WELLS FARGO BANK, N.A., a national banking association, as successor by merger to Wachovia Bank, National Association (together with its successors and assigns, "WFBNA") and WACHOVIA FINANCIAL SERVICES, INC., a North Carolina corporation (together with its successors and assigns, "WFSI") (WFBNA and WFSI referred to herein individually and collectively as "Lender").

RECITALS

A. Lender is the holder of certain Notes, as modified from time to time, executed and delivered by Borrower.

B. Lender is the holder of certain other loan documents, including without limitation, a Master Loan Agreement, dated as of June 4, 2008, as modified from time to time, between Lender and each Borrower, other than Asbury Automotive St. Louis, L.L.C. (the "Loan Agreement").

C. Borrower and Lender have agreed to modify the terms of the Loan Agreement as set forth herein to consolidate certain loans owed by Asbury Automotive St. Louis, L.L.C. to Lender and the parties wish to include Asbury Automotive St. Louis as a Borrower and a party to the Loan Agreement.

In consideration of Lender's continued extension of credit and the agreements contained herein, the parties agree as follows:

AGREEMENT

ACKNOWLEDGMENT OF BALANCE. Borrower acknowledges that the most recent Commercial Loan Invoices sent to Borrower with respect to the Obligations under each Note is correct.

DEFINITIONS. Terms used in this Agreement which are capitalized and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

MODIFICATIONS.

1.The Loan Agreement is hereby amended by deleting the defined term "WBNA" throughout and replacing it with the defined term "WFBNA".

2.The term "Borrower" as defined in the Loan Agreement is hereby amended to include Asbury Automotive St. Louis, L.L.C., a Delaware limited liability company.

3.Section 1.1 "Defined Terms" of the Loan Agreement is hereby amended as follows:

(a)The definition of "Applicable Margin" is hereby deleted in its entirety and the following new definition of "Applicable Margin" is hereby substituted in lieu thereof:

"'Applicable Margin' means, (a) as to any portion of any Loan, other than the St. Louis Loan, that is a LIBOR Loan, 2.95%, and (b) as to any portion of the St. Louis Loan, 3.60%."

(b)The definition of "Change in Control" is hereby amended by deleting the word "Guarantor" throughout and replacing it with the name "Asbury Automotive Group, Inc."

(c)The definition of "Closing Date" is hereby deleted in its entirety and the following new definition of "Closing Date" is hereby substituted in lieu thereof:

"'Closing Date' means, as to each Loan, the date on which all of the conditions precedent in Section 3 of this Agreement are satisfied as to such Loan and such Loan is made under this Agreement."

(d)The definition of "Guarantor" is hereby deleted in its entirety and the following new definition of "Guarantor" is hereby substituted in lieu thereof:

"'Guarantor' means Asbury Automotive Group, Inc. and any other Person now or hereafter guaranteeing, endorsing or otherwise becoming liable for any Obligations of Borrower, which, solely as to the St. Louis Loan, shall include, without limitation, each St. Louis Guarantor"

(e)The following new definition of "Ground Lease" is hereby added thereto:

"'Ground Lease' means that certain lease dated as of July 18, 1986, as amended from time to time, between The Gelber Family Limited Partnership and Gelber and Bank, L.L.C., as landlord, and Luxus Imports Company, as tenant, which covers that certain portion of the St. Louis Property located at 740 Center Parkway Drive, 11912 and 11904 Olive Boulevard and 749 Decker Lane, Creve Coeur, St. Louis County, Missouri, as such lease has been assigned and assumed pursuant to that certain Assignment and Assumption of Lease by and between Sieben, Inc. (successor in interest to Luxus Imports Company), as assignor, and Asbury St. Louis Gen L.L.C., as assignee, and as further assigned and assumed pursuant to that certain Assignment and Assumption of Lease by and between Asbury St. Louis Gen L.L.C., as assignor, and St. Louis Borrower, as assignee."

(f)The definition of "Interest Period" is hereby amended by deleting subsection (c) in its entirety and substituting the following new subsection (c) in lieu thereof:

"(c) any Interest Period that would otherwise extend past the applicable Termination Date for such Loan and shall end on the applicable Termination Date for such Loan."

(g)The definition of "Obligations" is hereby deleted in its entirety and the following new definition of "Obligations" is hereby substituted in lieu thereof:

"'Obligations' means, with respect to each Borrower, all obligations now or hereafter owed to Lender or any Affiliate of Lender by such Borrower related to the Loans, this Agreement or the Loan Documents, including, without limitation, amounts owed or to be owed under the terms of the Loan Documents, or arising out of the transactions described therein, including, without limitation, the Loans, all fees, all existing and future obligations under any Swap Agreements between Lender or any Affiliate of Lender and such Borrower or Guarantor which are executed in connection with or related to the Loans (including obligations under such Swap Agreements entered into prior to any transfer or sale of Lender's interests hereunder if Lender ceases to be a party hereto), all costs of collection, attorneys' fees and expenses of or advances by Lender which Lender pays or incurs in discharge of obligations of such Borrower under the Loan to such Borrower or to inspect, repossess, protect, preserve, store or dispose of any Collateral owned by such Borrower, whether such amounts are now due or hereafter become due, direct or indirect and whether such amounts due are from time to time reduced or entirely extinguished and thereafter re−incurred."

(h)The following new definition of "Prime Landlord" is hereby added thereto:

"'Prime Landlord' means collectively The Gelber Family Limited Partnership and Gelber and Bank, L.L.C., and any other landlord under the Ground Lease."

(i)The following new definition of "St. Louis Borrower" is hereby added thereto:

"'St. Louis Borrower' means Asbury Automotive St. Louis, L.L.C."

(j)The following new definition of "St. Louis Guarantor" is hereby added thereto:

"'St. Louis Guarantor' means each, any and all of Asbury Automotive St. Louis II, L.L.C., Asbury St. Louis Lex L.L.C., Asbury St. Louis Cadillac L.L.C. and Asbury St. Louis LR L.L.C."

(k)The following new definition of "St. Louis Loan" is hereby added thereto:

"'St. Louis Loan' means that certain Term Loan made by WFBNA to St. Louis Borrower dated as of October 21, 2010."

(l)The following new definition of "St. Louis Property" is hereby added thereto:

"'St. Louis Property' means each, any and all of the real property located at 11830 Olive Boulevard, Creve Coeur, St. Louis County, Missouri; 734 Center Parkway Drive, Creve Coeur, St. Louis County, Missouri; 740 Center Parkway Drive, 11912 and 11904 Olive Boulevard and 749 Decker Lane, Creve Coeur, St. Louis County, Missouri; 630 − 648 Decker Lane, Creve Coeur, St. Louis County, Missouri; and 777 Decker Lane, Creve Coeur, St. Louis County, Missouri (777 Decker Lane formerly known as 712 Emerson Road, 737 Decker Lane and 601 & 701 Center Parkway Drive, Creve Coeur, St. Louis County, Missouri)."

(m)The definition of "Tenant" is hereby deleted in its entirety and the following new definition of "Tenant" is hereby substituted in lieu thereof:

"'Tenant' means each, any and all of Asbury St. Louis Lex, L.L.C., Asbury St. Louis Cadillac L.L.C. and Asbury St. Louis LR L.L.C., each of which is a tenant of the St. Louis Property and each, any and all other tenants under a Lease for any Property."

(n)The definition of "Term Loan Maturity Date" is hereby deleted in its entirety and the following new definition of "Term Loan Maturity date" is hereby substituted in lieu thereof:

"'Term Loan Maturity Date' means, (a) as to any Term Loan, other than the St. Louis Loan, June 4,

2013, and (b) as to the St. Louis Loan, November 1, 2015."

4.Section 2.1.4 is hereby amended by adding the following sentence at the end thereof:

"Notwithstanding anything set forth herein to the contrary, the proceeds of the St. Louis Loan shall be used solely by St. Louis Borrower to refinance existing real estate mortgage loans owed to Lender which encumber the St. Louis Property."

5.Section 2.1.5(a) of the Loan Agreement is hereby amended by deleting the second sentence in its entirety and substituting the following in lieu thereof:

"Each Term Note shall be in the form of Exhibit A−5 attached hereto for each Term Loan, other than the St. Louis Loan, and in the form of Exhibit A−7 attached hereto for the St. Louis Loan, which Term Note for each such Term Loan, in addition to the records of Lender, shall evidence the Term Loan and interest accruing thereon."

6.Section 3.2.8 of the Loan Agreement is hereby amended by deleting the word "Guarantor" and replacing it with the name "Asbury Automotive Group, Inc."

7.Section 4.21 of the Loan Agreement is hereby deleted in its entirety and the following new Section 4.21 is hereby substituted in lieu thereof:

"4.21 Use and Operation of Property. Except to the extent disclosed on Exhibit 4.21 hereof, each Property is used and operated by Borrower or by the Tenant of the St. Louis Property, as the case may be, exclusively for the franchised retail motor vehicle sales, service or other related purposes as identified on Exhibit 4.21 hereof."

8.Section 4.26 of the Loan Agreement is hereby deleted in its entirety and the following new Section 4.26 is hereby substituted in lieu thereof:

"4.26 Possession of Property. Except as disclosed on Exhibit 4.26 solely as to the St. Louis Property, Borrower is the owner and occupier of the Property and no other Person has any possessory interest in the Property or right to occupy the same."

9.Section 4.30 of the Loan Agreement is hereby deleted in its entirety and the following new Section 4.30 is hereby substituted in lieu thereof:

"4.30 Franchise Agreements. Each Franchise Agreement is valid and in full force and effect, including, without limitation, the Franchise Agreement between St. Louis Borrower and the Infiniti Division of Nissan North America, Inc. St. Louis Borrower and the Infiniti Division of Nissan North America, Inc. have agreed to extend the term of their Franchise Agreement through August 31, 2015 and St. Louis Borrower will promptly deliver to Lender a copy of the signed agreement evidencing such extension. Borrower has not received any notice of termination of any Franchise Agreement."

10.The Loan Agreement is hereby amended by adding the following new Section 4.32 thereto:

"4.32 Leases. Except as to the Ground Lease, St. Louis Borrower is the owner and lessor of landlord's interest in each Lease at the St. Louis Property. No Person has any possessory interest in the St. Louis Property or right to occupy the same except under and pursuant to the provisions of each Lease and except for Prime Landlord's right and interest in that portion of the St. Louis Property covered by the Ground Lease. There has been no prior sale, transfer or assignment, hypothecation or pledge of the Lease or of the rents received therein. St. Louis Borrower has delivered to Lender a true and complete copy of each Lease. Each Lease is in full force and effect and (a) there are no defaults thereunder by either party and there are no conditions that, with the passage of time or the giving of notice, or

both, would constitute defaults thereunder; (b) no rent (including security deposits) has been paid more than one (1) month in advance of its due date; (c) there are no offsets or defenses to the payment of any portion of the rents; (d) all work to be performed by Borrower under the Lease has been performed as required and has been accepted by the applicable Tenant, and any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by St. Louis Borrower to any Tenant has already been received by such Tenant; (e) the Tenant under each Lease has not assigned its Lease or sublet all or any portion of the premises demised thereby, no Tenant holds its leased premises under assignment or sublease, nor does anyone except such Tenant and its employees occupy such leased premises; (f) except to the extent expressly set forth in the Lease, no Tenant under any Lease has a right or option pursuant to such Lease or otherwise to purchase all or any part of the leased premises or the building of which the leased premises are a part; (g) no Tenant under any Lease has any right or option for additional space in the Improvements; (h) the term of each Lease has commenced; (i) payment of base, fixed or minimum rent under each Lease has commenced; (j) the related Franchise Agreements are in full force and effect; and (k) no Hazardous Materials have been disposed, stored or treated by any Tenant under any Lease on or about the leased premises in violation of Environmental Law nor does St. Louis Borrower have any knowledge of any Tenant's intention to use its leased premises for any activity which, directly or indirectly, involves the use, generation, treatment, storage, disposal or transportation of any Hazardous Materials in violation of Environmental Law or the Lease."

11. Section 5.9 of the Loan Agreement is hereby amended by adding the following phrase at the end of the first sentence thereof:

"; and (e) all notices of default or other material notices from any Tenant to any Borrower and, in the case of the St. Louis Property, all notices of default and other material notices from Prime Landlord."

12. Section 5.15 of the Loan Agreement is hereby amended by deleting the word "Guarantor" and replacing it with the name "Asbury Automotive Group, Inc."

13. The Loan Agreement is hereby amended by adding the following new Section 5.27 thereto:

"5.27 Ground Lease. St. Louis Borrower is lessee under the Ground Lease. St. Louis Borrower has delivered to Lender a true copy of the Ground Lease and all amendments and modifications thereto and neither St. Louis Borrower nor, to St. Louis Borrower's Knowledge, Prime Landlord is in default thereunder. St. Louis Borrower agrees to notify Lender promptly of default by any party under the Ground Lease and deliver to Lender copies of any written notice of default received by St. Louis Borrower. St. Louis Borrower shall perform all of its obligations under the Ground Lease. St. Louis Borrower shall not, without the prior written consent of Lender, agree to the surrender, cancellation, or modification of the Ground Lease or subordination of the Ground Lease to any deed of trust, mortgage or other interest. Any such surrender, cancellation, modification or subordination of the Ground Lease made without such consent shall be void. At the reasonable request of Lender, St. Louis Borrower shall, from time to time, obtain estoppel certificates from Prime Landlord in accordance with the terms of the Ground Lease. St. Louis Borrower agrees that in the event it acquires any additional interest in the real estate and personal property that is subject to the Ground Lease, the Ground Lease shall not be extinguished by merger and the lien of the Mortgage shall extend to and include such interest."

14. Section 6.1(f) of the Loan Agreement is hereby amended by deleting the period at the end thereof and replacing it with the following: "; and".

15. Section 6.1 of the Loan Agreement is hereby amended by adding the following new subsection (g)

thereto:

"(g) As to Asbury Automotive St. Louis, L.L.C., any Debt incurred under any Swap Agreements with Lender (or with any of its Affiliates) or incurred as a result of compliance with the covenant contained in Section 7.4 hereof entitled "Hedge Covenant".

16. Section 6.12 of the Loan Agreement is hereby deleted in its entirety and the following new Section 6.12 is hereby substituted in lieu thereof:

"6.12 Franchise. Shall not use the Property or permit the Property to be used for any different or additional franchise from the franchise operated at the Property as of the Closing Date (as set forth on Exhibit 4.21 hereof) (the 'Original Franchise') without the prior written consent of Lender. Without limiting the generality of the foregoing, Asbury Automotive St. Louis, L.L.C. shall not use the St. Louis Property or permit the St. Louis Property to be used for the sale or servicing of Fisker Automotive, Inc. vehicles whether under that certain Retailer Agreement effective as of October 29, 2009 between St. Louis Borrower and Fisker Automotive, Inc. or otherwise without the prior written consent of Lender. Notwithstanding anything set forth in this Section 6.12 to the contrary, Borrower may use the Property or permit the Property to be used for an additional franchise so long as, within thirty (30) days of such occurrence (a) Borrower provides Lender written notice of the addition of a franchise, (b) Borrower provides Lender a copy of the applicable Franchise Agreement, and (c) unless the Lender otherwise consents in writing, the Original Franchise is still operated at the Property. If an Affiliate of Asbury Automotive Group, Inc. (other than Borrower) is the franchisee of such additional or different (as approved) franchise operated at the Property, then Lender may require, and Borrower shall cause, such Affiliate to execute a Guaranty Agreement for the applicable Loan in the form of and subject to such terms as Lender may reasonably require."

17. Section 6.13 of the Loan Agreement is hereby amended by adding the following phrase at the beginning thereof:

"Except for Leases for the St. Louis Property existing as of the Closing Date and disclosed on Exhibit 6.13 hereto,".

18. The Loan Agreement is hereby amended by adding the following new Section 7.4 thereto:

"7.4 Hedge Covenant. St. Louis Borrower shall, at all times, hedge the floating interest expense of the St. Louis Loan for the full term of the St. Louis Loan by maintaining one or more interest rate swap transactions with Lender or an Affiliate of Lender (or with another financial institution approved by Lender in writing in its reasonable discretion) in an aggregate notional amount equal to the outstanding principal balance of the St. Louis Loan originally scheduled to be outstanding over its term when the hedge is executed and providing for a fixed rate acceptable to Lender, with St. Louis Borrower making fixed rate payments and receiving floating rate payments to offset changes in the variable interest expense of the related Loan, all upon terms and subject to such conditions as shall be acceptable to Lender (or if such transaction is with another financial institution, all upon terms and subject to such conditions as shall be approved by Lender in writing in its reasonable discretion). Any prepayment, acceleration, reduction, increase or any change in the terms of the St. Louis Loan will not alter the notional amount of any such interest rate swap transactions or otherwise affect St. Louis Borrower's obligation to continue making payments under any such interest rate swap transactions, which will remain in full force and effect notwithstanding any such prepayment, acceleration, reduction, increase or change, subject to the terms of such interest rate swap transactions."

19. The Loan Agreement is hereby amended by adding the following new Section 7.5 thereto:

"7.5 Purchase of Fee Interest in St. Louis Property. If St. Louis Borrower shall purchase a fee interest in that portion of the St. Louis Property covered by the Ground Lease and pursuant to the terms of the Ground Lease, then St. Louis Borrower shall promptly grant a Mortgage in such fee interest to Lender."

20. Section 8.1.6 of the Loan Agreement is hereby amended by adding the phrase "or any St. Louis Guarantor" after the word "Borrower".

21. Section 8.1.7 of the Loan Agreement is hereby amended by deleting the word "Guarantor" throughout and replacing it with the name "Asbury Automotive Group, Inc."

22. Section 8.1.11 of the Loan Agreement is hereby amended by adding the phrase "or any St. Louis Guarantor" after the word "Borrower".

23. Section 8.1.12 of the Loan Agreement is hereby amended by deleting the word "Guarantor" throughout and replacing it with the name "Asbury Automotive Group, Inc."

24. Section 8.1.14 of the Loan Agreement is hereby deleted in its entirety and the following new Section 8.1.14 is hereby substituted in lieu thereof:

"8.1.14 Leases; Use. Except as otherwise provided in this Agreement, the lease of any Property to any Person or the termination of any Lease identified on Exhibit 6.13 hereof or the termination of the Ground Lease, or any Borrower or, solely as to the St. Louis Property, any Tenant shall cease to use and occupy any Property in the same manner as it currently uses and occupies such Property; or"

25. Section 10.4 of the Loan Agreement is hereby deleted in its entirety and the following new Section 10.4 is hereby substituted in lieu thereof:

"10.4 Notices. Any notice or other communication hereunder or under the Notes to any party hereto or thereto shall be by hand delivery, overnight delivery via nationally recognized overnight delivery service, telegram, or registered or certified United States mail with return receipt and unless otherwise provided herein shall be deemed to have been given or made when delivered, telegraphed or, if sent via United States mail, when receipt signed by the receiver, postage prepaid, addressed to the party at its address specified below (or at any other address that the party may hereafter specify to the other parties in writing):

Lender:

Wells Fargo Bank, N.A.
Mail Code VA7628 / R4057−01Z
P. O. Box 13327
Roanoke, VA 24040

−and−

Wachovia Financial Services, Inc.
c/o Wells Fargo Bank, N.A.
Mail Code VA7628 / R4057−01Z
P. O. Box 13327
Roanoke, VA 24040

−or−

Wells Fargo Bank, N.A.
Mail Code VA7628 / R4057−01Z
7711 Plantation Road
Roanoke, VA 24019

−and−

Wachovia Financial Services, Inc.
c/o Wells Fargo Bank, N.A.
Mail Code VA7628 / R4057−01Z
7711 Plantation Road
Roanoke, VA 24019

with copies to: Wells Fargo Dealer Services
100 North Main Street (D4001−081)
Winston−Salem, NC 27150
Attn.: National Accounts Director

−and−

Marcus, Brody, Ford, Kessler & Sahner, L.L.C.
5 Becker Farm Road
Roseland, NJ 07068
Attn.: Jane L. Brody, Esq.

Borrower: At the address set forth on Exhibit 10.4 hereof.

with copies to: Asbury Automotive Group, Inc.
2905 Premiere Parkway
Suite 300
Duluth, GA 30097
Attn: Vice President − General Counsel

−and−

Asbury Automotive Group, Inc.
2905 Premiere Parkway
Suite 300
Duluth, GA 30097
Attn: Vice President − Corporate Development & Real Estate

−and−

Hill Ward Henderson
101 East Kennedy Boulevard, Suite 3700
Tampa, Florida 33602
Attn: R. James Robbins, Jr.

26.Exhibit A−4 of the Loan Agreement is hereby amended by adding (a) “Asbury Automotive St. Louis, L.L.C.” under the column entitled “Name of Term Loan Borrower”, and (b) “$22,473,727.97” in the corresponding row under the column entitled “Original Principal Amount of Term Loan”.

27.Exhibit A−6 of the Loan Agreement is hereby amended by adding (a) “Asbury Automotive St. Louis, L.L.C.” under the column entitled “Name of Term Loan Borrower”, (b) “11830 Olive Boulevard, Creve Coeur, St. Louis County, Missouri; 734 Center Parkway Drive, Creve Coeur, St. Louis County, Missouri; 740 Center Parkway Drive, 11912 and 11904 Olive Boulevard and 749 Decker Lane, Creve Coeur, St. Louis County, Missouri; 630 − 648 Decker Lane, Creve Coeur, St. Louis County, Missouri; and 777 Decker Lane, Creve Coeur, St. Louis County, Missouri (777 Decker Lane formerly known as 712 Emerson Road, 737 Decker Lane and 601 & 701 Center Parkway Drive, Creve Coeur, St. Louis County, Missouri)” in the corresponding row under the column entitled “Term Loan Property”, and (c) “No. 33” in the corresponding

row under the column entitled “Property No.”.
28. The Loan Agreement is hereby amended by adding the attached new Exhibit A−7.
29. Exhibit 4.7 of the Loan Agreement is hereby deleted and replaced with the attached updated Exhibit 4.7.
30. Exhibit 4.9 of the Loan Agreement is hereby deleted and replaced with the attached updated Exhibit 4.9.
31. Exhibit 4.13 of the Loan Agreement is hereby deleted and replaced with the attached updated Exhibit 4.13.
32. Exhibit 4.20 of the Loan Agreement is hereby deleted and replaced with the attached updated Exhibit 4.20.
33. Exhibit 4.21 of the Loan Agreement is hereby deleted and replaced with the attached updated Exhibit 4.21.
34. The Loan Agreement is hereby amended by adding the attached new Exhibit 4.26.
35. The Loan Agreement is hereby amended by adding the attached new Exhibit 6.13.
36. Exhibit 10.4 of the Loan Agreement is hereby deleted and replaced with the attached updated Exhibit 10.4

ACKNOWLEDGMENTS AND REPRESENTATIONS. Borrower acknowledges and represents that the Note, the Loan Agreement and other Loan Documents, as amended hereby, are in full force and effect without any defense, counterclaim, right or claim of set−off; that no Event of Default under the Loan Documents has occurred, all representations and warranties contained in the Loan Documents are true and correct as of the date hereof, all necessary action to authorize the execution and delivery of this Agreement has been taken; and this Agreement is a modification of an existing obligation and is not a novation.

COLLATERAL. Borrower acknowledges and confirms that there have been no changes in the ownership of any Collateral since the Collateral was originally pledged; Borrower acknowledges and confirms that the Lender has existing, valid first priority security interests and liens in the Collateral; and that such security interests and liens shall secure Borrower's Obligations, including any modification of the Note or Loan Agreement, if any, and all future modifications, extensions, renewals and/or replacements of the Loan Documents.

MISCELLANEOUS. This Agreement shall be construed in accordance with and governed by the laws of the Jurisdiction as originally provided in the Loan Documents, without reference to the Jurisdiction's conflicts of law principles. This Agreement and the other Loan Documents constitute the sole agreement of the parties with respect to the subject matter thereof and supersede all oral negotiations and prior writings with respect to the subject matter thereof. No amendment of this Agreement, and no waiver of any one or more of the provisions hereof shall be effective unless set forth in writing and signed by the parties hereto. The illegality, unenforceability or inconsistency of any provision of this Agreement shall not in any way affect or impair the legality, enforceability or consistency of the remaining provisions of this Agreement or the other Loan Documents. This Agreement and the other Loan Documents are intended to be consistent. However, in the event of any inconsistencies among this Agreement and any of the Loan Documents, the terms of this Agreement, and then the Loan Agreement, shall control. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute but one and the

same instrument. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto. LIMITATION ON LIABILITY; WAIVER OF PUNITIVE DAMAGES. EACH OF THE PARTIES HERETO, INCLUDING LENDER BY ACCEPTANCE HEREOF, AGREES THAT IN ANY JUDICIAL, MEDIATION OR ARBITRATION PROCEEDING OR ANY CLAIM OR CONTROVERSY BETWEEN OR AMONG THEM (A "DISPUTE") THAT MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN OR AMONG THEM OR THE OBLIGATIONS EVIDENCED HEREBY OR RELATED HERETO, IN NO EVENT SHALL ANY PARTY HAVE A REMEDY OF, OR BE LIABLE TO THE OTHER FOR, (A) INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR (B) PUNITIVE OR EXEMPLARY DAMAGES. EACH OF THE PARTIES HEREBY EXPRESSLY WAIVES ANY RIGHT OR CLAIM TO PUNITIVE OR EXEMPLARY DAMAGES THEY MAY HAVE OR WHICH MAY ARISE IN THE FUTURE IN CONNECTION WITH ANY SUCH PROCEEDING, CLAIM OR CONTROVERSY, WHETHER THE DISPUTE IS RESOLVED BY ARBITRATION, MEDIATION, JUDICIALLY OR OTHERWISE. Final Agreement. This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

ARBITRATION. Upon demand of any party hereto, whether made before or after institution of any judicial proceeding, any claim or controversy arising out of or relating to the Loan Documents between parties hereto shall be resolved by binding arbitration conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAA") and the Federal Arbitration Act. Disputes may include, without limitation, tort claims, counterclaims, a dispute as to whether a matter is subject to arbitration, or claims arising from documents executed in the future, but shall specifically exclude claims brought as or converted to class actions. A judgment upon the award may be entered in any court having jurisdiction. Notwithstanding the foregoing, this arbitration provision does not apply to disputes under or related to swap agreements. Special Rules. All arbitration hearings shall be conducted in Charlotte, North Carolina. A hearing shall begin within 90 days of demand for arbitration and all hearings shall conclude within 120 days of demand for arbitration. These time limitations may not be extended unless a party shows cause for extension and then for no more than a total of 60 days. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than $1,000,000.00. Arbitrators shall be licensed attorneys selected from the Commercial Financial Dispute Arbitration Panel of the AAA. The parties do not waive applicable Federal or state substantive law except as provided herein. Preservation and Limitation of Remedies. Notwithstanding the preceding binding arbitration provisions, the parties agree to preserve, without diminution, certain remedies that any party may exercise before or after an arbitration proceeding is brought. The parties shall have the right to proceed in any court of proper jurisdiction or by self−help to exercise or prosecute the following remedies, as applicable: (a) all rights to foreclose against any real or personal property or other security by exercising a power of sale or under applicable law by judicial foreclosure including a proceeding to confirm the sale; (b) all rights of self−help including peaceful occupation of real property and collection of rents, set−off, and peaceful possession of personal property; (c) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing an involuntary bankruptcy proceeding; and (d) when applicable, a judgment by confession of judgment. Any claim or controversy with regard to any party's entitlement to such remedies is a Dispute. Waiver of Jury Trial. THE PARTIES ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO JURY TRIAL WITH REGARD TO A DISPUTE.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Modification Number Four to Master Loan Agreement to be duly executed under seal as of the day and year first above written.

Property 1

CH MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 2

CN MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 3
BRIDGE

C&O PROPERTIES, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 4

COGGIN CARS L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 5

COGGIN CHEVROLET L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 6

AVENUES MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 7

AF MOTORS, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

And

ALM MOTORS, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 8

ASBURY−DELAND IMPORTS, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 9

HFP MOTORS L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 10

CFP MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 11

CROWN GHO L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 12

CROWN GDO L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

[Signatures continue on following page]

Property 13 CROWN GPG L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 13 CROWN CHV L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 14 CROWN CHV L.L.C., a Delaware limited liability company
BRIDGE

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 15 CROWN RIB L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 16 CROWN MOTORCAR COMPANY L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 17 ASBURY ATLANTA LEX L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 18 ASBURY ATLANTA JAGUAR L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

[Signatures continue on following page]

Property 19		PREMIER NSN L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 20		NP FLM L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 21		ASBURY AUTOMOTIVE ATLANTA L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 22 and 23		MCDAVID IRVING−HON, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 24		ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 25		MCDAVID PLANO−ACRA, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 26, 30 and 32		MCDAVID HOUSTON−HON, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President

[Signatures continue on following page]

Property 27 and 29		MCDAVID HOUSTON−NISS, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 28		MCDAVID AUSTIN−ACRA, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 33		ASBURY AUTOMOTIVE ST. LOUIS, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President

Accepted in Winston−Salem, North Carolina:

WELLS FARGO BANK, N.A.,
as successor by merger to Wachovia Bank, National Association

By: /s/Michael Burkitt
Name: Michael Burkitt
Title: Senior Vice President

WACHOVIA FINANCIAL SERVICES, INC.

By: /s/Michael Burkitt
Name: Michael Burkitt
Title: Senior Vice President

[Signatures continue on following page]

EXHIBIT A−7
TERM NOTE FOR ST. LOUIS LOAN

See attached.

EXHIBIT 4.7

Listed exceptions to coverage referenced in the following Title Insurance Policy Proformas as continued and completed to date:

Borrower	Address of Property	First American Title Insurance Company Loan Proforma
CH Motors, Ltd.	11003 Atlantic Blvd. Jacksonville, FL	Loan Proforma File No. NCS 349786H−DC72
CN Motors, Ltd.	10600 Atlantic Blvd. Jacksonville, FL	Loan Proforma File No. NCS 349786I−DC72
C&O Properties, Ltd.	9401 Atlantic Blvd. Jacksonville, FL	Loan Proforma File No. NCS 349786G − DC72
Coggin Cars L.L.C.	10564 Phillips Highway Jacksonville, FL	Loan Proforma File No. NCS 349786J−DC 72
Coggin Cheverolet L.L.C.	10880 Phillips Hwy Jacksonville, FL	Loan Proforma File No. NCS 349786K−DC72
Avenues Motors, Ltd.	10859 Phillips Hwy Jacksonville, FL	Loan Proforma File No. NCS 349786E−DC72
AF Motors, L.L.C. & ALM Motors, L.L.C.	2655 N. Volusia Ave. Orange City, Florida	Loan Proforma File No. NCS 349786A−DC72
Asbury−Deland Imports, L.L.C.	1580 S. Woodland Blvd. Deland, FL	Loan Proforma File No. NCS 349786D−DC72
HFP Motors L.L.C.	4550 U.S. Hwy 1 S. Ft. Pierce, FL	Loan Proforma File No. NCS 349786R − DC72
CFP Motors, Ltd.	4500 U.S. Hwy 1 S. Ft. Pierce, FL	Loan Proforma File No. NCS 349786F−DC72
Crown GHO L.L.C.	3633 W. Wendover Ave. Greensboro, NC	Loan Proforma File No. NCS 349786N − DC72
Crown GDO L.L.C.	3710 W. Wendover Ave. Greensboro, NC	Loan Proforma File No. NCS 349786M− DC72
Crown GPG L.L.C.	719 Camann Street Greensboro, NC	Loan Proforma File No. NCS 3497860−DC72
Crown CHV L.L.C.	1730 US HWY 15 Chapel Hill, NC	Loan Proforma File No. NCS 349786L−DC72
Crown RIB L.L.C.	8704/8710 Broad Street Richmond, VA	Loan Proforma File No. NCS 349786Q − DC72
Crown Motorcar Company L.L.C.	1295 Richmond Rd. Charlottsville, VA	Loan Proforma File No. NCS 349786P − DC72
Asbury Atlanta LEX L.L.C.	980 Mansell Rd. Roswell, GA	Loan Proforma File No. NCS 349786C − DC72
Asbury Atlanta Jaguar L.L.C.	11507 Alpharetta Hwy Roswell, GA	Loan Proforma File No. NCS 349786B − CD72
Premier NSN L.L.C.	1 Commercial Drive & Colonel Glenn Rd. Little Rock, AR	Loan Proforma File No. NCS 349786T−DC72
NP FLM L.L.C.	5500 Starita Drive Sherwood, AR	Loan Proforma File No. NCS 349786S−DC72
Asbury Automotive Atlanta L.L.C.	2500 Button Gwinnett Dr. Gwinnett, GA	Loan Proforma File No. NCS 349786U − DC72
McDavid Irving−Hon, L.L.C.	3600, 3650 & 3700 W. Airport Freeway Irving Texas	Loan Proforma File No. 08R15928A ND6

Asbury Automotive Texas Real Estate L.L.C.	3900 W. Airport Freeway Irving, TX	Loan Proforma File No. 08R15935−ND6
McDavid Plano Acra, L.L.C.	4051 W. Plano Parkway Plano, TX	Loan Proforma File No. 08R15937−ND6
McDavid Houston−Hon, L.L.C.	11200 and 11304 Gulf Freeway Houston, TX	Loan Proforma File No. 08R15945 ND6
McDavid Houston−Niss, L.L.C.	109 Winkler Drive & 10540 Almeda−Genoa & 11911 Gulf Freeway Houston, TX	Loan Proforma File No. 08R15954−ND6
McDavid Austin Acra, L.L.C.	13553 Research Blvd. Austin, TX	Loan Proforma File No. 08R15941−ND6
Asbury Automotive St. Louis, L.L.C.	11830 Olive Boulevard Creve Coeur, MO	Loan Proforma File No. NCS−454568−STLO

EXHIBIT 4.9
JURISDICTION

See attached.

EXHIBIT 4.13
ENVIRONMENTAL
ENVIRONMENTAL DISCLOSURES

- May 28, 2008 Letter of Inspection for Crown Paint and Body from Noble Oil Services
- May 28, 2008 Letter of Inspection for Crown Chrysler Dodge from Noble Oil Services
- May 28, 2008 Letter of Inspection for Crown Honda from Noble Oil Services
- May 28, 2008 Letter of Inspection for Coggin Honda Jacksonville, Coggin Ford Lincoln Mercury, Coggin Honda Deland, and Coggin Motor Mall from Vantage Point Enterprises, Inc.
- Generator's Non−hazardous Waste Profile Sheet dated May 27, 2008 for Coggin Motor Mall from Waste Management/Ramtech Engineers
- Coggin Nissan Jacksonville First Quarter Groundwater Sampling Report dated April 18, 2008, provided by URS
- Coggin Nissan Jacksonville Soil Sampling Report dated April 15, 2008 from URS to Florida Department of Environmental Protection
- Oil/Water Separator Removal Oversight Report for Nalley Jaguar by URS dated October 23, 2000
- Limited Phase II Site Assessment for Nalley Jaguar by URS, dated August 21, 2000
- Invoice Dated December 28, 2007 for oil/water pickup and disposal at David McDavid Acura, Austin by H&H Oil, Inc.
- FCC Environmental Service Order dated October 1, 2007 for North Point Nissan
- UST Tank Tightness Test Report dated April 15, 2008 for Nalley Lexus by Environmental Resources Associates, Inc.
- Environmental Assessments, Inc. Asbestos Report dated February 27, 2008 for Nalley Lexus Roswell
- Virginia Department of Environmental Quality Closure Letter for Crown BMW Mini Richmond dated August 19, 1994
- Site Characterization Report/Tier 2 Revisions/Path Forward report to Missouri Department of Natural Resources Hazardous Waste Program dated June 15, 2010 for Asbury Automotive St. Louis, L.L.C. regarding the property at 11912 Olive Boulevard, Creve Coeur, Missouri.
- Missouri Department of Natural Resources response letter dated September 9, 2010 to Asbury Automotive St. Louis, L.L.C.

Together with all of those certain environmental reports, assessments, letters and related documents posted and available on iPortal, the web−based file sharing program used to facilitate the sharing of due diligence information relating to the transaction, a list of which follows on the succeeding pages.

EXHIBIT 4.20
CONDEMNATION EVENTS

A. McDavid Honda of Irving (3650−3700 West Airport Freeway, Irving, TX (Property 22)); 3600−3630 West Airport Freeway, Irving, TX (Property 23); and 3900 Airport Freeway, Irving, TX (Property 24); The Texas DOT has initiated proceedings to condemn a portion of the Properties for an anticipated expansion of Airport Freeway in Irving, Texas. See related documents listed below.

1. Initial Offer Letter dated October 15, 2007 from Robyn Vaughn, O.R. Colan Associates, Inc. for Parcel 41
2. Initial Offer Letter dated October 29, 2007 from Robyn Vaughn, O.R. Colan Associates, Inc. for Parcel 40
3. Initial Offer Letter dated October 15, 2007 from Robyn Vaughn, O.R. Colan Associates, Inc. for Parcel 33
4. Three (3) Real Estate Appraisal Reports from Texas Department of Transportation Sept. 2007
5. Offer of Settlement letter dated March 31, 2008 from Kelsoe, Anderson, Khoury & Clark.

B. Kimco Avenues Walk, LLC ("Developer") and Coggin Cars L.L.C. (Property 4) and Chevrolet L.L.C. (Property 5)(collectively, "Owner") entered into an Agreement Regarding Detention Area and Cedar Street dated December 14, 2007, as amended by the First Amendment to Agreement Regarding Detention Area and Cedar Street dated October 5, 2010 (collectively, "Agreement"). In connection with the development of a mixed−use project known as “Avenues Walk” located in the vicinity of the detention, the Developer intends to widen and improve the existing Cedar Street right of way adjacent to the Owner's parcels in accordance with the requirement of the governmental authorities. Owner is willing to (i) grant to Developer a temporary construction easement over the Cedar Street Area in order to construct relocated Cedar Street and (ii) convey the Cedar Street Area to the City of Jacksonville in exchange for the right granted to Owner to drain all surface and stormwater from the Owner parcels currently served by the Existing Detention Area to the Detention Parcel (as defined in the Agreement) pursuant to that certain drainage easement agreement.

C. The City of Greensboro, North Carolina (the "City") offered to purchase a portion of the Crown GHO, LLC property (Property 11) to install a new sidewalk. The City offered Crown GHO $12,500.00 in exchange for the portion of the property. A deed conveying that portion of the property to the City was recorded on September 28,2010 in Book 7165, Page 1459, in Guilford County, North Carolina and a release deed from Wells Fargo Bank was recorded the and release deed were executed and recorded on September 28, 2010 in Book 7165, Page 1455, in Guilford County, North Carolina.

EXHIBIT 4.21
USES AND FRANCHISES

See attached.

Although St. Louis Borrower has entered into that certain Retailer Agreement effective as of October 29, 2009 with Fisker Automotive, Inc., St. Louis Borrower has never (a) conducted business as a Fisker Automotive, Inc. franchisee, or (b) used or operated the St. Louis Property for the sale or service of Fisker automobiles or for any other related purposes.

EXHIBIT 4.26
OWNERSHIP AND POSSESSION

1. Asbury St. Louis Lex L.L.C., as tenant only, pursuant to that certain Lease Agreement dated effective as of October 1, 2010 with Asbury Automotive St. Louis, L.L.C., as Landlord for that certain portion of the property located at 11830 Olive Boulevard, Creve Coeur, Missouri.

2. Asbury St. Louis Cadillac L.L.C., as tenant only, pursuant to that certain Lease Agreement dated effective as of October 1, 2010 with Asbury Automotive St. Louis, L.L.C., as Landlord for that certain portion of the property located at 11830 Olive Boulevard, Creve Coeur, Missouri.

3. Asbury St. Louis LR L.L.C., as tenant only, pursuant to that certain Lease Agreement dated effective as of October 1, 2010 with Asbury Automotive St. Louis, L.L.C., as Landlord for that certain property located at 777 Decker Lane, Creve Coeur, Missouri.

4. Lease agreement by and between Marvin Gelber, Robert S. Goldenhersh and Carolyn Lasky, Trustee under Living Trust Agreement dated April 10, 1973, Louis Gelber, Grantor, and Marvin Gelber, individually (collectively, "Landlord") and Luxus Imports Company, as tenant, dated July 18, 1986, as modified from time to time, and evidenced by that Short Form Lease recorded on July 30, 1986 in Book No. 7953, Page No. 1222 of County of St. Louis, State of Missouri, as assigned to Asbury St. Louis Gen L.L.C. pursuant to that certain Assignment and Assumption of Lease between Sieben, Inc., as assignor, and Asbury St. Louis Gen L.L.C., as assignee, dated December 18, 1997 and recorded in Book No. 11394, Page No. 2354 of County of St. Louis, State of Missouri, and as further assigned to Asbury Automotive St. Louis, L.L.C., pursuant to that certain Assignment and Assumption of Lease between Asbury St. Louis Gen L.L.C., as assignor, and Asbury Automotive St. Louis, L.L.C., as assignee, dated January 31, 2003 and recorded February 7, 2003 in Book No. 14562, Page No. 2785 of County of St. Louis, State of Missouri for that certain property located at 740 Center Parkway Drive, 749 Decker Lane, 11904 and 11912 Olive Boulevard, Creve Coeur, Missouri.

EXHIBIT 6.13
LEASES FOR ST. LOUIS PROPERTY

1. Lease Agreement dated effective as of October 1, 2010 by and between Asbury Automotive St. Louis, L.L.C., as Landlord, and Asbury St. Louis Lex L.L.C., as Tenant;

2. Lease Agreement dated effective as of October 1, 2010 by and between Asbury Automotive St. Louis, L.L.C., as Landlord, and Asbury St. Louis Cadillac L.L.C., as Tenant; and

3. Lease Agreement dated effective as of October 1, 2010 by and between Asbury Automotive St. Louis, L.L.C., as Landlord, and Asbury St. Louis LR L.L.C., as Tenant.

EXHIBIT 10.4
NOTICES TO BORROWER

See attached.

Exhibit 10.49

MODIFICATION NUMBER FIVE
TO MASTER LOAN AGREEMENT

THIS MODIFICATION NUMBER FIVE TO MASTER LOAN AGREEMENT (the "Agreement"), dated as of November 29, 2010 (the "Modification Number Five Effective Date") between NP FLM L.L.C., a Delaware limited liability company, Premier NSN L.L.C., a Delaware limited liability company, Asbury Atlanta Jaguar L.L.C., a Delaware limited liability company, Asbury Atlanta LEX L.L.C., a Delaware limited liability company, CN Motors, LTD., a Florida limited partnership, C&O PROPERTIES, LTD., a Florida limited partnership, CFP Motors, LTD., a Florida limited partnership, Avenues Motors, Ltd., a Florida limited partnership, AF Motors, L.L.C., a Delaware limited liability company, ALM Motors, L.L.C., a Delaware limited liability company, Asbury−Deland Imports, L.L.C., a Delaware limited liability company, Coggin Chevrolet L.L.C., a Delaware limited liability company, Coggin Cars L.L.C., a Delaware limited liability company, CH Motors, Ltd., a Florida limited partnership, HFP Motors L.L.C., a Delaware limited liability company, Crown GPG L.L.C., a Delaware limited liability company, CROWN CHV L.L.C., a Delaware limited liability company, Crown GHO L.L.C., a Delaware limited liability company, Crown GDO L.L.C., a Delaware limited liability company, Crown RIB L.L.C., a Delaware limited liability company, Crown Motorcar Company L.L.C., a Delaware limited liability company, Asbury Automotive Atlanta L.L.C., a Delaware limited liability company, McDavid Irving−Hon, L.L.C., a Delaware limited liability company, McDavid Plano−Acra, L.L.C., a Delaware limited liability company, McDavid Austin−Acra, L.L.C., a Delaware limited liability company, McDavid Houston−Hon, L.L.C., a Delaware limited liability company, McDavid Houston−Niss, L.L.C., a Delaware limited liability company, ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company and ASBURY AUTOMOTIVE ST. LOUIS, L.L.C., a Delaware limited liability company (each referred to herein individually and collectively as "Borrower"), and WELLS FARGO BANK, N.A., a national banking association, as successor by merger to Wachovia Bank, National Association (together with its successors and assigns, "WFBNA") and WACHOVIA FINANCIAL SERVICES, INC., a North Carolina corporation (together with its successors and assigns, "WFSI") (WFBNA and WFSI referred to herein individually and collectively as "Lender").

RECITALS

A. Lender is the holder of certain Notes, as modified from time to time, executed and delivered by Borrower.
B. Lender is the holder of certain Notes, as modified from time to time, executed and delivered by Borrower.
C. Borrower and Lender have agreed to modify the terms of the Loan Agreement as set forth herein.

In consideration of Lender's continued extension of credit and the agreements contained herein, the parties agree as follows:

AGREEMENT

ACKNOWLEDGEMENT OF BALANCES. Borrower acknowledges that the most recent Commercial Loan Invoices sent to Borrower with respect to the Obligations under each Note is correct.

DEFINITIONS. Terms used in this Agreement which are capitalized and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

MODIFICATIONS.

1.Section 1.1 “Defined Terms” of the Loan Agreement is hereby amended as follows:

(a)The following new definition of “Affiliate Entity Guarantor” is hereby added thereto:

> “'Affiliate Entity Guarantor' means each Borrowing Entity Guarantor and each St. Louis Guarantor and each other Subsidiary of Asbury Automotive Group, Inc. now or hereafter guaranteeing, endorsing or otherwise becoming liable for any Obligations of Borrower.”

(b)The following new definition of “Borrowing Entity Guarantor” is hereby added thereto:

> “'Borrowing Entity Guarantor' means, as to a Loan, each Borrower that is now or hereafter guaranteeing, endorsing or otherwise becoming liable for any Obligations of any other Borrower.”

(c)The definition of “Guarantor” is hereby deleted in its entirety and the following new definition of “Guarantor” is hereby substituted in lieu thereof:

> “'Guarantor' means Asbury Automotive Group, Inc., each Affiliate Entity Guarantor and any other Person now or hereafter guaranteeing, endorsing or otherwise becoming liable for any Obligations of Borrower.”

(d)The definition of “Revolving Credit Facility” is hereby amended by adding the phrase “and each Affiliate Entity Guarantor” after the word “Borrower”.

(e)The definition of “Subsidiary” is hereby deleted in its entirety and the following new definition of “Subsidiary” or “Subsidiaries” is hereby substituted in lieu thereof:

> “'Subsidiary' or 'Subsidiaries' means each, any and all corporations, partnerships or other entities in which a Person, directly or indirectly, owns more than fifty percent (50%) of the stock, capital or income interests, or other beneficial interests, or which are effectively controlled by such Person.”

(f)The following new definition of “South Carolina 2010 Acquisition” is hereby added thereto:

> “'South Carolina 2010 Acquisition' means the purchase by Asbury South Carolina Real Estate Holdings L.L.C. of certain dealership real property located in Greenville County, South Carolina to be operated by Asbury Automotive Atlanta L.L.C., Asbury SC Toy L.L.C., Asbury SC Lex L.L.C., Asbury SC JPV L.L.C. and/or another Subsidiary of Asbury Automotive Group, Inc.”

(g)The following new definition of “South Carolina 2010 Seller Real Estate Debt” is hereby added thereto:

> “'South Carolina 2010 Seller Real Estate Debt' means the Debt incurred by Asbury South Carolina Real Estate Holdings L.L.C. and guaranteed by Asbury Automotive Atlanta L.L.C., Asbury SC Toy L.L.C., Asbury SC Lex L.L.C. and Asbury SC JPV L.L.C. in connection with the South Carolina 2010 Acquisition as evidenced by a purchase money promissory note in an original aggregate principal amount not to exceed $20,000,000.00. The parties hereto acknowledge that the terms 'Debt' and 'Permitted Debt' shall be deemed to include the South Carolina 2010 Seller Real Estate Debt for all purposes under the Loan Documents, including, without limitation, for purposes of financial covenant calculations.”

2.Section 2.4.5 of the Loan Agreement is hereby amended by deleting the last sentence thereof and

replacing it with the following new sentence:

"Upon repayment in full of the Loan extended to a Borrower hereunder, such Borrower shall be released from all further liability and obligations as to such Loan under the Loan Documents (other than those obligations of Borrower that expressly survive under the Loan Documents and those obligations of Borrower as a Borrowing Entity Guarantor of any other Loan)."

3. Section 5.8 of the Loan Agreement is hereby amended by deleting the word "Guarantor" and replacing it with the name "Asbury Automotive Group, Inc."

4. The Loan Agreement is hereby amended by adding the following new Section 5.28 thereto:

"5.28 Affiliate Entity Guarantors. As of the Modification Number Five Effective Date, each Borrowing Entity Guarantor and each St. Louis Guarantor has executed a Guaranty Agreement as to each Loan in favor of the applicable Lender substantially in the form of Exhibit 5.28 attached hereto and made a part hereof. At any time during the term of the Loans, Lender may in its sole and absolute discretion, require that any or all Subsidiaries of Asbury Automotive Group, Inc. jointly and severally guarantee the Loans pursuant to a Guaranty Agreement in favor of the applicable Lender substantially in the form of Exhibit 5.28 attached hereto and made a part hereof."

5. Section 8.1.6 of the Loan Agreement is hereby amended by deleting the phrase "or any St. Louis Guarantor" and replacing it with the phrase "or any Affiliate Entity Guarantor".

6. Section 8.1.11 of the Loan Agreement is hereby amended by deleting the phrase "or any St. Louis Guarantor" and replacing it with the phrase "or any Affiliate Entity Guarantor".

7. The Loan Agreement is hereby amended by adding the attached new Exhibit 5.28.

FACILITY FEE. In connection with the modification of the Loans, Borrower shall pay to Lender contemporaneously with the execution hereof a non−refundable, fully earned facility fee in the aggregate amount of $180,887.88.

ACKNOWLEDGMENTS AND REPRESENTATIONS. Borrower acknowledges and represents that the Note, the Loan Agreement and other Loan Documents, as amended hereby, are in full force and effect without any defense, counterclaim, right or claim of set−off; that no Event of Default under the Loan Documents has occurred, all representations and warranties contained in the Loan Documents are true and correct as of the date hereof, all necessary action to authorize the execution and delivery of this Agreement has been taken; and this Agreement is a modification of an existing obligation and is not a novation.

COLLATERAL. Borrower acknowledges and confirms that there have been no changes in the ownership of any Collateral since the Collateral was originally pledged; Borrower acknowledges and confirms that the Lender has existing, valid first priority security interests and liens in the Collateral; and that such security interests and liens shall secure Borrower's Obligations, including any modification of the Note or Loan Agreement, if any, and all future modifications, extensions, renewals and/or replacements of the Loan Documents.

MISCELLANEOUS. This Agreement shall be construed in accordance with and governed by the laws of the Jurisdiction as originally provided in the Loan Documents, without reference to the Jurisdiction's conflicts of law principles. This Agreement and the other Loan Documents constitute the sole agreement of the parties with respect to the subject matter thereof and supersede all oral negotiations and prior writings with respect to the subject matter thereof. No amendment of this Agreement, and no waiver of any one or more of the provisions hereof shall be effective unless set forth in writing and signed by the parties hereto. The illegality, unenforceability or inconsistency of any provision of this Agreement shall not in any way affect or impair

the legality, enforceability or consistency of the remaining provisions of this Agreement or the other Loan Documents. This Agreement and the other Loan Documents are intended to be consistent. However, in the event of any inconsistencies among this Agreement and any of the Loan Documents, the terms of this Agreement, and then the Loan Agreement, shall control. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute but one and the same instrument. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto. LIMITATION ON LIABILITY; WAIVER OF PUNITIVE DAMAGES. EACH OF THE PARTIES HERETO, INCLUDING LENDER BY ACCEPTANCE HEREOF, AGREES THAT IN ANY JUDICIAL, MEDIATION OR ARBITRATION PROCEEDING OR ANY CLAIM OR CONTROVERSY BETWEEN OR AMONG THEM (A "DISPUTE") THAT MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN OR AMONG THEM OR THE OBLIGATIONS EVIDENCED HEREBY OR RELATED HERETO, IN NO EVENT SHALL ANY PARTY HAVE A REMEDY OF, OR BE LIABLE TO THE OTHER FOR, (A) INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR (B) PUNITIVE OR EXEMPLARY DAMAGES. EACH OF THE PARTIES HEREBY EXPRESSLY WAIVES ANY RIGHT OR CLAIM TO PUNITIVE OR EXEMPLARY DAMAGES THEY MAY HAVE OR WHICH MAY ARISE IN THE FUTURE IN CONNECTION WITH ANY SUCH PROCEEDING, CLAIM OR CONTROVERSY, WHETHER THE DISPUTE IS RESOLVED BY ARBITRATION, MEDIATION, JUDICIALLY OR OTHERWISE. Final Agreement. This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

ARBITRATION. Upon demand of any party hereto, whether made before or after institution of any judicial proceeding, any claim or controversy arising out of or relating to the Loan Documents between parties hereto shall be resolved by binding arbitration conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAA") and the Federal Arbitration Act. Disputes may include, without limitation, tort claims, counterclaims, a dispute as to whether a matter is subject to arbitration, or claims arising from documents executed in the future, but shall specifically exclude claims brought as or converted to class actions. A judgment upon the award may be entered in any court having jurisdiction. Notwithstanding the foregoing, this arbitration provision does not apply to disputes under or related to swap agreements. Special Rules. All arbitration hearings shall be conducted in Charlotte, North Carolina. A hearing shall begin within 90 days of demand for arbitration and all hearings shall conclude within 120 days of demand for arbitration. These time limitations may not be extended unless a party shows cause for extension and then for no more than a total of 60 days. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than $1,000,000.00. Arbitrators shall be licensed attorneys selected from the Commercial Financial Dispute Arbitration Panel of the AAA. The parties do not waive applicable Federal or state substantive law except as provided herein. Preservation and Limitation of Remedies. Notwithstanding the preceding binding arbitration provisions, the parties agree to preserve, without diminution, certain remedies that any party may exercise before or after an arbitration proceeding is brought. The parties shall have the right to proceed in any court of proper jurisdiction or by self−help to exercise or prosecute the following remedies, as applicable: (a) all rights to foreclose against any real or personal property or other security by exercising a power of sale or under applicable law by judicial foreclosure including a proceeding to confirm the sale; (b) all rights of self−help including peaceful occupation of real property and collection of rents, set−off, and peaceful possession of personal property; (c) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing an involuntary bankruptcy proceeding; and (d) when applicable, a judgment by confession of judgment. Any claim or controversy with

regard to any party's entitlement to such remedies is a Dispute. Waiver of Jury Trial. THE PARTIES ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO JURY TRIAL WITH REGARD TO A DISPUTE.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Modification Number Five to Master Loan Agreement to be duly executed under seal as of the day and year first above written.

Property 1

CH MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 2

CN MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 3
BRIDGE

C&O PROPERTIES, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 4

COGGIN CARS L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 5

COGGIN CHEVROLET L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 6

AVENUES MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 7

AF MOTORS, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

And

ALM MOTORS, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 8

ASBURY−DELAND IMPORTS, L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 9

HFP MOTORS L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 10

CFP MOTORS, LTD., a Florida limited partnership

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 11

CROWN GHO L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 12

CROWN GDO L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

[Signatures continue on following page]

Property 13 CROWN GPG L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 13 CROWN CHV L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 14 CROWN CHV L.L.C., a Delaware limited liability company
BRIDGE

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 15 CROWN RIB L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 16 CROWN MOTORCAR COMPANY L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 17 ASBURY ATLANTA LEX L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

Property 18 ASBURY ATLANTA JAGUAR L.L.C., a Delaware limited liability company

By: /s/Craig T. Monaghan
Craig Monaghan, its Vice President

[Signatures continue on following page]

Property 19		PREMIER NSN L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 20		NP FLM L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 21		ASBURY AUTOMOTIVE ATLANTA L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 22 and 23		MCDAVID IRVING−HON, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 24		ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 25		MCDAVID PLANO−ACRA, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 26, 30 and 32		MCDAVID HOUSTON−HON, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President

[Signatures continue on following page]

Property 27 and 29		MCDAVID HOUSTON−NISS, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 28		MCDAVID AUSTIN−ACRA, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
Property 33		ASBURY AUTOMOTIVE ST. LOUIS, L.L.C., a Delaware limited liability company
	By:	/s/Craig T. Monaghan Craig Monaghan, its Vice President
		Accepted in Winston−Salem, North Carolina:
	By:	WELLS FARGO BANK, N.A., as successor by merger to Wachovia Bank, National Association /s/Michael Burkitt Name: Michael Burkitt Title: Senior Vice President
	By:	WACHOVIA FINANCIAL SERVICES, INC. /s/Michael Burkitt Name: Michael Burkitt Title: Senior Vice President

[Signatures continue on following page]

Exhibit 5.28

GUARANTY AGREEMENT

See attached.

[Signatures continue on following page]

Exhibit 10.52

MODIFICATION NUMBER ONE
TO AMENDED AND RESTATED UNCONDITIONAL GUARANTY
AND REAFFIRMATION OF AMENDED AND RESTATED
UNCONDITIONAL GUARANTY

THIS MODIFICATION NUMBER ONE TO AMENDED AND RESTATED UNCONDITIONAL GUARANTY AND REAFFIRMATION OF AMENDED AND RESTATED UNCONDITIONAL GUARANTY (the "Agreement"), dated as of November 29, 2010 between ASBURY AUTOMOTIVE GROUP, INC., a Delaware corporation ("Guarantor"), and WELLS FARGO BANK, N.A., as a national banking association, as successor by merger to Wachovia Bank, National Association (together with its successors and assigns, "Lender").

RECITALS

A. Guarantor has guaranteed (the "Guaranty") to Lender the payment and performance of all obligations of NP FLM L.L.C., Premier NSN L.L.C., Asbury Atlanta Jaguar, L.L.C., Asbury Atlanta LEX L.L.C., CN Motors, Ltd., C&O Properties, Ltd., CFP Motors, Ltd., Avenues Motors, Ltd., AF Motors, L.L.C., ALM Motors, L.L.C., Asbury−Deland Imports, L.L.C., Coggin Chevrolet L.L.C., Coggin Cars L.L.C., CH Motors, Ltd., HFP Motors L.L.C., Crown GPG L.L.C., Crown CHV L.L.C., Crown GHO L.L.C., Crown GDO L.L.C., Crown RIB L.L.C., Crown Motorcar Company L.L.C., Asbury Automotive Atlanta L.L.C., McDavid Irving−Hon, L.L.C., McDavid Plano−Acra, L.L.C., McDavid Austin−Acra, L.L.C., McDavid Houston−Hon, L.L.C., McDavid Houston−Niss, L.L.C., Asbury Automotive Texas Real Estate Holdings L.L.C. and Asbury Automotive St. Louis, L.L.C. (each referred to herein individually and collectively as "Borrower") to Lender (collectively, the "Credit Facility"), including any renewals or modifications of the Credit Facility.

B. Lender and Borrower are negotiating a modification of the Credit Facility.

C. Borrower and Lender have agreed to modify the terms of the Credit Facility and in connection therewith, the Guaranty is being modified and must be reaffirmed.

In consideration of Lender's continued extension of credit and the agreements contained herein, the parties agree as follows:

AGREEMENT

DEFINITIONS. Terms used in this Agreement which are capitalized and not otherwise defined herein shall have the meanings ascribed to such terms in that certain Master Loan Agreement between Lender, Wachovia Financial Services, Inc. and Borrower, dated as of June 4, 2008, as modified from time to time (the "Loan Agreement").

MODIFICATIONS.

1. The Guaranty is hereby amended by adding the following new Section 3.16 thereto:

> "3.16 Subsidiaries of Guarantor. Exhibit 3.16 attached hereto and made a part hereof sets forth a complete and accurate list of all Subsidiaries of Guarantor."

2. The Guaranty is hereby amended by adding the following new Section 4.10.4 thereto:

> "4.10.4 South Carolina 2010 Seller Real Estate Debt Information. Without limiting any other delivery requirement herein, on or prior to the consummation of the South Carolina 2010 Acquisition, a non−default certificate signed by Guarantor, in the form attached hereto as Exhibit 4.8, by a principal financial officer of Guarantor warranting that (a) no 'Event of Default' as specified in the Loan Documents nor any event which, upon the giving of notice or lapse of time or both, would constitute such an Event of Default, exists then or will exist after giving effect to the South Carolina 2010 Acquisition or the South Carolina 2010 Seller Real Estate Debt, and (b) demonstrating that Guarantor will be in compliance with the financial covenants contained herein on a pro forma basis (after giving effect to the South Carolina 2010 Acquisition and the South Carolina 2010 Seller Real Estate Debt) for the four fiscal quarter period immediately preceding the date of consummation of the South Carolina 2010 Acquisition."

3. Section 5.1 of the Guaranty is hereby deleted in its entirety and the following new Section 5.1 is hereby substituted in lieu thereof:

> "5.1 Debt Prior to Modified Covenant Triggering Event. Shall not create or permit to exist any Debt, including any guaranties or other contingent obligations. Notwithstanding anything set forth herein to the contrary: (a) Guarantor may create or permit to exist (i) any Debt evidenced by the Revolving Credit Facility or any refinancing, modification, renewal or amendment of the Revolving Credit Facility, including any increases in the aggregate principal amounts; (ii) real estate term loans in an aggregate amount not to exceed $30,000,000.00 ('Real Estate Debt Limit') for which Guarantor, Borrower and/or any other Subsidiary of Guarantor has any obligations, including any guaranties or other contingent obligations, to be secured solely by real estate (other than real estate that is included in the Collateral) and to mature no earlier than the Term Loan Maturity Date; provided, however, that the South Carolina Seller Debt shall not count towards the Real Estate Debt Limit; (iii) Debt existing as of March 31, 2009 which is set forth on Exhibit 5.1 hereof and all renewals, refinancings, modifications, amendments and extensions thereof (but not an increase in the aggregate principal amount) on substantially the same terms and conditions and to mature no earlier than the Term Loan Maturity Date and, solely as to the 2014 Senior Subordinated Notes (as hereinafter defined), a one time refinance of such 2014 Senior Subordinated Notes in an aggregate original principal amount not to exceed $200,000,000.00; and (iv) Floor Plan Debt; provided, however, that nothing contained in this Section 5.1 shall be deemed to modify Section 5.15 of the Loan Agreement; and (b) upon the occurrence of a Modified Covenant Triggering Event (as hereinafter defined), this Section 5.1 shall be null and void and of no further force and effect. For purposes hereof, the term '2014 Senior Subordinated Notes' means those certain 8% senior subordinated notes identified on Exhibit 5.1 issued by Guarantor and due in 2014 in the original principal amount of $200,000,000.00."

4. The Guaranty is hereby amended by adding the following new Section 6.7 thereto:

> "6.7 Repayment of 2014 Senior Subordinated Notes. Guarantor shall cause the Debt and all other outstanding obligations under the 2014 Senior Subordinated Notes to be repaid in full no later than February 16, 2011."

5. The Guaranty is hereby amended by adding the attached new Exhibit 3.16.

REAFFIRMATION. Guarantor hereby reaffirms all of Guarantor's liabilities, obligations, duties and responsibilities under and pursuant to the Guaranty, and said Guaranty shall continue in full force and effect as modified hereby, shall continue to guaranty the full, prompt and unconditional payment of the principal,

interest and any other amounts to be paid by Borrower and the full, prompt and unconditional performance of all of the covenants, agreements and obligations of Borrower under the Loan Documents, as modified. Lender and Borrower are negotiating a modification of the Guaranteed Obligations (as defined in the Guaranty). Guarantor hereby reaffirms, by executing this Modification and Reaffirmation of Guaranty, (i) that following modification of the Guaranteed Obligations as may be agreed by Borrower and Lender, the Guaranty remains in full force and effect, including with respect to the amended Guaranteed Obligations; and (ii) that Guarantor's reaffirmation will not be required as to further amendments to the Guaranteed Obligations as a result of this reaffirmation having been obtained.

ACKNOWLEDGMENTS AND REPRESENTATIONS. Guarantor acknowledges and represents that the Guaranty and other Loan Documents, as amended hereby, are in full force and effect without any defense, counterclaim, right or claim of set−off; that, after giving effect to this Agreement, no Event of Default under the Loan Documents has occurred, all representations and warranties contained in the Loan Documents are true and correct as of the date hereof, all necessary action to authorize the execution and delivery of this Agreement has been taken; and this Agreement is a modification of an existing obligation and is not a novation.

MISCELLANEOUS. This Agreement shall be construed in accordance with and governed by the laws of the Jurisdiction as originally provided in the Loan Documents, without reference to the Jurisdiction's conflicts of law principles. This Agreement and the other Loan Documents constitute the sole agreement of the parties with respect to the subject matter thereof and supersede all oral negotiations and prior writings with respect to the subject matter thereof. No amendment of this Agreement, and no waiver of any one or more of the provisions hereof shall be effective unless set forth in writing and signed by the parties hereto. The illegality, unenforceability or inconsistency of any provision of this Agreement shall not in any way affect or impair the legality, enforceability or consistency of the remaining provisions of this Agreement or the other Loan Documents. This Agreement and the other Loan Documents are intended to be consistent. However, in the event of any inconsistencies among this Agreement and any of the Loan Documents, the terms of this Agreement, and then the Guaranty, shall control. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute but one and the same instrument. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto. LIMITATION ON LIABILITY; WAIVER OF PUNITIVE DAMAGES. EACH OF THE PARTIES HERETO, INCLUDING LENDER BY ACCEPTANCE HEREOF, AGREES THAT IN ANY JUDICIAL, MEDIATION OR ARBITRATION PROCEEDING OR ANY CLAIM OR CONTROVERSY BETWEEN OR AMONG THEM (A “DISPUTE”) THAT MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN OR AMONG THEM OR THE OBLIGATIONS EVIDENCED HEREBY OR RELATED HERETO, IN NO EVENT SHALL ANY PARTY HAVE A REMEDY OF, OR BE LIABLE TO THE OTHER FOR, (A) INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR (B) PUNITIVE OR EXEMPLARY DAMAGES. EACH OF THE PARTIES HEREBY EXPRESSLY WAIVES ANY RIGHT OR CLAIM TO PUNITIVE OR EXEMPLARY DAMAGES THEY MAY HAVE OR WHICH MAY ARISE IN THE FUTURE IN CONNECTION WITH ANY SUCH PROCEEDING, CLAIM OR CONTROVERSY, WHETHER THE DISPUTE IS RESOLVED BY ARBITRATION, MEDIATION, JUDICIALLY OR OTHERWISE. Final Agreement. This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

ARBITRATION. Upon demand of any party hereto, whether made before or after institution of any judicial proceeding, any claim or controversy arising out of or relating to the Loan Documents between parties hereto

shall be resolved by binding arbitration conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAA") and the Federal Arbitration Act. Disputes may include, without limitation, tort claims, counterclaims, a dispute as to whether a matter is subject to arbitration, or claims arising from documents executed in the future, but shall specifically exclude claims brought as or converted to class actions. A judgment upon the award may be entered in any court having jurisdiction. Notwithstanding the foregoing, this arbitration provision does not apply to disputes under or related to swap agreements. Special Rules. All arbitration hearings shall be conducted in Charlotte, North Carolina. A hearing shall begin within 90 days of demand for arbitration and all hearings shall conclude within 120 days of demand for arbitration. These time limitations may not be extended unless a party shows cause for extension and then for no more than a total of 60 days. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than $1,000,000.00. Arbitrators shall be licensed attorneys selected from the Commercial Financial Dispute Arbitration Panel of the AAA. The parties do not waive applicable Federal or state substantive law except as provided herein. Preservation and Limitation of Remedies. Notwithstanding the preceding binding arbitration provisions, the parties agree to preserve, without diminution, certain remedies that any party may exercise before or after an arbitration proceeding is brought. The parties shall have the right to proceed in any court of proper jurisdiction or by self−help to exercise or prosecute the following remedies, as applicable: (a) all rights to foreclose against any real or personal property or other security by exercising a power of sale or under applicable law by judicial foreclosure including a proceeding to confirm the sale; (b) all rights of self−help including peaceful occupation of real property and collection of rents, set−off, and peaceful possession of personal property; (c) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing an involuntary bankruptcy proceeding; and (d) when applicable, a judgment by confession of judgment. Any claim or controversy with regard to any party's entitlement to such remedies is a Dispute. Waiver of Jury Trial. THE PARTIES ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO JURY TRIAL WITH REGARD TO A DISPUTE.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Modification Number One to Amended and Restated Unconditional Guaranty to be duly executed under seal as of the day and year first above written.

ASBURY AUTOMOTIVE GROUP, INC., a Delaware corporation

By: /s/ Craig T. Monaghan
Craig Monaghan, its Senior Vice President
and Chief Financial Officer

Accepted in Winston−Salem, North Carolina:

WELLS FARGO BANK, N.A.,
as successor by merger to Wachovia Bank, National Association

By: /s/Michael Burkitt
Name: Michael Burkitt
Title: Senior Vice President

State of Georgia
County of Gwinnett

Corporate Acknowledgment

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Craig Monaghan, to me personally well known, who stated that he is the Senior Vice President and Chief Financial Officer of Asbury Automotive Group, Inc., a Delaware corporation, and is duly authorized in that capacity to execute the foregoing instrument for and in the name and behalf of said Corporation, and further stated and acknowledged that he had so signed, executed and delivered the foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 29th day of November, 2010.

/s/ Shawn K. Mendonca

(Printed Name of Notary)

My commission expires:

12/22/2012

(SEAL)

State of North Carolina
County of Forsyth

Bank Acknowledgment

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Michael Burkitt (Name), to me personally well known, who stated that he is Senior Vice President (Title) of Wells Fargo Bank, N.A., a national banking association, and is duly authorized in that capacity to execute the foregoing instrument for and in the name and behalf of said Bank, and further stated and acknowledged that he had so signed, executed and delivered the foregoing instrument on behalf of the Bank for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 22nd day of November, 2010.

/s/ Capria B. Whitlock

(Printed Name of Notary)

My commission expires:

11/5/2013

(SEAL)

EXHIBIT 3.16

SUBSIDIARIES

ASBURY AUTOMOTIVE GROUP, L.L.C.
ASBURY AUTOMOTIVE MANAGEMENT L.L.C.
ASBURY AUTOMOTIVE JACKSONVILLE, L.P.
ASBURY AUTOMOTIVE TAMPA, L.P.
ANL, L.P.
ASBURY JAX HOLDINGS, L.P.
AVENUES MOTORS, LTD.
BAYWAY FINANCIAL SERVICES, L.P.
C&O PROPERTIES, LTD.
CFP MOTORS, LTD.
CH MOTORS, LTD.
CHO PARTNERSHIP, LTD.
CN MOTORS, LTD.
COGGIN MANAGEMENT, L.P.
CP−GMC MOTORS, LTD.
ASBURY AUTOMOTIVE BRANDON, L.P.
TAMPA HUND, L.P.
TAMPA KIA, L.P.
TAMPA LM, L.P.
TAMPA MIT, L.P.
WMZ MOTORS, L.P.
WTY MOTORS, L.P.
AF MOTORS, L.L.C.
ALM MOTORS, L.L.C.
ASBURY AR NISS L.L.C.
ASBURY ATLANTA AC L.L.C.
ASBURY ATLANTA AU L.L.C.
ASBURY ATLANTA BM L.L.C.
ASBURY ATLANTA CHEVROLET L.L.C.
ASBURY ATLANTA HON L.L.C.
ASBURY ATLANTA INF L.L.C.
ASBURY ATLANTA INFINITI L.L.C.
ASBURY ATLANTA JAGUAR L.L.C.
ASBURY ATLANTA LEX L.L.C.
ASBURY ATLANTA NIS L.L.C.
ASBURY ATLANTA TOY L.L.C.
ASBURY ATLANTA VL L.L.C.
ASBURY AUTOMOTIVE ARKANSAS DEALERSHIP HOLDINGS L.L.C.
ASBURY AUTOMOTIVE ARKANSAS L.L.C.
ASBURY AUTOMOTIVE ATLANTA L.L.C.
ASBURY AUTOMOTIVE ATLANTA II L.L.C.
ASBURY AUTOMOTIVE CENTRAL FLORIDA, L.L.C.
ASBURY AUTOMOTIVE DELAND, L.L.C.
FLORIDA AUTOMOTIVE SERVICES L.L.C. (f/k/a ASBURY AUTOMOTIVE FLORIDA LLC)
ASBURY AUTOMOTIVE FRESNO L.L.C.

ASBURY AUTOMOTIVE JACKSONVILLE GP L.L.C.
ASBURY AUTOMOTIVE MISSISSIPPI L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA DEALERSHIP HOLDINGS L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA MANAGEMENT L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA REAL ESTATE HOLDINGS L.L.C.
ASBURY AUTOMOTIVE OREGON L.L.C.
SOUTHERN ATLANTA AUTOMOTIVE SERVICES L.L.C. (f/k/a GEORGIA AUTOMOTIVE SERVICES L.L.C.)
ASBURY AUTOMOTIVE SOUTHERN CALIFORNIA L.L.C.
ASBURY AUTOMOTIVE ST. LOUIS L.L.C.
ASBURY AUTOMOTIVE ST. LOUIS II L.L.C.
ASBURY AUTOMOTIVE TAMPA GP L.L.C.
ASBURY AUTOMOTIVE TEXAS L.L.C.
ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C.
ASBURY DELAND IMPORTS 2, L.L.C.
ASBURY FRESNO IMPORTS L.L.C.
ASBURY JAX AC, L.L.C.
ASBURY JAX HON L.L.C.
ASBURY JAX K L.L.C.
ASBURY JAX MANAGEMENT L.L.C.
ASBURY JAX VW L.L.C.
ASBURY MS CHEV L.L.C.
ASBURY MS GRAY−DANIELS L.L.C.
ASBURY NO CAL NISS L.L.C.
ASBURY SACRAMENTO IMPORTS L.L.C.
ASBURY SO CAL DC L.L.C.
ASBURY SO CAL HON L.L.C.
ASBURY SO CAL NISS L.L.C.
ASBURY ST. LOUIS CADILLAC L.L.C.
ASBURY ST. LOUIS LR L.L.C.
ASBURY ST. LOUIS M L.L.C.
ASBURY ST. LOUIS FSKR L.L.C.
ASBURY TAMPA MANAGEMENT L.L.C.
ASBURY−DELAND IMPORTS, L.L.C.
ATLANTA REAL ESTATE HOLDINGS L.L.C.
BFP MOTORS L.L.C.
CAMCO FINANCE II L.L.C.
CK CHEVROLET L.L.C.
CK MOTORS LLC
COGGIN AUTOMOTIVE CORP.
COGGIN CARS L.L.C.
COGGIN CHEVROLET L.L.C.
CROWN ACURA/NISSAN, LLC
CROWN CHH L.L.C.
CROWN CHO L.L.C.
CROWN CHV L.L.C.
CROWN FDO L.L.C.
CROWN FFO HOLDINGS L.L.C.

CROWN FFO L.L.C.
CROWN GAC L.L.C.
CROWN GBM L.L.C.
CROWN GCA L.L.C.
CROWN GDO L.L.C.
CROWN GHO L.L.C.
CROWN GNI L.L.C.
CROWN GPG L.L.C.
CROWN GVO L.L.C.
CROWN HONDA, L.L.C.
CROWN MOTORCAR COMPANY L.L.C.
CROWN PBM L.L.C.
CROWN RIA L.L.C.
CROWN RIB L.L.C.
CROWN SJC L.L.C.
CROWN SNI L.L.C.
CSA IMPORTS L.L.C.
ESCUDE−NN L.L.C.
ESCUDE−NS L.L.C.
ESCUDE−T L.L.C.
HFP MOTORS L.L.C.
JC DEALER SYSTEMS, LLC
KP MOTORS L.L.C.
MCDAVID AUSTIN−ACRA, L.L.C.
MCDAVID FRISCO−HON, L.L.C.
MCDAVID GRANDE, L.L.C.
MCDAVID HOUSTON−HON, L.L.C.
MCDAVID HOUSTON−NISS, L.L.C.
MCDAVID IRVING−HON, L.L.C.
MCDAVID OUTFITTERS, L.L.C.
MCDAVID PLANO−ACRA, L.L.C.
NP FLM L.L.C.
NP MZD L.L.C.
NP VKW L.L.C.
PLANO LINCOLN−MERCURY, INC.
PRECISION COMPUTER SERVICES, INC.
PRECISION ENTERPRISES TAMPA, INC.
PRECISION INFINITI, INC.
PRECISION MOTORCARS, INC.
PRECISION NISSAN, INC.
PREMIER NSN L.L.C.
PREMIER PON L.L.C.
PRESTIGE BAY L.L.C.
PRESTIGE TOY L.L.C.
THOMASON AUTO CREDIT NORTHWEST, INC.
THOMASON DAM L.L.C.
THOMASON FRD L.L.C.
THOMASON HUND L.L.C.
THOMASON PONTIAC−GMC L.L.C.

ASBURY SC LEX L.L.C.
ASBURY SC TOY L.L.C.
ASBURY SC JPV L.L.C.
ARKANSAS AUTOMOTIVE SERVICES, L.L.C.
ASBURY TEXAS D FSKR, L.L.C.
ASBURY TEXAS H FSKR, L.L.C.
MID−ATLANTIC AUTOMOTIVE SERVICES, L.L.C.
MISSISSIPPI AUTOMOTIVE SERVICES, L.L.C.
MISSOURI AUTOMOTIVE SERVICES, L.L.C.
TEXAS AUTOMOTIVE SERVICES, L.L.C.
ASBURY SOUTH CAROLINA REAL ESTATE HOLDINGS L.L.C.

Exhibit 10.53

MODIFICATION NUMBER ONE
TO AMENDED AND RESTATED UNCONDITIONAL GUARANTY
AND REAFFIRMATION OF AMENDED AND RESTATED
UNCONDITIONAL GUARANTY

THIS MODIFICATION NUMBER ONE TO AMENDED AND RESTATED UNCONDITIONAL GUARANTY AND REAFFIRMATION OF AMENDED AND RESTATED UNCONDITIONAL GUARANTY (the "Agreement"), dated as of November 29, 2010 between ASBURY AUTOMOTIVE GROUP, INC., a Delaware corporation ("Guarantor"), and WACHOVIA FINANCIAL SERVICES, INC., a North Carolina corporation (together with its successors and assigns, "Lender").

RECITALS

A. Guarantor has guaranteed (the "Guaranty") to Lender the payment and performance of all obligations of NP FLM L.L.C., Premier NSN L.L.C., Asbury Atlanta Jaguar, L.L.C., Asbury Atlanta LEX L.L.C., CN Motors, Ltd., C&O Properties, Ltd., CFP Motors, Ltd., Avenues Motors, Ltd., AF Motors, L.L.C., ALM Motors, L.L.C., Asbury−Deland Imports, L.L.C., Coggin Chevrolet L.L.C., Coggin Cars L.L.C., CH Motors, Ltd., HFP Motors L.L.C., Crown GPG L.L.C., Crown CHV L.L.C., Crown GHO L.L.C., Crown GDO L.L.C., Crown RIB L.L.C., Crown Motorcar Company L.L.C., Asbury Automotive Atlanta L.L.C., McDavid Irving−Hon, L.L.C., McDavid Plano−Acra, L.L.C., McDavid Austin−Acra, L.L.C., McDavid Houston−Hon, L.L.C., McDavid Houston−Niss, L.L.C., Asbury Automotive Texas Real Estate Holdings L.L.C. and Asbury Automotive St. Louis, L.L.C. (each referred to herein individually and collectively as "Borrower") to Lender (collectively, the "Credit Facility"), including any renewals or modifications of the Credit Facility.

B. Lender and Borrower are negotiating a modification of the Credit Facility.

C. Borrower and Lender have agreed to modify the terms of the Credit Facility and in connection therewith, the Guaranty is being modified and must be reaffirmed.

In consideration of Lender's continued extension of credit and the agreements contained herein, the parties agree as follows:

AGREEMENT

DEFINITIONS. Terms used in this Agreement which are capitalized and not otherwise defined herein shall have the meanings ascribed to such terms in that certain Master Loan Agreement between Lender, Wells Fargo Bank, N.A., as successor by merger to Wachovia Bank, National Association, and Borrower, dated as of June 4, 2008, as modified from time to time (the "Loan Agreement").

MODIFICATIONS.

1. The Guaranty is hereby amended by adding the following new Section 3.16 thereto:

"3.16 Subsidiaries of Guarantor. Exhibit 3.16 attached hereto and made a part hereof sets forth a complete and accurate list of all Subsidiaries of Guarantor."

2. The Guaranty is hereby amended by adding the following new Section 4.10.4 thereto:

"4.10.4 South Carolina 2010 Seller Real Estate Debt Information. Without limiting any other delivery requirement herein, on or prior to the consummation of the South Carolina 2010 Acquisition, a non−default certificate signed by Guarantor, in the form attached hereto as Exhibit 4.8, by a principal financial officer of Guarantor warranting that (a) no 'Event of Default' as specified in the Loan Documents nor any event which, upon the giving of notice or lapse of time or both, would constitute such an Event of Default, exists then or will exist after giving effect to the South Carolina 2010 Acquisition or the South Carolina 2010 Seller Real Estate Debt, and (b) demonstrating that Guarantor will be in compliance with the financial covenants contained herein on a pro forma basis (after giving effect to the South Carolina 2010 Acquisition and the South Carolina 2010 Seller Real Estate Debt) for the four fiscal quarter period immediately preceding the date of consummation of the South Carolina 2010 Acquisition."

3. Section 5.1 of the Guaranty is hereby deleted in its entirety and the following new Section 5.1 is hereby substituted in lieu thereof:

"5.1 Debt Prior to Modified Covenant Triggering Event. Shall not create or permit to exist any Debt, including any guaranties or other contingent obligations. Notwithstanding anything set forth herein to the contrary: (a) Guarantor may create or permit to exist (i) any Debt evidenced by the Revolving Credit Facility or any refinancing, modification, renewal or amendment of the Revolving Credit Facility, including any increases in the aggregate principal amounts; (ii) real estate term loans in an aggregate amount not to exceed $30,000,000.00 ('Real Estate Debt Limit') for which Guarantor, Borrower and/or any other Subsidiary of Guarantor has any obligations, including any guaranties or other contingent obligations, to be secured solely by real estate (other than real estate that is included in the Collateral) and to mature no earlier than the Term Loan Maturity Date; provided, however, that the South Carolina Seller Debt shall not count towards the Real Estate Debt Limit; (iii) Debt existing as of March 31, 2009 which is set forth on Exhibit 5.1 hereof and all renewals, refinancings, modifications, amendments and extensions thereof (but not an increase in the aggregate principal amount) on substantially the same terms and conditions and to mature no earlier than the Term Loan Maturity Date and, solely as to the 2014 Senior Subordinated Notes (as hereinafter defined), a one time refinance of such 2014 Senior Subordinated Notes in an aggregate original principal amount not to exceed $200,000,000.00; and (iv) Floor Plan Debt; provided, however, that nothing contained in this Section 5.1 shall be deemed to modify Section 5.15 of the Loan Agreement; and (b) upon the occurrence of a Modified Covenant Triggering Event (as hereinafter defined), this Section 5.1 shall be null and void and of no further force and effect. For purposes hereof, the term '2014 Senior Subordinated Notes' means those certain 8% senior subordinated notes identified on Exhibit 5.1 issued by Guarantor and due in 2014 in the original principal amount of $200,000,000.00."

4. The Guaranty is hereby amended by adding the following new Section 6.7 thereto:

"6.7 Repayment of 2014 Senior Subordinated Notes. Guarantor shall cause the Debt and all other outstanding obligations under the 2014 Senior Subordinated Notes to be repaid in full no later than February 16, 2011."

5. The Guaranty is hereby amended by adding the attached new Exhibit 3.16.

REAFFIRMATION. Guarantor hereby reaffirms all of Guarantor's liabilities, obligations, duties and responsibilities under and pursuant to the Guaranty, and said Guaranty shall continue in full force and effect as modified hereby, shall continue to guaranty the full, prompt and unconditional payment of the principal, interest and any other amounts to be paid by Borrower and the full, prompt and unconditional performance

of all of the covenants, agreements and obligations of Borrower under the Loan Documents, as modified. Lender and Borrower are negotiating a modification of the Guaranteed Obligations (as defined in the Guaranty). Guarantor hereby reaffirms, by executing this Modification and Reaffirmation of Guaranty, (i) that following modification of the Guaranteed Obligations as may be agreed by Borrower and Lender, the Guaranty remains in full force and effect, including with respect to the amended Guaranteed Obligations; and (ii) that Guarantor's reaffirmation will not be required as to further amendments to the Guaranteed Obligations as a result of this reaffirmation having been obtained.

ACKNOWLEDGMENTS AND REPRESENTATIONS. Guarantor acknowledges and represents that the Guaranty and other Loan Documents, as amended hereby, are in full force and effect without any defense, counterclaim, right or claim of set−off; that, after giving effect to this Agreement, no Event of Default under the Loan Documents has occurred, all representations and warranties contained in the Loan Documents are true and correct as of the date hereof, all necessary action to authorize the execution and delivery of this Agreement has been taken; and this Agreement is a modification of an existing obligation and is not a novation.

MISCELLANEOUS. This Agreement shall be construed in accordance with and governed by the laws of the Jurisdiction as originally provided in the Loan Documents, without reference to the Jurisdiction's conflicts of law principles. This Agreement and the other Loan Documents constitute the sole agreement of the parties with respect to the subject matter thereof and supersede all oral negotiations and prior writings with respect to the subject matter thereof. No amendment of this Agreement, and no waiver of any one or more of the provisions hereof shall be effective unless set forth in writing and signed by the parties hereto. The illegality, unenforceability or inconsistency of any provision of this Agreement shall not in any way affect or impair the legality, enforceability or consistency of the remaining provisions of this Agreement or the other Loan Documents. This Agreement and the other Loan Documents are intended to be consistent. However, in the event of any inconsistencies among this Agreement and any of the Loan Documents, the terms of this Agreement, and then the Guaranty, shall control. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute but one and the same instrument. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto. LIMITATION ON LIABILITY; WAIVER OF PUNITIVE DAMAGES. EACH OF THE PARTIES HERETO, INCLUDING LENDER BY ACCEPTANCE HEREOF, AGREES THAT IN ANY JUDICIAL, MEDIATION OR ARBITRATION PROCEEDING OR ANY CLAIM OR CONTROVERSY BETWEEN OR AMONG THEM (A “DISPUTE”) THAT MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN OR AMONG THEM OR THE OBLIGATIONS EVIDENCED HEREBY OR RELATED HERETO, IN NO EVENT SHALL ANY PARTY HAVE A REMEDY OF, OR BE LIABLE TO THE OTHER FOR, (A) INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR (B) PUNITIVE OR EXEMPLARY DAMAGES. EACH OF THE PARTIES HEREBY EXPRESSLY WAIVES ANY RIGHT OR CLAIM TO PUNITIVE OR EXEMPLARY DAMAGES THEY MAY HAVE OR WHICH MAY ARISE IN THE FUTURE IN CONNECTION WITH ANY SUCH PROCEEDING, CLAIM OR CONTROVERSY, WHETHER THE DISPUTE IS RESOLVED BY ARBITRATION, MEDIATION, JUDICIALLY OR OTHERWISE. Final Agreement. This Agreement and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

ARBITRATION. Upon demand of any party hereto, whether made before or after institution of any judicial proceeding, any claim or controversy arising out of or relating to the Loan Documents between parties hereto shall be resolved by binding arbitration conducted under and governed by the Commercial Financial Disputes

Arbitration Rules (the “Arbitration Rules”) of the American Arbitration Association (the “AAA”) and the Federal Arbitration Act. Disputes may include, without limitation, tort claims, counterclaims, a dispute as to whether a matter is subject to arbitration, or claims arising from documents executed in the future, but shall specifically exclude claims brought as or converted to class actions. A judgment upon the award may be entered in any court having jurisdiction. Notwithstanding the foregoing, this arbitration provision does not apply to disputes under or related to swap agreements. Special Rules. All arbitration hearings shall be conducted in Charlotte, North Carolina. A hearing shall begin within 90 days of demand for arbitration and all hearings shall conclude within 120 days of demand for arbitration. These time limitations may not be extended unless a party shows cause for extension and then for no more than a total of 60 days. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than $1,000,000.00. Arbitrators shall be licensed attorneys selected from the Commercial Financial Dispute Arbitration Panel of the AAA. The parties do not waive applicable Federal or state substantive law except as provided herein. Preservation and Limitation of Remedies. Notwithstanding the preceding binding arbitration provisions, the parties agree to preserve, without diminution, certain remedies that any party may exercise before or after an arbitration proceeding is brought. The parties shall have the right to proceed in any court of proper jurisdiction or by self−help to exercise or prosecute the following remedies, as applicable: (a) all rights to foreclose against any real or personal property or other security by exercising a power of sale or under applicable law by judicial foreclosure including a proceeding to confirm the sale; (b) all rights of self−help including peaceful occupation of real property and collection of rents, set−off, and peaceful possession of personal property; (c) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing an involuntary bankruptcy proceeding; and (d) when applicable, a judgment by confession of judgment. Any claim or controversy with regard to any party's entitlement to such remedies is a Dispute. Waiver of Jury Trial. THE PARTIES ACKNOWLEDGE THAT BY AGREEING TO BINDING ARBITRATION THEY HAVE IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO JURY TRIAL WITH REGARD TO A DISPUTE.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Modification Number One to Amended and Restated Unconditional Guaranty to be duly executed under seal as of the day and year first above written.

ASBURY AUTOMOTIVE GROUP, INC., a Delaware corporation

By: /s/Craig T. Monaghan
Craig Monaghan, its Senior Vice President
and Chief Financial Officer

Accepted in Winston−Salem, North Carolina:

WACHOVIA FINANCIAL SERVICES, INC.,

By: /s/Michael Burkitt
Name: Michael Burkitt
Title: Senior Vice President

State of Georgia
County of Gwinnett

Corporate Acknowledgment

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Craig Monaghan, to me personally well known, who stated that he is the Senior Vice President and Chief Financial Officer of Asbury Automotive Group, Inc., a Delaware corporation, and is duly authorized in that capacity to execute the foregoing instrument for and in the name and behalf of said Corporation, and further stated and acknowledged that he had so signed, executed and delivered the foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 29th day of November, 2010.

/s/David Hacman

(Printed Name of Notary)

My commission expires:

September 3, 2013

(SEAL)

State of North Carolina
County of Forsyth

Bank Acknowledgment

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Michael R. Burkitt (Name), to me personally well known, who stated that he is SVP (Title) of Wachovia Financial Services, Inc., a national banking association, and is duly authorized in that capacity to execute the foregoing instrument for and in the name and behalf of said Bank, and further stated and acknowledged that he had so signed, executed and delivered the foregoing instrument on behalf of the Bank for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 22nd day of November, 2010.

/s/ Capria B. Whitlock

(Printed Name of Notary)

My commission expires:

11/5/2013

(SEAL)

EXHIBIT 3.16

SUBSIDIARIES

ASBURY AUTOMOTIVE GROUP, L.L.C.
ASBURY AUTOMOTIVE MANAGEMENT L.L.C.
ASBURY AUTOMOTIVE JACKSONVILLE, L.P.
ASBURY AUTOMOTIVE TAMPA, L.P.
ANL, L.P.
ASBURY JAX HOLDINGS, L.P.
AVENUES MOTORS, LTD.
BAYWAY FINANCIAL SERVICES, L.P.
C&O PROPERTIES, LTD.
CFP MOTORS, LTD.
CH MOTORS, LTD.
CHO PARTNERSHIP, LTD.
CN MOTORS, LTD.
COGGIN MANAGEMENT, L.P.
CP−GMC MOTORS, LTD.
ASBURY AUTOMOTIVE BRANDON, L.P.
TAMPA HUND, L.P.
TAMPA KIA, L.P.
TAMPA LM, L.P.
TAMPA MIT, L.P.
WMZ MOTORS, L.P.
WTY MOTORS, L.P.
AF MOTORS, L.L.C.
ALM MOTORS, L.L.C.
ASBURY AR NISS L.L.C.
ASBURY ATLANTA AC L.L.C.
ASBURY ATLANTA AU L.L.C.
ASBURY ATLANTA BM L.L.C.
ASBURY ATLANTA CHEVROLET L.L.C.
ASBURY ATLANTA HON L.L.C.
ASBURY ATLANTA INF L.L.C.
ASBURY ATLANTA INFINITI L.L.C.
ASBURY ATLANTA JAGUAR L.L.C.
ASBURY ATLANTA LEX L.L.C.
ASBURY ATLANTA NIS L.L.C.
ASBURY ATLANTA TOY L.L.C.
ASBURY ATLANTA VL L.L.C.
ASBURY AUTOMOTIVE ARKANSAS DEALERSHIP HOLDINGS L.L.C.
ASBURY AUTOMOTIVE ARKANSAS L.L.C.
ASBURY AUTOMOTIVE ATLANTA L.L.C.
ASBURY AUTOMOTIVE ATLANTA II L.L.C.
ASBURY AUTOMOTIVE CENTRAL FLORIDA, L.L.C.
ASBURY AUTOMOTIVE DELAND, L.L.C.
FLORIDA AUTOMOTIVE SERVICES L.L.C. (f/k/a ASBURY AUTOMOTIVE FLORIDA LLC)
ASBURY AUTOMOTIVE FRESNO L.L.C.

ASBURY AUTOMOTIVE JACKSONVILLE GP L.L.C.
ASBURY AUTOMOTIVE MISSISSIPPI L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA DEALERSHIP HOLDINGS L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA MANAGEMENT L.L.C.
ASBURY AUTOMOTIVE NORTH CAROLINA REAL ESTATE HOLDINGS L.L.C.
ASBURY AUTOMOTIVE OREGON L.L.C.
SOUTHERN ATLANTA AUTOMOTIVE SERVICES L.L.C. (f/k/a GEORGIA AUTOMOTIVE SERVICES L.L.C.)
ASBURY AUTOMOTIVE SOUTHERN CALIFORNIA L.L.C.
ASBURY AUTOMOTIVE ST. LOUIS L.L.C.
ASBURY AUTOMOTIVE ST. LOUIS II L.L.C.
ASBURY AUTOMOTIVE TAMPA GP L.L.C.
ASBURY AUTOMOTIVE TEXAS L.L.C.
ASBURY AUTOMOTIVE TEXAS REAL ESTATE HOLDINGS L.L.C.
ASBURY DELAND IMPORTS 2, L.L.C.
ASBURY FRESNO IMPORTS L.L.C.
ASBURY JAX AC, L.L.C.
ASBURY JAX HON L.L.C.
ASBURY JAX K L.L.C.
ASBURY JAX MANAGEMENT L.L.C.
ASBURY JAX VW L.L.C.
ASBURY MS CHEV L.L.C.
ASBURY MS GRAY−DANIELS L.L.C.
ASBURY NO CAL NISS L.L.C.
ASBURY SACRAMENTO IMPORTS L.L.C.
ASBURY SO CAL DC L.L.C.
ASBURY SO CAL HON L.L.C.
ASBURY SO CAL NISS L.L.C.
ASBURY ST. LOUIS CADILLAC L.L.C.
ASBURY ST. LOUIS LR L.L.C.
ASBURY ST. LOUIS M L.L.C.
ASBURY ST. LOUIS FSKR L.L.C.
ASBURY TAMPA MANAGEMENT L.L.C.
ASBURY−DELAND IMPORTS, L.L.C.
ATLANTA REAL ESTATE HOLDINGS L.L.C.
BFP MOTORS L.L.C.
CAMCO FINANCE II L.L.C.
CK CHEVROLET L.L.C.
CK MOTORS LLC
COGGIN AUTOMOTIVE CORP.
COGGIN CARS L.L.C.
COGGIN CHEVROLET L.L.C.
CROWN ACURA/NISSAN, LLC
CROWN CHH L.L.C.
CROWN CHO L.L.C.
CROWN CHV L.L.C.
CROWN FDO L.L.C.
CROWN FFO HOLDINGS L.L.C.

CROWN FFO L.L.C.
CROWN GAC L.L.C.
CROWN GBM L.L.C.
CROWN GCA L.L.C.
CROWN GDO L.L.C.
CROWN GHO L.L.C.
CROWN GNI L.L.C.
CROWN GPG L.L.C.
CROWN GVO L.L.C.
CROWN HONDA, L.L.C.
CROWN MOTORCAR COMPANY L.L.C.
CROWN PBM L.L.C.
CROWN RIA L.L.C.
CROWN RIB L.L.C.
CROWN SJC L.L.C.
CROWN SNI L.L.C.
CSA IMPORTS L.L.C.
ESCUDE−NN L.L.C.
ESCUDE−NS L.L.C.
ESCUDE−T L.L.C.
HFP MOTORS L.L.C.
JC DEALER SYSTEMS, LLC
KP MOTORS L.L.C.
MCDAVID AUSTIN−ACRA, L.L.C.
MCDAVID FRISCO−HON, L.L.C.
MCDAVID GRANDE, L.L.C.
MCDAVID HOUSTON−HON, L.L.C.
MCDAVID HOUSTON−NISS, L.L.C.
MCDAVID IRVING−HON, L.L.C.
MCDAVID OUTFITTERS, L.L.C.
MCDAVID PLANO−ACRA, L.L.C.
NP FLM L.L.C.
NP MZD L.L.C.
NP VKW L.L.C.
PLANO LINCOLN−MERCURY, INC.
PRECISION COMPUTER SERVICES, INC.
PRECISION ENTERPRISES TAMPA, INC.
PRECISION INFINITI, INC.
PRECISION MOTORCARS, INC.
PRECISION NISSAN, INC.
PREMIER NSN L.L.C.
PREMIER PON L.L.C.
PRESTIGE BAY L.L.C.
PRESTIGE TOY L.L.C.
THOMASON AUTO CREDIT NORTHWEST, INC.
THOMASON DAM L.L.C.
THOMASON FRD L.L.C.
THOMASON HUND L.L.C.
THOMASON PONTIAC−GMC L.L.C.

ASBURY SC LEX L.L.C.
ASBURY SC TOY L.L.C.
ASBURY SC JPV L.L.C.
ARKANSAS AUTOMOTIVE SERVICES, L.L.C.
ASBURY TEXAS D FSKR, L.L.C.
ASBURY TEXAS H FSKR, L.L.C.
MID−ATLANTIC AUTOMOTIVE SERVICES, L.L.C.
MISSISSIPPI AUTOMOTIVE SERVICES, L.L.C.
MISSOURI AUTOMOTIVE SERVICES, L.L.C.
TEXAS AUTOMOTIVE SERVICES, L.L.C.
ASBURY SOUTH CAROLINA REAL ESTATE HOLDINGS L.L.C.

Exhibit 12.1

ASBURY AUTOMOTIVE GROUP, INC.
COMPUTATION OF FINANCIAL RATIOS
(In millions, except ratios)

Ratio of earnings to fixed charges	For the Years Ended December 31,				
EARNINGS COMPUTATION:	2010	2009	2008	2007	2006
Income from continuing operations	$ 37.3	$ 25.2	$ (327.0)	$ 42.7	$ 52.4
Income tax Expense	23.2	15.1	(136.2)	23.6	31.7
Fixed charges	68.3	69.2	85.2	89.8	90.2
Amortization of capitalized interest	0.2	0.2	0.1	0.1	—
Capitalized interest	(0.5)	(0.4)	(1.1)	(0.3)	(0.6)
Earnings for purposes of computation	$ 128.5	$ 109.3	$ (379.0)	$ 155.9	$ 173.8
FIXED CHARGES COMPUTATION:					
Interest expense	$ 35.4	$ 35.5	$ 39.8	$ 38.7	$ 37.5
Floor plan interest expense	9.2	10.5	21.5	30.4	29.0
Amortization deferred financing fees	2.5	3.1	2.6	2.5	6.7
Swap Interest Expense	6.6	6.6	5.5	1.7	1.3
Interest component of rent expense	14.1	13.1	14.7	16.2	15.2
Capitalized interest	0.5	0.4	1.1	0.3	0.6
Fixed charges for purposes of computation	$ 68.3	$ 69.2	$ 85.2	$ 89.8	$ 90.2
RATIO OF EARNINGS TO FIXED CHARGES	1.88 x	1.58 x	(4.45) x	1.74 x	1.93 x

Entity Name	Domestic State	Foreign Qualification
AF Motors L.L.C.	DE	FL
ALM Motors L.L.C.	DE	FL
ANL L.P.	DE	FL
Arkansas Automotive Services, L.L.C.	DE	AR
Asbury AR Niss L.L.C.	DE	AR
Asbury Atlanta AC L.L.C.	DE	GA
Asbury Atlanta AU L.L.C.	DE	GA
Asbury Atlanta BM L.L.C.	DE	GA
Asbury Atlanta Chevrolet L.L.C.	DE	GA
Asbury Atlanta Hon L.L.C.	DE	GA
Asbury Atlanta Inf L.L.C.	DE	GA
Asbury Atlanta Infiniti L.L.C.	DE	GA
Asbury Atlanta Jaguar L.L.C.	DE	GA
Asbury Atlanta Lex L.L.C.	DE	GA
Asbury Atlanta Nis L.L.C.	DE	GA
Asbury Atlanta Toy L.L.C.	DE	GA
Asbury Atlanta VL L.L.C.	DE	GA
Asbury Automotive Arkansas Dealership Holdings L.L.C.	DE	AR, MS
Asbury Automotive Arkansas L.L.C.	DE	AR, MS
Asbury Automotive Atlanta L.L.C.	DE	GA
Asbury Automotive Atlanta II L.L.C.	DE	GA
Asbury Automotive Brandon, L.P.	DE	FL
Asbury Automotive Central Florida, L.L.C.	DE	FL
Asbury Automotive Deland, L.L.C.	DE	FL
Asbury Automotive Fresno L.L.C.	DE	CA
Asbury Automotive Group L.L.C.	DE	CT, NJ, OR
Asbury Automotive Group, Inc.	DE	AR, FL, GA, NJ, NY, NC, PA, TX, VA
Asbury Automotive Jacksonville GP L.L.C.	DE	FL
Asbury Automotive Jacksonville, L.P.	DE	FL
Asbury Automotive Management L.L.C.	DE	NY, PA
Asbury Automotive Mississippi L.L.C.	DE	MS
Asbury Automotive North Carolina Dealership Holdings L.L.C.	DE	NC
Asbury Automotive North Carolina L.L.C.	DE	NC, SC
Asbury Automotive North Carolina Management L.L.C.	DE	NC
Asbury Automotive North Carolina Real Estate Holdings L.L.C.	DE	NC, NJ, SC, VA
Asbury Automotive Oregon L.L.C.	DE	OR
Asbury Automotive Southern California L.L.C.	DE	CA
Asbury Automotive St. Louis, L.L.C.	DE	MO
Asbury Automotive St. Louis II, L.L.C.	DE	MO
Asbury Automotive Tampa GP L.L.C.	DE	FL
Asbury Automotive Tampa, L.P.	DE	FL
Asbury Automotive Texas L.L.C.	DE	TX
Asbury Automotive Texas Real Estate Holdings L.L.C.	DE	TX
Asbury Deland Imports 2, L.L.C.	DE	FL
Asbury Fresno Imports L.L.C.	DE	CA

Entity Name	Domestic State	Foreign Qualification
Asbury Jax AC, L.L.C.	DE	FL
Asbury Jax Holdings, L.P.	DE	FL
Asbury Jax Hon, L.L.C.	DE	FL
Asbury Jax K, L.L.C.	DE	FL
Asbury Jax Management L.L.C.	DE	FL
Asbury Jax VW, L.L.C.	DE	FL
Asbury MS Chev, L.L.C.	DE	MS
Asbury MS Gray−Daniels L.L.C.	DE	MS
Asbury No Cal Niss L.L.C.	DE	CA
Asbury Sacramento Imports L.L.C.	DE	CA
Asbury SC JPV L.L.C.	DE	SC
Asbury SC Lex L.L.C.	DE	SC
Asbury SC Toy L.L.C.	DE	SC
Asbury So Cal DC L.L.C.	DE	CA
Asbury So Cal Hon L.L.C.	DE	CA
Asbury So Cal Niss L.L.C.	DE	CA
Asbury South Carolina Real Estate Holdings L.L.C.	DE	SC
Asbury St. Louis FSKR, L.L.C.	DE	MO
Asbury St. Louis Cadillac L.L.C.	DE	MO
Asbury St. Louis Lex L.L.C.	DE	MO
Asbury St. Louis LR L.L.C.	DE	MO
Asbury St. Louis M L.L.C.	DE	MO
Asbury Tampa Management L.L.C.	DE	FL
Asbury Texas D FSKR, L.L.C.	DE	TX
Asbury Texas H FSKR, L.L.C.	DE	TX
Asbury−Deland Imports L.L.C.	DE	FL
Atlanta Real Estate Holdings L.L.C.	DE	GA
Avenues Motors, Ltd.	FL	
Bayway Financial Services, L.P.	DE	FL
BFP Motors L.L.C.	DE	FL
C&O Properties, Ltd.	FL	
Camco Finance II L.L.C.	DE	NC, SC
CFP Motors, Ltd.	FL	
CH Motors, Ltd.	FL	
CHO Partnership, Ltd.	FL	
CK Chevrolet LLC	DE	FL
CK Motors LLC	DE	FL
CN Motors, Ltd.	FL	
Coggin Automotive Corp.	FL	
Coggin Cars L.L.C.	DE	FL
Coggin Chevrolet L.L.C.	DE	FL
Coggin Management, L.P.	DE	FL
CP−GMC Motors, Ltd.	FL	
Crown Acura/Nissan, LLC	NC	
Crown CHH L.L.C.	DE	NC
Crown CHO L.L.C.	DE	NC

Entity Name	Domestic State	Foreign Qualification
Crown CHV L.L.C.	DE	NC
Crown FDO L.L.C.	DE	NC
Crown FFO Holdings L.L.C.	DE	NC
Crown FFO L.L.C.	DE	NC
Crown GAC L.L.C.	DE	NC
Crown GBM L.L.C.	DE	NC
Crown GCA L.L.C.	DE	NC
Crown GDO L.L.C.	DE	NC
Crown GHO L.L.C.	DE	NC
Crown GNI L.L.C.	DE	NC
Crown GPG L.L.C.	DE	NC
Crown GVO L.L.C.	DE	NC
Crown Honda, LLC	NC	
Crown Motorcar Company L.L.C.	DE	VA
Crown PBM L.L.C.	DE	NJ
Crown RIA L.L.C.	DE	VA
Crown RIB L.L.C.	DE	VA
Crown SJC L.L.C.	DE	SC
Crown SNI L.L.C.	DE	SC
CSA Imports L.L.C.	DE	FL
Escude−NN L.L.C.	DE	MS
Escude−NS L.L.C.	DE	MS
Escude−T L.L.C.	DE	MS
Florida Automotive Services, L.L.C (f/k/a Asbury Automotive Florida, L.L.C.).	DE	FL
Southern Atlantic Automotive Services, LLC f/k/a Georgia Automotive Services, L.L.C. .	DE	GA, SC
HFP Motors L.L.C.	DE	FL
JC Dealer Systems LLC (f/k/a Dealer Profit Systems L.L.C.)	DE	FL
KP Motors L.L.C.	DE	FL
McDavid Austin−Acra, L.L.C.	DE	TX
McDavid Frisco−Hon, L.L.C.	DE	TX
McDavid Grande, L.L.C.	DE	TX
McDavid Houston−Hon, L.L.C.	DE	TX
McDavid Houston−Niss, L.L.C.	DE	TX
McDavid Irving−Hon, L.L.C.	DE	TX
McDavid Outfitters, L.L.C.	DE	TX, LA
McDavid Plano−Acra, L.L.C.	DE	TX
Mid−Atlantic Automotive Services, L.L.C.	DE	NC, SC, VA, NJ
Mississippi Automotive Services, L.L.C.	DE	MS
Missouri Automotive Services, L.L.C.	DE	MO
NP FLM L.L.C.	DE	AR
NP MZD L.L.C.	DE	AR
NP VKW L.L.C.	DE	AR
Plano Lincoln−Mercury, Inc.	DE	TX
Precision Computer Services, Inc.	FL	

Entity Name	Domestic State	Foreign Qualification
Precision Enterprises Tampa, Inc.	FL	
Precision Infiniti, Inc.	FL	
Precision Motorcars, Inc.	FL	
Precision Nissan, Inc.	FL	
Premier NSN L.L.C.	DE	AR
Premier Pon L.L.C.	DE	AR
Prestige Bay L.L.C.	DE	AR
Prestige Toy L.L.C.	DE	AR
Tampa Hund, L.P.	DE	FL
Tampa Kia, L.P.	DE	FL
Tampa LM, L.P.	DE	
Tampa Mit, L.P.	DE	
Texas Automotive Services, L.L.C.	DE	TX
Thomason Auto Credit Northwest, Inc.	OR	
Thomason Dam L.L.C.	DE	OR
Thomason Frd L.L.C.	DE	OR
Thomason Hund L.L.C.	DE	OR
Thomason Pontiac−GMC L.L.C.	DE	OR
WMZ Motors, L.P.	DE	
WTY Motors, L.P.	DE	FL

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S−8 No. 333−105450) of Asbury Automotive Group, Inc.,
(2) Registration Statement (Form S−8 No. 333−84646) of Asbury Automotive Group, Inc.,
(3) Registration Statement (Form S−8 No. 333−115402) of Asbury Automotive Group, Inc., and
(4) Registration Statement (Form S−3 No. 333−123505) of Asbury Automotive Group, Inc.;

of our reports dated February 25, 2011, with respect to the consolidated financial statements of Asbury Automotive Group, Inc. as of and for the years ended December 31, 2010 and 2009, and the effectiveness of internal control over financial reporting of Asbury Automotive Group, Inc. included in this Annual Report (Form 10−K) of Asbury Automotive Group, Inc. for the year ended December 31, 2010.

/s/ Ernst &Young LLP

Atlanta, Georgia
February 25, 2011

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333−105450, 333−84646 and 333−115402 on Form S−8 and Registration Statement Nos. 333−123505 and 333−144342 on Form S−3 of our report dated March 16, 2009 (March 1, 2010 as to the retrospective adjustments relating to the accounting for debt with conversion and other options and February 25, 2011 as to the retrospective adjustments relating to discontinued operations discussed in Note 2), relating to the consolidated financial statements of Asbury Automotive Group, Inc., and subsidiaries (which report expresses an unqualified opinion and includes explanatory paragraphs relating to (1) the existence of substantial doubt about the Company's ability to continue as a going concern, (2) the adoption of accounting principles relating to the accounting for uncertainty in income taxes as of January 1, 2007, (3) the change in method of accounting for debt with conversion and other options and (4) the retrospective adjustments to the 2008 consolidated financial statements relating to discontinued operations) appearing in this Annual Report on Form 10−K of Asbury Automotive Group, Inc. and subsidiaries for the year ended December 31, 2010.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 25, 2011

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a−14(a)/15d−14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, Craig T. Monaghan, certify that:

1. I have reviewed this annual report on Form 10−K of Asbury Automotive Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and we have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Craig T. Monaghan

Craig T. Monaghan
Chief Executive Officer
February 25, 2011

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a−14(a)/15d−14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, Craig T. Monaghan, certify that:

1. I have reviewed this annual report on Form 10−K of Asbury Automotive Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and we have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Craig T. Monaghan

Craig T. Monaghan
Principal Financial Officer
February 25, 2011

Exhibit 32.1

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

In connection with the Annual Report of Asbury Automotive Group, Inc. (the "Company") on Form 10−K for the year ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Craig T. Monaghan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes−Oxley Act of 2002, that, to the best of my knowledge:

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

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

/s/ Craig T. Monaghan

Craig T. Monaghan
Chief Executive Officer
February 25, 2011

Exhibit 32.2

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

In connection with the Annual Report of Asbury Automotive Group, Inc. (the "Company") on Form 10−K for the year ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Craig T. Monaghan, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes−Oxley Act of 2002, that, to the best of my knowledge:

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

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

/s/ Craig T. Monaghan

Craig T. Monaghan
Principal Executive Officer
February 25, 2011